COLORADO FOURTEENERS INITIATIVE

Financial Statements As Of December 31, 2018
(With Summarized Financial Information For
The Year Ended December 31, 2017)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Colorado Fourteeners Initiative:

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado Fourteeners Initiative ("CFI"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2018, 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Colorado Fourteeners Initiative as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note 2, CFI adopted the Financial Accounting Standards Board's Accounting Standards update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Reporting on Summarized Comparative Information

We have previously audited CFI's December 31, 2017, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

April 12, 2019

COLORADO FOURTEENERS INITIATIVE

Statement Of Financial Position
As Of December 31, 2018
(With Summarized Financial Information As Of December 31, 2017)

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 854,923	$ 518,356
Accounts receivable	2,680	8,778
Promises to give	41,730	27,929
Investments	158,340	135,963
Prepaid expenses	9,307	12,404
Total Current Assets	1,066,980	703,430
Long Term Assets:		
Investments	28,388	40,735
Promises to give	4,000	5,000
Property and equipment, net	107,773	116,612
Land	46,014	46,014
Total Long Term Assets	186,175	208,361
TOTAL ASSETS	$ 1,253,155	$ 911,791
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 8,278	$ 2,846
Accrued liabilities	72,214	62,632
Total Current Liabilities	80,492	65,478
Net Assets:		
Without donor restrictions -		
Undesignated	671,756	559,905
Board designated - reserve fund	113,528	111,079
Total Without Donor Restrictions	785,284	670,984
With donor restrictions	387,379	175,329
Total Net Assets	1,172,663	846,313
TOTAL LIABILITIES AND NET ASSETS	$ 1,253,155	$ 911,791

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

COLORADO FOURTEENERS INITIATIVE

Statement Of Activities
For The Year Ended December 31, 2018
(With Summarized Financial Information For The Year Ended December 31, 2017)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
Support And Revenue:				
Individual contributions	$ 480,343	$ 19,783	$ 500,126	$ 501,187
Federal, state, and local government grants	460,102	13,415	473,517	374,620
Foundation grants	227,089	304,288	531,377	304,003
Corporate contributions	84,125	23,204	107,329	87,570
Other income	6,576		6,576	4,355
	1,258,235	360,690	1,618,925	1,271,735
Net assets released from restrictions- Satisfaction of program restrictions	148,640	(148,640)		
Total Support And Revenue	1,406,875	212,050	1,618,925	1,271,735
Expenses:				
Program Services -				
Field projects and education	1,044,798		1,044,798	915,325
Supporting Services -				
General administration	127,827		127,827	115,882
Fundraising	119,950		119,950	100,402
Total Supporting Services	247,777		247,777	216,284
Total Expenses	1,292,575		1,292,575	1,131,609
CHANGES IN NET ASSETS	114,300	212,050	326,350	140,126
Net Assets, Beginning Of Year	670,984	175,329	846,313	706,187
NET ASSETS, END OF YEAR	$ 785,284	$ 387,379	$ 1,172,663	$ 846,313

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

COLORADO FOURTEENERS INITIATIVE

Statement Of Functional Expenses
For The Year Ended December 31, 2018
(With Summarized Financial Information For the Year Ended December 31, 2017)

	Program Services	General Admin.	Fundraising	2018 Total	2017 Total
Salaries benefits and taxes	$ 673,332	$ 99,036	$ 89,226	$ 861,594	$ 773,842
Field expenses	235,637			235,637	190,778
Development and marketing	23,258	1,869	11,259	36,386	32,097
Videos	15,522			15,522	4,575
Printing and copying	6,237	549	585	7,371	40
Professional fees	4,437	7,659		12,096	16,620
Computer expenses	2,840	217	4,208	7,266	7,875
Insurance	15,093	615	651	16,359	14,437
Office equipment and supplies	2,151	555	588	3,294	2,111
Postage	458	60	2,826	3,343	4,778
Rent	22,840	5,974	6,325	35,139	30,599
Telephone	4,238	916	790	5,944	6,634
Travel and lodging	2,415	895	843	4,154	8,572
Other office expense	4,148	9,160	2,308	15,617	15,770
Depreciation	32,191	322	341	32,853	22,881
Total	$ 1,044,798	$ 127,827	$ 119,950	$ 1,292,575	$ 1,131,609

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

COLORADO FOURTEENERS INITIATIVE

Statement Of Cash Flows
For The Year Ended December 31, 2018
(With Summarized Financial Information For The Year Ended December 31, 2017)

	2018	2017
Cash flows from operating activities:		
Changes in net assets	$ 326,350	$ 140,126
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,853	22,881
Donated equipment		(8,500)
Changes in operating assets and liabilities -		
Decrease in accounts receivable	6,098	24,051
(Increase) decrease in promises to give	(12,801)	9,407
(Increase) decrease in prepaid expenses	3,097	(4,810)
Increase in accounts payable	5,432	1,352
Increase in accrued liabilities	9,582	1,222
(Decrease) in deferred revenue		(1,222)
Net cash provided by operating activities	370,611	184,507
Cash flows from investing activities:		
Purchases of property and equipment	(24,014)	(90,594)
Purchases of land		(13,347)
Purchases of investments	(969,628)	(283,964)
Sale of investments	959,598	453,638
Net cash provided by (used in) investing activities	(34,044)	65,733
Cash flows from financing activities:		
Proceeds from notes payable	35,000	35,000
Payments on notes payable	(35,000)	(35,000)
Net cash provided by financing activities	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	336,567	250,240
Cash and Cash Equivalents, Beginning Of Year	518,356	268,116
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 854,923	$ 518,356

