

**CREATIVE ARTS WORKSHOPS FOR KIDS, INC.
DBA CREATIVE ART WORKS**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
AUGUST 31, 2019 AND 2018**



**CREATIVE ARTS WORKSHOPS FOR KIDS, INC.
DBA CREATIVE ART WORKS**

TABLE OF CONTENTS

Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 16

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works

We have audited the accompanying financial statements of Creative Arts Workshops for Kids, Inc. DBA Creative Art Works (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statement of activities and changes in net assets, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Creative Arts Workshops for Kids, Inc. DBA Creative Art Works as of August 31, 2019, and the related statements of activities and changes in net assets, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Creative Arts Workshop for Kids' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Padilla and Company, LLP

Jamaica, New York
October 31, 2019

CREATIVE ARTS WORKSHOPS FOR KIDS, INC.
DBA CREATIVE ART WORKS
Statements of Financial Position
As of August 31, 2019 and 2018

ASSETS	2019	2018
Current Assets		
Cash and cash equivalents (Notes 2 and 4)	\$ 411,015	\$ 511,952
Accounts receivable (Notes 2 and 5)	178,453	108,150
Prepaid expense	17,683	6,049
Other assets	1,318	-
Total current assets	608,469	626,151
Non-current Assets		
Fixed assets, net (Notes 2 and 6)	7,910	12,787
Total non-current assets	7,910	12,787
Total Assets	\$ 616,379	\$ 638,938
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses (Note 7)	\$ 52,893	\$ 33,078
Total current liabilities	52,893	33,078
Net Assets		
Without donor restrictions	516,676	600,860
With donor restrictions (Note 8)	46,810	5,000
Total net assets	563,486	605,860
Total Liabilities and Net Assets	\$ 616,379	\$ 638,938

CREATIVE ARTS WORKSHOPS FOR KIDS, INC.
DBA CREATIVE ART WORKS
Statements of Activities and Changes in Net Assets
For Years ended August 31, 2019 and 2018

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>2019 Total</u>	<u>2018 Total</u>
REVENUES				
Fundraising and special events	\$ 795,008	\$ -	\$ 795,008	858,992
In-kind contributions (Note 9)	203,249	-	203,249	218,902
Program and earned income (Note 10)	193,076	-	193,076	245,579
Contributions (Note 11)	220,934	54,000	274,934	184,401
Government grants (Notes 12)	-	164,810	164,810	136,775
Interest and miscellaneous income	115	-	115	108
	<u>1,412,382</u>	<u>218,810</u>	<u>1,631,192</u>	<u>1,644,757</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	177,000	(177,000)	-	-
Total Revenues	<u>1,589,382</u>	<u>41,810</u>	<u>1,631,192</u>	<u>1,644,757</u>
EXPENSES				
Program services	1,111,847	-	1,111,847	1,028,397
Administration	125,367	-	125,367	153,759
Fundraising	233,104	-	233,104	240,454
In-kind expense	203,249	-	203,249	218,902
Total Expenses	<u>1,673,566</u>	<u>-</u>	<u>1,673,566</u>	<u>1,641,512</u>
Change in Net Assets	(84,184)	41,810	(42,374)	3,245
Net assets at the beginning of year	<u>600,860</u>	<u>5,000</u>	<u>605,860</u>	<u>602,615</u>
Net assets at the end of the year	<u>\$ 516,676</u>	<u>\$ 46,810</u>	<u>\$ 563,486</u>	<u>\$ 605,860</u>

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

CREATIVE ARTS WORKSHOPS FOR KIDS, INC.
DBA CREATIVE ART WORKS
Statements of Cash Flows
For Years ended August 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase in net assets	\$ (42,374)	3,245
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation (Note 6)	6,407	9,188
(Increase)/decrease in accounts receivables and other asset	(71,621)	47,218
(Increase)/decrease in prepaid expense	(11,634)	1,568
Increase/(decrease) in accounts payable and accrued expenses	19,815	(7,575)
Net cash provided by (used for) operating activities	(99,407)	53,644
 Cash flows from investing activities:		
Purchase of fixed assets (Note 6)	(1,530)	(10,869)
Net cash provided by (used for) investing activities	(1,530)	(10,869)
 Net increase (decrease) in cash and cash equivalents	(100,937)	42,775
Cash and cash equivalents at beginning of year	511,952	469,177
Cash and cash equivalents at end of fiscal year	\$ 411,015	\$ 511,952

