Positive Futures Network dba YES! Media

Financial Statements with
Independent Auditor's Report

Years Ended December 31, 2021 and 2020

Larson Gross

Positive Futures Network dba YES! Media

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Larson Gross

Independent Auditor's Report

To the Board of Directors
Positive Futures Network dba YES! Media
Bainbridge Island, Washington

Opinion

We have audited the accompanying financial statements of Positive Futures Network dba YES! Media (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Positive Futures Network dba YES! Media as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Positive Futures Network dba YES! Media and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Positive Futures Network dba YES! Media as of December 31, 2020, were audited by other auditors whose report dated July 29, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Positive Futures Network dba YES! Media's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Positive Futures Network dba YES! Media's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Positive Futures Network dba YES! Media's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Larson Gross PLLC

Bellingham, Washington
July 26, 2022

Positive Futures Network dba YES! Media

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 2,137,933	$ 1,440,677
Certificates of deposit	225,676	-
Grants receivable	586,314	550,000
Contributions receivable	109,302	187,172
Inventory	46,139	27,439
Total current assets	3,105,364	2,205,288
Noncurrent assets		
Certificate of deposit	-	124,862
Grants receivable, noncurrent, net of discount	49,500	194,357
Contributions receivable, noncurrent, net of discount	73,500	88,700
Software and development costs, net	115,145	187,261
Total assets	$ 3,343,509	$ 2,800,468
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 27,541	$ 52,837
Accrued payroll	57,624	49,148
Subscription contract liability	349,251	401,067
Note payable, current portion	-	71,608
Total current liabilities	434,416	574,660
Note payable, net of current portion	-	248,092
Total liabilities	434,416	822,752
Net assets		
Without donor restrictions		
Undesignated	1,123,587	232,623
Board-designated	1,187,006	725,036
Total net assets without donor restrictions	2,310,593	957,659
With donor restrictions	598,500	1,020,057
Total net assets	2,909,093	1,977,716
Total liabilities and net assets	$ 3,343,509	$ 2,800,468

Positive Futures Network dba YES! Media

Statements of Activities

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenue						
Grants	$ 248,896	$ 330,643	$ 579,539	$ 312,818	$ 651,800	$ 964,618
Contributions	2,390,776	75,500	2,466,276	1,535,571	132,600	1,668,171
Subscriptions	675,128	-	675,128	472,786	-	472,786
Other income	8,063	-	8,063	5,060	-	5,060
Net assets released from restrictions	827,700	(827,700)	-	735,974	(735,974)	-
Total support and revenue	4,150,563	(421,557)	3,729,006	3,062,209	48,426	3,110,635
Expenses						
Program services	2,293,220	-	2,293,220	2,100,386	-	2,100,386
Management and general	183,114	-	183,114	215,979	-	215,979
Fundraising	321,295	-	321,295	324,815	-	324,815
Total expenses	2,797,629	-	2,797,629	2,641,180	-	2,641,180
Change in net assets	1,352,934	(421,557)	931,377	421,029	48,426	469,455
Net assets – beginning of year	957,659	1,020,057	1,977,716	536,630	971,631	1,508,261
Net assets – end of year	$ 2,310,593	$ 598,500	$ 2,909,093	$ 957,659	$ 1,020,057	$ 1,977,716

