

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

June 30, 2019 and 2018

OFFICERS AND DIRECTORS

Lorrie Beck	Wichita, Kansas	Chairman/Interim Treasurer
Lauren Rust	Hutchinson, Kansas	Secretary
Rev. Dr. Karen Webster	Decatur, Georgia	Director
Claude Thau	Shawnee, Kansas	Director
Dr. Kelly McFall	Wichita, Kansas	Director
Jackie Volbrecht	Marion, Kansas	Director
Alaina Garrett	Los Angeles, California	Director

* * *

Surinder Kaur Moore

Executive Director

* * *

Exempt Organization Under Internal Revenue Code Section 501(c)3

* * *

Examination by
James R. Northcutt
Certified Public Accountant
Wichita, Kansas

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

June 30, 2019 and 2018

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JAMES R. NORTHCUTT

Certified Public Accountant

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Wichita, KS 67203

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Independent Auditor's Report

The Board of Directors
Alternative Gift Markets, Inc. d/b/a
Alternative Gifts International
Wichita, Kansas

Report on the Financial Statements

I have audited the accompanying financial statements of Alternative Gift Markets, Inc. d/b/a Alternative Gifts International, which comprise the statement of financial position as of June 30, 2019, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 judgement, 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 organizations'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 organizations's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alternative Gift Markets, Inc. d/b/a Alternative Gifts International, as of June 30, 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited Alternative Gift Markets, Inc. d/b/a Alternative Gifts International's 2018 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated January 7, 2019. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



James R. Northcutt

Wichita, Kansas

January 9, 2020

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

STATEMENT OF FINANCIAL POSITION
June 30, 2019 and 2018

Exhibit "A"

	<u>ASSETS</u>	
<u>Current Assets</u>	<u>2019</u>	<u>2018</u>
Cash	\$112,928.50	\$192,142.98
Investments - mutual funds	234,302.48	225,284.89
Accounts receivable	32,635.63	4,877.25
Prepaid expenses	<u>5,834.11</u>	<u>4,905.32</u>
Total current assets	<u>\$385,700.72</u>	<u>\$427,210.44</u>
 <u>Property, Plant and Equipment</u>		
Cost	\$ 77,564.89	\$ 46,879.89
Less - accumulated depreciation	<u>(36,816.64)</u>	<u>(18,053.17)</u>
Net property, plant and equipment	<u>\$ 40,748.25</u>	<u>\$ 28,826.72</u>
 <u>Other Assets</u>		
Notes receivable	\$ 5,000.00	\$ 5,000.00
 Total Assets	 <u>\$431,448.97</u>	 <u>\$461,037.16</u>
	 <u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities</u>		
Accounts payable	\$ 2,784.61	\$ 1,683.88
Wages payable	1,591.14	1,440.63
Accrued compensated leave	1,449.77	1,372.72
Taxes and withholdings payable	2,960.42	1,736.33
Agency funds in process	3,819.43	751.04
Deferred revenue - gift cards	4,783.00	125.00
Deferred revenue - catalog fees	<u>106,400.00</u>	<u>102,600.00</u>
Total current liabilities	<u>\$123,788.37</u>	<u>\$109,709.60</u>
 <u>Net Assets</u>		
With donor restrictions	<u>\$ 7,835.17</u>	<u>\$ 15,104.69</u>
Without donor restrictions		
Designated	\$239,302.48	\$230,284.89
Undesignated	<u>60,522.95</u>	<u>105,937.98</u>
Total without donor restrictions	<u>\$299,825.43</u>	<u>\$336,222.87</u>
 Total net assets	 <u>\$307,660.60</u>	 <u>\$351,327.56</u>
 Total Liabilities and Net Assets	 <u>\$431,448.97</u>	 <u>\$461,037.16</u>

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

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

STATEMENT OF ACTIVITIES Exhibit "B"
For the Years Ended June 30, 2019 and 2018(Summarized)