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

(1) **Nature Of Organization**

Colorado Fourteeners Initiative ("CFI") began in 1994 as a joint effort of the US Forest Service and four Colorado-based non-profit organizations involved in mountain recreation and conservation activities. CFI was incorporated as an independent non-profit organization in Colorado in July 1996. The mission of CFI is to protect, preserve, restore and enhance the natural integrity of the state's 14,000-foot peaks through volunteer stewardship and public education. CFI accomplishes its mission through design, construction and maintenance of sustainably located summit trails, restoration of damaged alpine terrain and education of Fourteener climbers regarding how they can minimize their impacts on fragile alpine ecosystems. Revenues are derived primarily through contributions and government grants.

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

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

Basis Of Presentation

The financial statements of CFI have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require CFI to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CFI's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CFI or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to CFI's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use Of Estimates

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

Statement Of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents consists of demand deposits, and all highly liquid debt instruments with an original maturity of three months or less.

Accounts Receivable

CFI uses the allowance method to record uncollectible accounts. The allowance is based on past experience and on specific analysis of the collectibility of individual accounts receivable. Management expects all accounts receivable will be fully collectible, accordingly, there is no allowance for doubtful accounts. CFI's policy is to charge off accounts receivable when collection of payments thereon is deemed to be improbable.

Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management expects that all promises to give will be fully collectible, accordingly, there is no allowance for uncollectible promises to give.

Promises to give are recorded at net realizable value if expected to be collected within one year and at estimated fair value if expected to be collected in more than one year. As of December 31, 2018, there was no material difference between the present value of the promises to give and the amount recorded in the financial statements which is at face value.

Property And Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives ranging from five to ten years. Donated property and equipment are recorded at their estimated fair market value at the date of receipt. Expenditures for maintenance, repairs and minor replacements are charged to operations and expenditures for major replacements and betterments that exceed $500 are capitalized.

Fair Value Measurements

CFI follows accounting rules for fair value measurements which among other things require enhanced disclosures about investments that are measured and reported at fair value and establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CFI has the ability to access.

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

Treasury bills: The fair value of the treasury bills is based on amortized cost or original cost plus accrued interest.

Exchange-Traded Funds (ETF): Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CFI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The carrying amount reported in the statement of financial position for cash and equivalents, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Donated Goods and Services

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at estimated fair market value at the time of the donation.

Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of CFI and therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, rent, and office expense which are allocated on the basis of the estimate of time and effort. Other costs such as computer expenses, depreciation, printing and copying, and telephone that include both direct and indirect charges are first charged to the direct function and then indirect charges are allocated based on time and effort for non-seasonal employees.

Prior-Year Amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CFI's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Adoption of New Accounting Pronouncement

For the year ended December 31, 2018, CFI adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update 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 between not-for-profit entities. The change required by the update have been applied retrospectively to all periods presented. A key change required by ASU No. 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported changes in net assets.

Subsequent Events

CFI has performed an evaluation of subsequent events through April 12, 2019, which is the date the financial statements were available to be issued and considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Tax Exempt Status

CFI has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, CFI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

CFI follows *Accounting for Uncertainty in Income Taxes*, which requires CFI to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2018, CFI's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

CFI is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years prior to 2015. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, management believes no material issues would arise.

(4) Promises to Give

Promises to give consisted of the following as of December 31, 2018:

Receivables due in less than one year	$ 41,730
Receivables due in one to five years	4,000
	$ 45,730

Conditional Promises to Give

During the year ended December 31, 2018, CFI was awarded a three year grant in the amount of $210,000 from the Gates Family Foundation. As of December 31, 2018, the Foundation had recognized $70,000 of the total award. The remaining $140,000 is contingent upon CFI's ability to raise 4:1 matching funds to support trail construction and the development of an operations base near Twin Lakes. Accordingly, this amount has not been recognized in the financial statements as of December 31, 2018.

(5) Property And Equipment

Property and equipment consisted of the following as of December 31, 2018:

Office furniture and equipment	$ 28,699
Field equipment	272,709
	301,408
Less: accumulated depreciation	(193,635)
Net property and equipment	$ 107,773

(6) Land

In 2016, CFI purchased two mining claims adjacent to the summit of Mt. Shavano near Salida, CO. In 2017, CFI purchased a third mining claim that contains the mountain's summit. Total land costs as of December 31, 2018, were $46,014.

(7) Long Term Debt

CFI has a revolving line of credit with a financial institution with a maximum line of $60,000. The line of credit bears interest at the prime rate plus 1.75%. As of December 31, 2018, the effective interest rate was 7.00% and no amounts were outstanding on the line. During 2018, there were no advances.