Positive Futures Network dba YES! Media

Statements of Functional Expenses

Years Ended December 31, 2021

	2021				2020			
	Program Services	**Management and General**	**Fund-raising**	**Total**	**Program Services**	**Management and General**	**Fund-raising**	**Total**
Salaries and wages	$1,223,184	$ 84,089	$138,445	$1,445,718	$1,201,866	$ 138,853	$121,895	$1,462,614
Payroll taxes	80,713	14,769	16,548	112,030	88,880	10,268	9,015	108,163
Benefits	151,469	20,977	21,759	194,205	144,233	16,664	14,628	175,525
Total payroll	1,455,366	119,835	176,752	1,751,953	1,434,979	165,785	145,538	1,746,302
Content and marketing creation and delivery	525,114	2,800	62,364	590,278	444,480	-	38,699	483,179
Outside services and professional fees	107,512	39,405	28,502	175,419	57,583	27,148	83,685	168,416
Office and occupancy	81,818	5,423	8,954	96,195	87,160	6,055	5,315	98,530
Amortization	67,596	1,696	2,824	72,116	62,194	-	9,923	72,117
Bank fees	13,534	13,951	39,695	67,180	13,990	16,991	32,352	63,333
Staffed events	42,280	4	13	42,297	-	-	-	-
Other fundraising fees	-	-	2,191	2,191	-	-	9,303	9,303
Total expenses	$2,293,220	$ 183,114	$321,295	$2,797,629	$2,100,386	$ 215,979	$324,815	$2,641,180

Positive Futures Network dba YES! Media

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 931,377	$ 469,455
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	72,116	72,117
Forgiveness of Paycheck Protection Program Loan	(319,700)	-
(Increase) decrease in assets		
Grants receivable	108,543	(39,800)
Contributions receivable	93,070	(8,798)
Inventory	(18,700)	(9,352)
Prepaid rent	-	9,600
Deposit	-	8,000
Increase (decrease) in liabilities		
Accounts payable	(25,296)	18,579
Accrued payroll	8,476	(11,077)
Subscription contract liability	(51,816)	37,398
Net cash provided by operating activities	798,070	546,122
Cash flows from investing activities		
Changes in certificates of deposit	(100,814)	113,991
Purchase of software and website development	-	(20,000)
Net cash (used) provided by investing activities	(100,814)	93,991
Cash flows from financing activities		
Borrowing on note payable	-	319,700
Net cash provided by financing activities	-	319,700
Net change in cash and cash equivalents	697,256	959,813
Cash and cash equivalents – beginning of year	1,440,677	480,864
Cash and cash equivalents – end of year	$ 2,137,933	$ 1,440,677

Note 1 – Summary of Significant Accounting Policies

Nature of activities – Positive Futures Network dba YES! Media (the Organization) is a Washington State nonprofit corporation. The Organization is an independent publisher of solutions journalism. Through rigorous reporting on the positive ways that communities are responding to social problems, and insightful commentary that sparks constructive discourse, the Organization inspires people to build a just, sustainable, and compassionate world. Founded in 1996, the Organization helped drive the modern “solutions journalism” movement, covering the communities, ideas, and initiatives working to build a better world. The Organization is ad free and reader supported, funded by subscriptions and donations from individuals and foundations. It is nonpartisan and governed by the Board of Directors made up of journalists, issue experts, and community leaders.

The Organization publishes a quarterly print magazine and multiple channels of daily online content and produces live virtual events. A fast-growing network of partnerships with other media and value-aligned organizations is expanding its reach. The Organization for Teachers provides free classroom ready materials for teaching about social and climate justice to middle schools, high schools, and universities across the country.

Basis of accounting – The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

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

> *Net assets without donor restrictions* – Support received that is not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control (see Note 6).
>
> *Net assets with donor restrictions* – Support received that is subject to donor-imposed restrictions or time restrictions that will be met either through actions of the Organization or by passage of time are classified as net assets with donor restrictions. This includes donor-imposed restrictions stipulating that assets be invested in perpetuity. In accordance with purposes stipulated by donors, earnings from such assets may be classified as net assets without donor restrictions or net assets with donor restrictions. Net assets with donor restrictions at December 31, 2021 and 2020, are all restricted for time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Restricted net assets are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose of restrictions. When donor restrictions are met during the same period that the contribution is received, the contribution is recorded as without donor restrictions.

Note 1 – Summary of Significant Accounting Policies – (Continued)

Cash and cash equivalents – The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Organization has not experienced any losses in this account, and management does not believe it is exposed to any significant credit risk.

