

**NORTH DAKOTA BAR FOUNDATION, INC.
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
SUPPLEMENTARY INFORMATION	
Schedule I: Schedule of Grants, Scholarships and Contributions	15

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
North Dakota Bar Foundation, Inc.
Bismarck, North Dakota

We have audited the accompanying financial statements of North Dakota Bar Foundation, Inc. (a nonprofit 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 North Dakota Bar Foundation, Inc. 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, North Dakota Bar Foundation, Inc. adopted the provisions of FASB Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for Profit Entities*, in 2018. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Grants, Scholarships, and Contributions is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited North Dakota Bar Foundation, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 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.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

June 1, 2019

NORTH DAKOTA BAR FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2017

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017 (Memorandum only)
Cash & cash equivalents	\$ 21,224	\$ 553,936	\$ 575,160	\$ 825,536
Certificates of deposit	28,000	-	28,000	-
Marketable securities	330,533	-	330,533	363,252
Accounts receivable	560	-	560	11,801
Grants receivable	17,815	-	17,815	-
Total assets	\$ 398,132	\$ 553,936	\$ 952,068	\$ 1,200,589

LIABILITIES AND NET ASSETS

Accounts payable	\$ 12,206	\$ 24,901	\$ 37,107	\$ 27,554
Deferred grant revenue	1,304	-	1,304	-
Grants payable	-	508,868	508,868	735,901
Total liabilities	13,510	533,769	547,279	763,455
Net assets:				
Without donor restrictions	384,622	-	384,622	423,279
With donor restrictions	-	20,167	20,167	13,855
Total net assets	384,622	20,167	404,789	437,134
Total liabilities and net assets	\$ 398,132	\$ 553,936	\$ 952,068	\$ 1,200,589

See Notes to the Financial Statements

NORTH DAKOTA BAR FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017 (Memorandum only)
Revenue and support:				
I.O.L.T.A. income	\$ -	\$ 40,614	\$ 40,614	\$ 31,718
Grant income	35,768	-	35,768	-
Investment income	22,161	3,657	25,818	20,636
Realized and unrealized gain (loss) on investments	(40,619)	-	(40,619)	34,234
Annual meeting	10,424	-	10,424	9,476
Contributions	19,426	20,873	40,299	45,635
Revenue and support before net assets released	47,160	65,144	112,304	141,699
Net assets released from restrictions:	58,832	(58,832)	-	-
Total revenue and support	105,992	6,312	112,304	141,699
Expenses and losses:				
Grants, scholarships and contributions	90,700	-	90,700	1,118,937
Program management	43,600	-	43,600	8,086
General and administrative	10,349	-	10,349	12,194
Total expense	144,649	-	144,649	1,139,217
Change in net assets	(38,657)	6,312	(32,345)	(997,518)
Net assets - beginning of year	423,279	13,855	437,134	1,434,652
Net assets - end of year	\$ 384,622	\$ 20,167	\$ 404,789	\$ 437,134

See Notes to the Financial Statements

NORTH DAKOTA BAR FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Grants, Scholarships & Contributions	Program Management	Total Program Costs	General & Administrative	Total 2018	Total 2017 (Memorandum only)
Grant awards	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ 1,047,737
Scholarships	5,000	-	5,000	-	5,000	5,000
Contributions	55,700	-	55,700	-	55,700	66,200
James Madison grant expenses	-	35,768	35,768	-	35,768	-
Salaries	-	551	551	1,097	1,648	3,334
Audit fees	-	3,575	3,575	3,575	7,150	6,800
Supplies	-	5	5	128	133	66
Dues and subscriptions	-	150	150	15	165	175
Postage	-	105	105	158	263	866
Telephone	-	45	45	431	476	562
Contract services	-	1,463	1,463	1,463	2,926	2,136
Printing	-	-	-	3	3	33
Website maintenance	-	78	78	312	390	624
Annual meeting	-	-	-	954	954	1,647
Rent	-	1,860	1,860	2,020	3,880	3,990
Bank charges	-	-	-	193	193	47
Total	\$ 90,700	\$ 43,600	\$ 134,300	\$ 10,349	\$ 144,649	\$ 1,139,217