<u>Public Support and Revenue</u>	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u> 2019	(Summarized) 2018
Public Support				
Contributions - gift markets	\$ 27,816.11	\$ 15,370.98	\$ 43,187.09	\$ 47,712.08
Contributions - individuals	<u>9,689.12</u>	<u>10,802.84</u>	<u>20,491.96</u>	<u>26,404.92</u>
Total gift market contributions	\$ 37,505.23	\$ 26,173.82	\$ 63,679.05	\$ 74,117.00
Legacy contributions			0.00	34,539.57
In-kind support			0.00	400.00
Other support	<u>5,060.48</u>		<u>5,060.48</u>	<u>7,679.68</u>
Total support	<u>\$ 42,565.71</u>	<u>\$ 26,173.82</u>	<u>\$ 68,739.53</u>	<u>\$116,736.25</u>
Program Service Revenue				
Catalog fees	\$ 102,600.00	\$	\$102,600.00	\$102,600.00
Other	<u>5,872.02</u>		<u>5,872.02</u>	<u>6,953.35</u>
Total program service revenue	<u>\$ 108,472.02</u>	<u>\$ 0.00</u>	<u>\$108,472.02</u>	<u>\$109,553.35</u>
Other revenue				
Investment income	\$ 13,298.38	\$	\$ 13,298.38	\$ 16,277.66
Other	<u>2,700.00</u>		<u>2,700.00</u>	<u>2,700.00</u>
Net assets released from restrictions	<u>33,443.34</u>	<u>(33,443.34)</u>	<u>0.00</u>	<u>0.00</u>
Total revenues	<u>\$ 200,479.45</u>	<u>\$ (7,269.52)</u>	<u>\$193,209.93</u>	<u>\$245,267.26</u>
<u>Expenses</u>				
Personnel	\$ 97,598.23	\$	\$ 97,598.23	\$ 93,630.74
Managed program expenditures	26,080.22		26,080.22	21,179.18
Prior year managed programs	7,363.12		7,363.12	35,279.44
Contract services	20,080.00		20,080.00	10,522.86
Depreciation	18,763.47		18,763.47	1,254.40
Other costs	<u>63,165.21</u>		<u>63,165.21</u>	<u>64,924.50</u>
Total expenses	<u>\$ 233,050.25</u>	<u>\$ 0.00</u>	<u>\$233,050.25</u>	<u>\$226,791.12</u>
Change in net assets	\$ (32,570.80)	\$ (7,269.52)	\$(39,840.32)	\$ 18,476.14
<u>Other changes in net assets</u>				
Unrealized gain(loss) in investments	(3,826.64)		(3,826.64)	5,718.00
Net assets - beginning of year	<u>336,222.87</u>	<u>15,104.69</u>	<u>351,327.56</u>	<u>327,133.42</u>
Net Assets - End of Year	<u>\$ 299,825.43</u>	<u>\$ 7,835.17</u>	<u>\$307,660.60</u>	<u>\$351,327.56</u>

The accompanying notes to financial statements are an integral part of these statements.

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2019 and 2018(Summarized)

Exhibit "C"