During the year ended December 31, 2018, CFI entered into a note agreement with a private organization for an amount of $35,000 with a 6% per annum interest rate. The note was repaid prior to year end.

(8) Contingency

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, CFI may be required to refund amounts to the federal government. As of December 31, 2018, management believes there is no significant risk of such event occurring.

(9) Operating Lease Commitment

CFI entered into an operating leases for office space for its administrative office. Future minimum rental payments under this lease as of December 31, 2018, are due as follows:

Year Ending December 31:	
2019	32,642
2020	33,621
2021	14,181
	$ 80,444

For the year ended December 31, 2018, rent expense was $35,139.

(10) Liquidity and Availability of Financial Assets

The following represents the CFI's financial assets as of December 31, 2018:

Financial assets, at year end	
Cash and cash equivalents	$ 854,923
Accounts receivable	2,680
Short-term promises to give	41,730
Investments	186,728
Total financial assets	1,086,061
Less those unavailable for general expenditures within one year due to:	
Long-term investments	(28,388)
Net assets with donor restrictions	(54,735)
Board designated reserve fund	(113,528)
Financial assets available to meet cash needs for general expenditures within one year	$ 889,410

CFI's goal is generally to maintain financial assets to meet 90 days of operating expenses. Because of the seasonal nature of CFI's expenses, this ranges from approximately $250,000 in the winter months to $600,000 in the summer. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. CFI has a $60,000 line of credit available to meet cash flow needs.

(11) Investments And Concentrations Of Credit Risk

The following table presents CFI's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasury bills	$ 116,489	$	$	$ 116,489
Certificates of deposit	68,321			68,321
ETF - U.S. Broad Market	1,918			1,918
Total	$ 186,728	$	$	$ 186,728

CFI's cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of December 31, 2018, CFI's cash demand deposits were over this FDIC limit by approximately $561,000.

(12) Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2018 consisted of the following:

Subject to expenditure for specified purpose:	
Adopt-A-Peak program	$ 27,204
Adopt-A-Peak intern	57,592
Mount Columbia	101,000
Safety videos	5,000
New truck	15,000
Lake City Fourteeners	60,000
Capital trail construction	56,000
Collaborative stewardship	36,000
Capacity building	11,057
	368,853
Subject to the passage of time:	
For periods after December 31, 2018	18,526
Total net assets with donor restrictions	$ 387,379

(13) Donated Goods and Services

CFI receives a substantial amount of donated services and expenses by unpaid volunteers. The value of this contributed time and expense is not reflected in the accompanying financial statements as it does not meet the requirements for recognition; however, these amounts are estimated based on rates earned by persons performing similar services as published by an association of volunteer groups and/or as determined by prevailing labor costs in the respective industry. The value of the donated services as estimated by CFI was approximately $460,562 and included 17,198 volunteer hours for the year ended December 31, 2018.

Donated goods and services that met the revenue recognition criteria amounted to $20,166 and $3,824 as of December 31, 2018, respectively.

(14) **Joint Costs Of Informational Materials And Activities**

CFI is required to record the costs of certain activities as fundraising or general administrative expenses, rather than recording all the costs to various programs of CFI.

During the year ended December 31, 2018, CFI conducted activities that included requests for contributions, as well as program and general administrative components. The costs of conducting those activities included a total of $24,274 in joint costs which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

Programs - Field projects and education	$ 19,614
General administration	1,869
Fundraising	2,791
	$ 24,274

(15) **Retirement Plan**

During the year ended December 31, 2011, CFI established a defined contribution plan (the "Plan") for all employees who receive greater than $5,000 of compensation during the year and have attained two years of service. Under the terms of the Plan, CFI will match 3% of eligible compensation or make a 2% discretionary contribution in place of the match. For the year ended December 31, 2018, CFI made contributions of $15,104 to the Plan.

(16) **New Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method.

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers* (Topic 606), which deferred the effective date of the new revenue recognition standard for one year. The new standard is effective for CFI for the year ending December 31, 2019. Early application is permitted for CFI. CFI is evaluating the effect that ASU No. 2015-14 will have on its financial statement and related disclosures.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how entities will determine whether to account for a transfer off assets as an exchange transaction or a contribution. The distinction is important because contributions are accounted for under Accounting Standards Codification (ASC) 958-605, *Not-For-Profit Entities* - Revenue Recognition, which exchange transactions are accounted for under other guidance such as ASC 606, *Revenue from Contracts with Customers*. The guidance also clarifies how entities will determine whether a contribution is conditional. The timing of revenue and expense recognition depends upon whether a contribution is conditional or unconditional. The new standard is effective for CFI for the year ending December 31, 2019. Early adoption is permitted. CFI is evaluating the effect that ASU No. 2018-08 will have on its financial statements and related disclosures.

In December of 2018, FASB issued ASU No. 2018-20, *Leases*. ASU No. 2018-20 which requires CFI to recognize all leased assets as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosure as to the nature and extent of leasing activities. The requirements of this statement are effective for CFI's year ending December 31, 2020. CFI has not evaluated the impact due to the timing of implementation of this standard.