See Notes to the Financial Statements

NORTH DAKOTA BAR FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017 (Memorandum only)
Cash flows from operating activities:				
Change in net assets	\$ (38,657)	\$ 6,312	\$ (32,345)	\$ (997,518)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:				
Realized and unrealized (gain) on marketable securities	40,619	-	40,619	(34,234)
Effects on operating cash flows due to change in:				
Accrued interest receivable	-	-	-	123
Accounts receivable	11,241	-	11,241	(8,586)
Grants receivable	(17,815)	-	(17,815)	-
Deferred grant revenue	1,304	-	1,304	-
Grants payable	-	(227,033)	(227,033)	735,901
Accounts payable	(7,025)	16,578	9,553	4,813
Cash provided (used) by operating activities	(10,333)	(204,143)	(214,476)	(299,501)
Cash flows from investing activities:				
Proceeds from sale of marketable securities/CDs	38,000	-	38,000	12,000
Purchase of marketable securities/CDs	(73,900)	-	(73,900)	(15,089)
Cash (used) by investing activities	(35,900)	-	(35,900)	(3,089)
Net change in cash and cash equivalents	(46,233)	(204,143)	(250,376)	(302,590)
Cash and cash equivalents - beginning of year	67,457	758,079	825,536	1,128,126
Cash and cash equivalents - end of year	\$ 21,224	\$ 553,936	\$ 575,160	\$ 825,536

See Notes to the Financial Statements

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

North Dakota Bar Foundation, Inc. is a not-for-profit corporation organized to advance the science of jurisprudence and promote the administration of justice and uniformity of judicial decision, exclusively through educational and scientific means or purpose within the State of North Dakota. Approximately 72% of the Foundation's revenues are received from contributions and interest earned on lawyer trust accounts. The Foundation began operations in 1982.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board. Interest on lawyer trust accounts (I.O.L.T.A.) is recorded as earned when notification is received from the financial institution.

Financial statement presentation follows the recommendations of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for a board designated purpose.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The presentation 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 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.

Revenue Recognition

The Foundation recognizes revenue under the accrual basis of accounting. As a result, revenue is recognized in the period earned and expenses in the period incurred.

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

Revenue and Support Without and With Donor Restriction

Contributions received are recorded as without donor restriction or with donor restriction, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

The Foundation's net assets with donor restriction consist of the following:

IOLTA funds to be used for:

1. The support of civil legal services to the poor
2. Public education relating to the courts and legal matters
3. The improvement of the administration of justice

Pro Bono funds voluntary contributions to be used to provide pro bono legal services.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

As of December 31, 2018 no allowance for uncollectible accounts has been provided since management considers all accounts to be collectible.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and has been determined not to be a private foundation.

The Foundation's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair Value Measurements

The Foundation has determined the fair value of certain assets and liabilities in accordance with the provisions of Codification Topic 820, Fair Value Measurements which provides a framework for measuring fair value under generally accepted accounting principles.

Codification Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Codification Topic 820 required that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Codification Topic 820 also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Marketable Securities

The fair value of marketable securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Comparative Financial Information

The financial statements include 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. A key change required by ASU 2016-14 is 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 are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 9).

NOTE 2 CERTIFICATES OF DEPOSIT

Certificates of deposit are recorded at cost and consist of the following as of December 31, 2018:

Financial Institution	Amount	Rate	Maturity Date
Wells Fargo Bank	\$ 14,000	2.50%	02/01/21
Wells Fargo Bank	14,000	2.55%	01/31/22
Total certificates of deposit	<u>\$ 28,000</u>		

NOTE 3 MARKETABLE SECURITIES

Marketable securities are recorded at fair value based upon quoted market price and consist of the following as of December 31, 2018:

	Cost	Unrealized Gain	Unrealized Loss	Market Value
396 Shares EuroPacific Growth Fund	\$ 14,045	\$ 3,818	\$ -	\$ 17,863
1,507 Shares Fundamental Investors Fund	59,090	19,730	-	78,820
1,386 Shares AMCAP Fund	31,003	7,658	-	38,661
1,430 Shares Oppenheimer Senior Floating Rate	12,224	-	(1,215)	11,009
1,827 Shares American High Income Trust	20,272	-	(2,748)	17,524
815 Shares American Capital World Bond Fund	16,506	-	(817)	15,689
186 Shares New World Fund	10,311	377	-	10,688
754 Shares Smallcap World Fund	33,333	2,011	-	35,344
Federal Farm Credit Banks	7,000	1,043	-	8,043
Federal Home Loan Banks	14,972	191	-	15,163
AT&T Inc	10,451	-	(575)	9,876
Bank America Corp Ser L Step	9,754	-	(1,430)	8,324
Enterprise Products Operating LLC	10,884	-	(34)	10,850
General Electric Capital Corporation Internotes	24,344	-	(4,320)	20,024
Appalachian Power Co	18,861	-	(709)	18,152
Wells Fargo & Co Medium Term Step Up	16,004	-	(1,501)	14,503
	<u>\$ 309,054</u>	<u>\$ 34,828</u>	<u>\$ (13,349)</u>	<u>\$ 330,533</u>

The Foundation had an unrealized loss of \$55,511 and a realized gain of \$14,892 for the year ended December 31, 2018.