	Program Services	Supporting Services		Totals 2019	(Summarized) 2018
		Management and General	Fundraising		
<u>Personnel</u>					
Salaries and wages	\$ 66,533.65	\$15,644.45	\$ 734.59	\$ 82,912.69	\$ 82,143.69
Payroll taxes	5,095.45	1,270.01	57.14	6,422.60	6,415.84
Employee benefits	<u>6,685.83</u>	<u>1,514.51</u>	<u>62.60</u>	<u>8,262.94</u>	<u>5,071.21</u>
Total personnel	<u>\$ 78,314.93</u>	<u>\$18,428.97</u>	<u>\$ 854.33</u>	<u>\$ 97,598.23</u>	<u>\$ 93,630.74</u>
<u>Managed Program Expenditures</u>					
Current year funds	\$ 26,080.22	\$	\$	\$ 26,080.22	\$ 21,179.18
Prior year funds	<u>7,363.12</u>			<u>7,363.12</u>	<u>35,279.44</u>
Total managed program costs	<u>\$ 33,443.34</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 33,443.34</u>	<u>\$ 56,458.62</u>
<u>Contractual Services</u>					
Financial	\$ 2,137.50	\$ 2,517.50	\$ 95.00	\$ 4,750.00	\$ 4,750.00
In-kind professional fees				0.00	400.00
Other contract services	<u>8,823.50</u>	<u>6,269.90</u>	<u>236.60</u>	<u>15,330.00</u>	<u>5,372.86</u>
Total contractual services	<u>\$ 10,961.00</u>	<u>\$ 8,787.40</u>	<u>\$ 331.60</u>	<u>\$ 20,080.00</u>	<u>\$ 10,522.86</u>
<u>Depreciation</u>	<u>\$ 17,520.41</u>	<u>\$ 374.93</u>	<u>\$ 868.13</u>	<u>\$ 18,763.47</u>	<u>\$ 1,254.40</u>
<u>Other Costs</u>					
Training	\$ 676.32	\$	\$	\$ 676.32	\$ 161.00
Auto and travel	249.33	157.91	8.31	415.55	153.67
Shipping and postage	2,781.87	398.94	98.18	3,278.99	6,518.69
Office supplies	1,409.77	192.24		1,602.01	1,491.54
Printing	12,784.71		395.40	13,180.11	15,560.19
Advertising	3,865.95			3,865.95	313.77
Licenses and dues	3,443.37	181.23		3,624.60	5,240.99
Telephone and internet	4,414.87	623.27	155.82	5,193.96	6,588.47
Repairs and maintenance	1,372.95	322.05		1,695.00	641.24
Insurance	2,194.91	1,403.30		3,598.21	3,488.44
Software maintenance	1,050.97	246.53		1,297.50	544.62
Equipment rental	3,143.55	737.38		3,880.93	3,725.75
Minor equipment	156.13	36.62		192.75	
Bank fees/credit card fees	3,640.35	72.47	150.51	3,863.33	3,696.13
Office rent	<u>15,960.00</u>	<u>840.00</u>		<u>16,800.00</u>	<u>16,800.00</u>
Total other costs	<u>\$ 57,145.05</u>	<u>\$ 5,211.94</u>	<u>\$ 808.22</u>	<u>\$ 63,165.21</u>	<u>\$ 64,924.50</u>
Total Expenses - 2019	<u>\$197,384.73</u>	<u>\$32,803.24</u>	<u>\$ 2,862.28</u>	<u>\$233,050.25</u>	<u>\$226,791.12</u>
Total Expenses - 2018	<u>\$196,312.98</u>	<u>\$28,519.63</u>	<u>\$ 1,958.51</u>	<u>\$226,791.12</u>	

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

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2019 and 2018

Exhibit "D"

<u>Cash Flows from Operating Activities</u>	<u>2019</u>	<u>2018</u>
Cash received from agency funds donations	\$316,277.04	\$366,768.36
Cash received from managed programs and program service fees	160,611.17	197,543.58
Cash paid from agency funds donations	(313,208.65)	(371,998.48)
Cash paid for managed programs and program costs	(212,663.19)	(225,049.59)
Legacy contributions received	0.00	34,539.57
Investment returns received	13,298.38	16,277.66
Interest paid	<u>(0.00)</u>	<u>(0.00)</u>
Net cash provided(used) by operating activities	<u>\$ (35,685.25)</u>	<u>\$ 18,081.10</u>
 <u>Cash Flows from Investing Activities</u>		
Purchase of property and equipment	\$ (30,685.00)	\$ (2,597.04)
Change in investments	<u>(12,844.23)</u>	<u>(15,737.46)</u>
Net cash provided(used) by investing activities	<u>\$ (43,529.23)</u>	<u>\$ (18,334.50)</u>
 <u>Cash Flows from Financing Activities</u>		
	\$ 0.00	\$ 0.00
Net increase(decrease) in cash	\$ (79,214.48)	\$ (253.40)
Cash at beginning of year	<u>192,142.98</u>	<u>192,396.38</u>
Cash at End of Year	<u>\$112,928.50</u>	<u>\$192,142.98</u>
 <u>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities</u>		
Change in net assets	\$ (43,666.96)	\$ 24,194.14
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	18,763.47	1,254.40
Unrealized (gain)loss on investments	3,826.64	(5,718.00)
(Increase)decrease in receivables	(27,758.38)	23.55
(Increase)decrease in prepaid expenses	(928.79)	(177.56)
Increase(decrease) in deferred revenue	8,458.00	3,070.00
Increase(decrease) in agency funds payable	3,068.39	(5,230.12)
Increase(decrease) in payables	<u>2,552.38</u>	<u>664.69</u>
Cash Provided(Used) by Operating Activities	<u>\$ (35,685.25)</u>	<u>\$ 18,081.10</u>

Supplemental Schedule of Non-Cash Investing and Financing Activities
None

The accompanying notes to financial statements
are an integral part of these statements.