Certificates of deposit – Certificates of deposit are recorded at cost plus accrued interest. The certificates of deposit mature in November 2022.

Grants and contributions receivable – Grants and contributions receivable (receivables) are recorded at their net realizable value. Net realizable value is equal to the gross amount of receivables less an estimated allowance for doubtful accounts. Management of the Organization bases its estimate of doubtful accounts on several factors. These factors include the Organization's prior experience collecting receivables, the aging of the receivables at year end, the debtor's ability to repay the amount owed, and management's appraisal of current economic conditions. The Organization considers all receivables collectible; thus, no allowance has been established for doubtful accounts.

Receivables from four and two donors represent 81% and 72% of grants and contributions receivable at December 31, 2021 and 2020, respectively.

Inventory – Items in inventory include previously issued magazines and are stated at lower of cost (first-in, first-out) or net realizable value. Generally, articles in previously issued magazines are not time-sensitive, so older issues are regularly sold. The costs associated with the sales of magazines are included in content and marketing creation and delivery in the statements of functional expenses.

Property and equipment – The Organization capitalizes all property and equipment acquisitions in excess of $2,500. Property and equipment are recorded at cost, or if acquired as a donation, at fair market value at the date of donation. Additions, improvements, or expenditures which add to productive capacity or extend the life of an asset are capitalized. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is recorded using the straight-line method over estimated useful lives of the assets, which is typically three to five years. The Organization's property and equipment are fully depreciated as of December 31, 2021 and 2020.

Software and development costs – The Organization has capitalized costs associated with its customer and donor database, as well as the development and enhancement of its online webstore. Costs are amortized on a straight-line basis over the estimated useful life of five years.

Grants and contributions – Grants and contributions are recognized in the period received or when an unconditional promise to give is made, whichever is earlier. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization received conditional pledges of $224,691 during the year ended December 31, 2021 for which conditions were unsatisfied by year-end and the revenue had not been recognized.

Grants and contributions from three and one donor represent 33% and 23% of grants and contributions support for the years ended December 31, 2021 and 2020, respectively.

Note 1 – Summary of Significant Accounting Policies – (Continued)

Subscription revenue and subscription contract liability – The Organization recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. In general, a contract with a customer is established when both parties have approved the contract and are committed to perform their obligations, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services identified in the contract. Revenue is recognized as performance obligations under the terms of the contract with the customer and are recognized over time due to continuous transfer of control (see Note 7).

Donated goods and services – Donations of goods and services are recorded at fair value on the date of receipt. Donated services are recognized if services received (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not donated. Many volunteers have donated significant amounts of time to the Organization's activities. The services of these volunteers are not recorded in the accompanying financial statements as they do not meet the criteria for recognition.

Federal income taxes – The Organization is a nonprofit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision of income tax is necessary. The tax returns for the prior three fiscal years remain subject to examination by major tax jurisdictions.

Functional allocation of expenses – The costs of providing various programs and other activities have been summarized on the functional basis in the accompanying statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, the expenses require allocation on a reasonable basis that is consistently applied. Office and occupancy, information technology (computers, network, and computer support) expenses, and staff professional development and support are allocated based on the time that employees spend in different programs or supporting functions. The editorial program and general salaries, wages, benefits, and payroll taxes are also allocated on a time basis. In addition, some information technology expenses (database) are allocated based on number of records for different types of usage, fundraising versus magazine subscription (program).

Use of estimates – The preparation of financial statements in conformity with U.S GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures 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.

Note 1 – Summary of Significant Accounting Policies – (Continued)

Reclassifications – Certain amounts in the prior-year financial statements have been reclassified to conform to the current-year presentation.