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

NOTE 4 FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring base as of December 31, 2018 are summarized as follows:

Description	Total Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income securities:				
Government bonds-FHLB	\$ 23,206	\$ -	\$ 23,206	\$ -
Corporate bonds	81,729	-	81,729	-
Mutual Funds:				
Bank Loan Fund	11,009	11,009	-	-
Diversified Emerging Markets Fund	10,688	10,688	-	-
High Yield Bond Fund	17,524	17,524	-	-
Foreign Large Growth Fund	17,863	17,863	-	-
Large Blend Fund	78,820	78,820	-	-
Large Growth Fund	38,661	38,661	-	-
World Bond Fund	15,689	15,689	-	-
World Stock Fund	35,344	35,344	-	-
Total	<u>\$ 330,533</u>	<u>\$ 225,598</u>	<u>\$ 104,935</u>	<u>\$ -</u>

NOTE 5 CREDIT RISK

On December 31, 2018, the Foundation had \$362,152 of money market funds, certificates of deposit and other investments with a local brokerage firm of which \$4,165 of money market funds are not insured.

The Foundation also maintains cash on deposit at various financial institutions. The amounts on deposit were insured by the FDIC up to \$250,000 per financial institution or through pledged securities agreement. The Foundation's deposits were fully insured as of December 31, 2018.

NOTE 6 RELATED PARTY

The State Bar Association of North Dakota is a separate not-for-profit organization. The Foundation's Board of Directors consists of directors who are elected by the membership and those who are appointed by the State Bar Association. In addition, the Association maintains the records of the Foundation and employees of the Association perform various duties for the Foundation as of December 31, 2018. The Foundation paid the Association \$29,655 for these services, for the year ending December 31, 2018. This amount is included in program management expenses and general and administrative expenses.

As of December 31, 2018, the Foundation recorded \$16,107 as accounts payable due to the Association, and \$560 accounts receivable due from the Association.

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

NOTE 7 INCOME TAXES

It is the opinion of management that the Foundation has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Foundation are subject to examination by the IRS, generally for three years after they were filed, all filings are current.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2018:

Subject to expenditure for specified purpose:	
IOLTA	\$ 19,044
Pro Bono Fund	<u>1,123</u>
	<u>\$ 20,167</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2018:

Purpose restrictions accomplished:	
IOLTA program costs	\$ 7,832
IOLTA grant	30,000
ProBono Contribution	<u>21,000</u>
	<u>\$ 58,832</u>

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

NOTE 9 LIQUIDITY AND AVAILABILITY

The following reflects Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end:	
Cash and cash equivalents	\$ 575,160
Marketable securities	330,533
Accounts receivable	560
Grants receivable	17,815
Total financial assets	<u>924,068</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	20,167
Cash restricted for grants and awards payable	<u>533,769</u>
	<u>553,936</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 370,132</u>

NOTE 10 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on the actual direct expenditures and cost allocations based on estimates made by management.

NOTE 11 NEW ACCOUNTING PRONOUNCEMENTS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

During 2014, the FASB issued a new standard related to revenue recognition. ASU2014-09, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

NORTH DAKOTA BAR FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018

ASU 2016-02, Leases (Topic 842)

During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 is that lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Company for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force)

To reduce diversity in practice, this ASU provides guidance on how eight specific types of cash receipts and cash flows are presented in the statement of cash flows. The ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

ASU 2018-08, Contributions Received and Contributions made (Topic 958)

During 2018, the FASB issued an accounting standard update intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU is effective for the Organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

Management has not yet determined what effect these pronouncements will have on the Organization's financial statements.

With the exception of the new standards discussed above, we have not identified any other new accounting pronouncements that have potential significance to the Organization's Financial Statements.

NOTE 12 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Foundation's year end. Subsequent events have been evaluated through June 1, 2019, which is the date these financial statements were available to be issued.

NORTH DAKOTA BAR FOUNDATION, INC.
SCHEDULE OF GRANTS, SCHOLARSHIPS AND CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

<u>Recipient</u>	<u>2018</u>	<u>2017</u>
Legal Services of North Dakota - IOLTA	\$ 30,000	\$ 30,000
Legal Services of North Dakota - Bank of America Program - IOLTA	-	908,131
High Plains Fair Housing - Bank of America Program - IOLTA	-	109,606
UND Law School Scholarships	5,000	5,000
UND Law School Grant	14,700	14,700
Legal Services Restricted Continued Payment	20,000	20,000
Legal Services of North Dakota - Pro Bono Fund	<u>21,000</u>	<u>31,500</u>
Total	<u>\$ 90,700</u>	<u>\$ 1,118,937</u>