ALTERNATIVE GIFT MARKETS, INC.
d/b/a
ALTERNATIVE GIFTS INTERNATIONAL
Wichita, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Organization

Alternative Gift Markets, Inc. Was organized as a non-profit corporation registered in the State of California and as a charitable organization registered to solicit donations in the State of Kansas. Effective April 3, 2017, the organization domesticated to the State of Kansas. The organization's mission is to inspire support for humanitarian and environmental causes through the sponsorship of alternative gift markets and direct donations which let donors designate donations which are used for global relief and development.

Method of Accounting

The accrual method of accounting is used in all material respects. The net assets of the organization are reported as either restricted or unrestricted, in accordance with Statement of Financial Accounting Standards No. 117.

Cash

The organization considers all highly liquid debt instruments purchases with a maturity of three months or less to be cash.

Accounts Receivable

Accounts receivable generally represent unpaid catalog fees. The organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is presented.

Investments

Investments in mutual funds which have a readily determinable market value are carried at fair value. Mutual fund investment fees have been netted to realized investment income.

Property and Equipment

Property and equipment is recorded at cost. When individual items are sold or disposed of, the related cost and accumulated depreciation is removed and the resulting gain or loss is included in the results of operations. The straight line method is used in computing depreciation based on the useful lives of the individual assets. Major repairs are capitalized, other maintenance and repair items are expensed as incurred.

Compensated Absences

The organization records a liability for compensated absences based upon unused leave hours accumulated.

Income Taxes

The organization operates as a tax exempt organization under Internal Revenue Service section 501(c)3. Consequently, no provision has been recorded for federal or state income taxes. The Internal Revenue Service has classified the organization as not a private foundation.

The organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

NOTES TO FINANCIAL STATEMENTS - CONT.

1. Summary of Significant Accounting Policies - cont.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use has been limited by donors to a specific use.

Revenue Recognition

The organization collects deposits from participating organizations who wish to be included in the alternative gift catalog. Revenue collected is deferred until the catalog is printed and distributed during the subsequent fiscal year. The organization also retains ten percent of the receipts from the gift markets to offset operating expenses.

Contributions

Unconditional promises to give cash and other assets are recorded at estimated fair value as of the date the promise is received. Contributions with donor stipulations are recorded as donor restricted support. Contributions from gift markets and individuals are recognized when received.

Agency Funds

Donations designated to participating charitable organizations from the gift markets and individuals are treated as agency receipts. The subsequent payment of these receipts are treated as agency payments. These funds are accumulated to and paid from the associated liability account.

2. Property and Equipment

A summary of property and equipment is as follows:

	<u>2019</u>	<u>2018</u>
Furnishings and equipment	\$ 24,464.89	\$ 20,329.89
Website development	<u>53,100.00</u>	<u>26,550.00</u>
Total Property and Equipment	<u>\$ 77,564.89</u>	<u>\$ 46,879.89</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$18,763.47 and \$1,254.40, respectively.

3. Pension Plan

The organization sponsors a SEP defined contribution retirement plan for all eligible employees opting to participate. Qualified employees are eligible for an employer contribution currently set at eight percent(8%) of salary. Additional elective deferrals are not permitted. Retirement expense for the years ended June 30, 2019 and 2018 was \$6,255.26 and \$4,232.05, respectively.