Subsequent events – In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 26, 2022, the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability

Financial assets available for general expenditures within one year consist of the following at December 31:

	2021	2020
Financial assets at year end		
Cash and cash equivalents	$ 2,137,933	$ 1,440,677
Certificates of deposit	225,676	124,862
Grants receivable	635,814	744,357
Contributions receivable	182,802	275,872
Total financial asset	3,182,225	2,585,768
Less amounts not available for general expenditures within one year		
Non current portion of grants and contributions receivable	(123,000)	(283,057)
Board-designated net assets	(1,187,006)	(725,036)
	(1,310,006)	(1,008,093)
Financial assets available for general expenditures within one year	$ 1,872,219	$ 1,577,675

The Organization has certain donor-restricted assets limited to use which are not available for general expenditures within one year in the normal course of business. The Organization also has certain board-designated assets that are not available to meet general expenditures within one year of the statement of financial position date because of internal board designations. Amounts not available include special projects funds and other legacy funds that are intended to fund special board initiatives not considered in the annual operating budget (see Note 5). In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments. The Organization has certificates of deposit that are scheduled to mature in 2022 and can be liquidated should the need arise.

Note 3 – Grants and Contributions Receivable

Grants and contributions receivable are due according to the following schedule at December 31:

	2021	2020
Grants and contributions receivable		
Receivable in less than one year	$ 695,616	$ 737,172
Receivable in one to five years	125,000	288,700
Total grants and contributions receivable	820,616	1,025,872
Less: Discount on long-term grants receivable	(2,000)	(5,643)
Total grants and contributions receivable, net of discount	$ 818,616	$ 1,020,229

The discount rate used was 2% and 3% at December 31, 2021 and 2020, respectively. Amortization of the discount is included in grants and contributions support in the statements of activities.

Note 4 – Software and Development Costs

Software and development costs consist of the following at December 31:

	2021	2020
Software and development costs	$ 366,669	$ 366,668
Less accumulated amortization	(251,524)	(179,407)
	$ 115,145	$ 187,261

Amortization expense related to these assets totaled $72,116 and $72,117 for the years ended December 31, 2021 and 2020, respectively.

Note 5 – Paycheck Protection Program Loan

In April 2020, the Organization received a $319,700 loan from the Federal Paycheck Protection Program. This loan accrued interest at 1% and is guaranteed by the Small Business Administration. This loan was fully forgiven in May 2021 and is included in grant revenue in the accompanying statement of activities for the year ended December 31, 2021.

Note 6 – Board-Designated Net Assets

Some net assets without donor restrictions consist of funds that are designated for a specific program or purpose by the Organization's Board of Directors. Board-designated net assets without donor restrictions consist of the following at December 31:

	2021	2020
Fran Korten Safety Net Fund	$ 740,101	$ 370,525
Unrestricted Operating Fund	230,787	230,787
Special Opportunities Fund	216,118	123,724
	$ 1,187,006	$ 725,036

Fran Korten Safety Net Fund – The primary purpose of this fund is a safety net. If increasingly deteriorating economic conditions require the Organization to substantially contract, the Organization can utilize this fund to supplement revenue to enable the Organization to continue a scaled-down operation appropriate to the economic conditions. Ideally, use of the fund would be short-lived and limited, i.e. staff should work to ensure annual expenses don t perpetually outstrip annual revenue.

Unrestricted Operating Fund – The primary purpose of this fund is monthly cashflow management. While monthly expenses are relatively flat, monthly revenue is variable due to timing of grants and end-of-year gifts. This fund acts as an internal line of credit to the Organization to sustain operations through low cash flow months until cash flows return, typically within a few months. Management must notify the Finance Committee when utilizing this fund, and it must be replenished within a 12-month period for at least 30 days.

Special Opportunities Fund – The primary purpose of this fund is to take advantage of special opportunities for high impact on the Organization's mission. The opportunities could be for story creation, distribution, engagement, or revenue generation. For example, after the attacks of 9/11, the Organization mounted special outreach to help people understand how they could respond in a positive, compassionate way. Future examples might include acquisition of technology to quickly respond to a promising distribution or engagement opportunity, or funds to establish a key partnership with a short window for action.