4. Board Designated Net Assets

The Board of Directors has designated unrestricted net assets for the following purpose at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Operations and contingencies	<u>\$239,302.48</u>	<u>\$230,284.89</u>

NOTES TO FINANCIAL STATEMENTS - CONT.5. Investments Returns

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Total interest and dividend income		
received from all sources	\$13,298.38	\$15,873.11
Net realized and gains(losses)	<u>0.00</u>	<u>404.55</u>
Investment gain per Statement of Activities	\$13,298.38	\$16,277.66
Net unrealized gains(losses)	<u>(3,826.64)</u>	<u>5,718.00</u>
Total Investment Gains(Losses)	<u>\$ 9,471.74</u>	<u>\$21,995.66</u>

6. Net Assets With Donor Restrictions

Net assets are temporarily restricted for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Young Peace Builders	\$ 6,378.83	\$ 6,349.13
Pantry/shelter	1,238.03	3,932.44
Meeting Global Needs	<u>218.31</u>	<u>4,823.12</u>
Total Temporarily Restricted Net Assets	<u>\$ 7,835.17</u>	<u>\$15,104.69</u>

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

7. Volunteer Services

The organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the organization with operating local gift markets and with office tasks, but these services do not meet the criteria for recognition as contributed services. For the years ended June 30, 2019 and 2018, management estimates individuals performed approximately 8,900 and 7,500 volunteer hours for the organization, respectively.

8. Joint Fund-Raising Costs

The organization incurred joint fund-raising costs for the "Gifts Inspiring Change" catalog. The organization allocated joint costs as follows for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Program expense	\$12,784.71	\$15,093.38
Fund-raising costs	<u>395.40</u>	<u>466.81</u>
Total Joint Fund-Raising Costs	<u>\$13,180.11</u>	<u>\$15,560.19</u>

9. Concentrations of Credit Risk

The organization grants credit to participant organizations for payment of catalog fees.

As of June 30, 2019 and 2018, the organization had cash balances with its main bank totaling \$263,936.98 and \$373,013.59, respectively. Deposit amounts are only insured to \$250,000.00 by the FDIC.

NOTES TO FINANCIAL STATEMENTS - CONT.10. Fair Values of Financial Instrument

The organization's financial instruments, none of which are held for trading purposes, include mutual fund investments and a note receivable. The organization estimates that the fair value of all financial instruments at June 30, 2019 and 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

11. Agency Funds

Alternative Gifts International, Inc. (AGI) receives donations from alternative gift markets operated by the sponsoring organizations and from individuals. The donations are designated by the donors to a particular charity as listed in the catalog. AGI does not control these individual designations nor have any control over these charitable organizations. Consequently, AGI treats these receipts and disbursements as agency transactions, reflecting the financial activity through the associated liability account. Appropriately, these receipts and disbursements are reported as cash flows from operating activities on the Statement of Cash Flows but are not reported on the Statement of Activities. The balance of agency payments in process were paid in full subsequent to the end of the fiscal year. A summary of agency transactions for the years ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Agency receipts	<u>\$316,277.04</u>	<u>\$366,768.36</u>
Agency payments	<u>\$313,208.65</u>	<u>\$371,998.48</u>

12. Liquidity and Availability of Financial Assets

The following reflects the organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts also not available include amounts set aside for long-term investing in the mutual fund account that could be drawn upon if the governing board approves that action.

	<u>2019</u>	<u>2018</u>
Financial assets at year end	\$ 384,866.61	\$ 427,305.12
less those unavailable for general expenditures within one year, due to:		
Restricted net assets	(7,835.17)	(15,104.69)
Board designated funds	<u>(239,302.48)</u>	<u>(230,284.89)</u>
Financial Assets Available to Meet Cash Needs		
For General Expenditure Within One Year	<u>\$ 137,728.96</u>	<u>\$ 181,915.54</u>

The organization is primarily supported by program service revenue consisting of catalog fees charged to participating organizations and a percentage of donations received from gift markets. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. 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. There is a fund (designated investment account) established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTES TO FINANCIAL STATEMENTS - CONT.

13. Adoption of New Accounting Standard

For the year ended June 30, 2019, the organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires changes in reporting net asset classifications as well as additional reporting of financial assets and liquidity.

14. Evaluation of Subsequent Events

The organization has evaluated subsequent events through January 9, 2020 which is the date the financial statements were available to be issued.

15. Prior Period Presentation

Some prior year balances are presented on a summarized basis for the purpose of additional analysis but are not in all instances presented in accordance with generally accepted accounting principles.