Note 7 – Subscription Revenue

The Organization contracts with customers do not include significant financing components or any variable consideration. The Organization does not have any significant commissions or costs directly incurred to obtain customer contracts.

The Organization primarily sells magazines to consumers through subscriptions. Each copy of a magazine is determined to be a distinct performance obligation that is satisfied when the publication is sent to the customer. The majority of the Organization's subscriptions are prepaid at the time of the order. Subscriptions may be canceled at any time for a refund of the price paid for remaining issues. As the contract may be canceled at any time for a full refund of the unserved copies, the contract term is determined to be on an issue-to-issue basis as these contracts do not have substantive termination penalties. Revenues from subscriptions are deferred and recognized as subscribers are served and is the Organization's only significant contract liability.

Note 7 – Subscription Revenue – (Continued)

The transaction price for each subscription is set at the time of purchase, but the price can vary over the course of time. As such, the Organization allocates the transaction price according to the number of issues purchased by the customer and uses the average transaction price and the number of issues sent to determine the appropriate revenue to recognize.

The following table presents the Organization's subscription revenue, disaggregated by type, for the years ended December 31:

	2021	2020
Print + Digital, Yearly	97%	97%
Digital Only, Yearly	2%	2%
Print + Digital, Biannually	1%	1%
	100%	100%

Note 8 – Operating Leases

The Organization leased office space in Seattle, Washington through May 31, 2020, when the landlord closed operations due to COVID-19 and the lease was terminated. Operations continued at the Organization's Bainbridge Island office in Washington, which is leased on a month-to-month basis. Rent expense incurred for the years ended December 31, 2021 and 2020, totaled $18,563 and $59,010, respectively.

Subsequent to year end, the Organization signed a one-year lease for office space in Poulsbo, Washington, starting on March 1, 2022, with the option to renew for two years. The Organization will vacate the Bainbridge Island offices and move to the new location in March 2022. The monthly rent under the new lease is $1,168 per month.

Future minimum lease payments, including the lease signed subsequent to year-end, consist of the following for years ending December 31:

2022	$ 11,680
2023	2,336
	$ 14,016

Note 9 – Retirement Plan

The Organization provides a retirement investment plan for eligible employees who are 21 years of age or older and anticipate earning more the $5,000 annually. The plan is designed for the Organization to make matching contributions to the plan of up to 2% of employee salary. The Organization contributed $26,431 and $24,363 for the years ended December 31, 2021 and 2020, respectively.

Note 10 – Employee Retention Credit

The Employee Retention Tax Credit (ERTC) is a refundable payroll tax credit equal to a percentage of eligible wages originally created within the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Company believes there is a reasonable assurance of complying with the relevant conditions of the current ERTC provisions and receiving the credit. Accordingly, the Company recognized a receivable of $136,314 related to the ERTC, which is presented within grants receivable on the December 31, 2021 statement of financial position. The related income is presented within grants on the statement of activities for the year ended December 31, 2021. The Organization expects to receive an additional ERTC totaling $91,982 for the year ended December 31, 2022.

Note 11 – Recent Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02, *Leases.* This guidance, as amended by subsequent ASU’s on the topic, requires lessees to recognize a right-to-use asset and a lease obligation for all leases. Lessees are permitted to make an accounting policy election to not recognize an asset and liability for leases with a term of twelve months or less. Additional qualitative and quantitative disclosures, including significant judgments made by management, are required. Application is required for annual periods beginning after December 15, 2021. The Organization expects to adopt this standard on January 1, 2022. While the Organization is still evaluating impact of the new accounting guidance on its financial statements, based on management’s preliminary assessment, the Organization will record assets and liabilities for long-term operating leases currently included in Note 8 – Operating Leases.