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

**Creative Arts Workshops for Kids
Statements of Functional Expenses
For Years Ended August 31, 2019 and 2018**

	Program Services	General & Administrative	Fundraising	Total	In Kind				2019 Total	2018 Total
					Program Services	General & Administrative	Fundraising	Total		
Personnel Services										
Salaries	\$ 750,395	\$ 62,071	\$ 122,733	\$ 935,198	-	\$ -	\$ -	\$ -	\$ 935,198	\$ 942,456
Fringe benefits	126,321	10,449	20,661	157,431	-	-	-	-	157,431	157,220
Total Personnel Services	876,716	72,520	143,394	1,092,629	-	-	-	-	1,092,629	1,099,676
Other than Personnel Services (OTPS)										
Office expense	75,099	2,021	22,715	99,835	-	-	-	-	99,835	113,509
Professional fees	56,257	14,317	432	71,006	-	-	-	-	71,006	41,321
Outside Contract Services	9,820	115	6,914	16,849	2,050	6,480	1,500	10,030	26,879	14,571
Rent and occupancy	-	-	-	-	137,587	8,308	19,266	165,161	165,161	66,463
Art supplies	-	-	-	-	20,678	-	1,500	22,178	22,178	-
Travel, meeting and conference	13,278	52	2,197	15,527	-	-	-	-	15,527	17,926
Communications and IT Expense	11,468	2,438	654	14,560	-	5,880	-	5,880	20,440	19,462
Software	11,844	772	6,765	19,381	-	-	-	-	19,381	15,932
Facility and Equipment	9,970	1,777	571	12,318	-	-	-	-	12,318	5,790
Stipends and Benefit	530	-	3,501	4,031	-	-	-	-	4,031	2,929
Insurance	13,809	4,126	110	18,045	-	-	-	-	18,045	18,208
Bank, credit card fees and investment fee	214	496	9,275	9,985	-	-	-	-	9,985	8,361
Depreciation (Note 6)	5,145	1,219	43	6,407	-	-	-	-	6,407	9,188
Payroll service fees	-	23,960	-	23,960	-	-	-	-	23,960	22,249
Food and beverages	12,853	663	26,744	40,260	-	-	-	-	40,260	43,476
Reproduction cost	-	-	1,205	1,205	-	-	-	-	1,205	8,392
Advertising, marketing and promotions	2,567	12	1,659	4,238	-	-	-	-	4,238	108,473
Staff development	292	-	802	1,094	-	-	-	-	1,094	2,585
Other expenses	11,985	879	6,123	18,987	-	-	-	-	18,987	23,001
Total OTPS	235,131	52,847	89,710	377,688	160,315	20,668	22,266	203,249	580,937	541,836
Total Expenses	\$ 1,111,847	\$ 125,367	\$ 233,104	\$ 1,470,317	\$ 160,315	\$ 20,668	\$ 22,266	203,249	\$ 1,673,566	\$ 1,641,512

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

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 1 ORGANIZATION AND NATURE OF BUSINESS

Creative Arts Workshops for Kids, Inc. DBA Creative Art Works (the "Organization" and "CAW") is a nonprofit corporation incorporated in the State of New York on November 14, 1991. CAW's mission is to empower young people through the visual and multimedia arts. CAW serves thousands of young people each year throughout New York City (primarily in Upper Manhattan), through in-school and out-of-school-time classes, community art-making events, and public art youth employment programs. CAW's programs equip children, teens and young adults with essential tools and skills; connect them with community, academic success and career opportunities; and inspire them to reach for new possibilities. Students are never charged for participation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the organization have been prepared on an accrual basis of accounting in conformity with generally accepted accounting principles for not-for-profit organizations.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC) in its Statement No. 958-205, Financial Statements of Not-for-Profit Organizations, as updated by ASU 2016-14. Under ASU 2016-14, CAW is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CAW, the environment in which it operates, the purposes specifies in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. CAW's unspent contributions are classified in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Receivables

Receivables are stated at the amounts the Organization expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed Assets are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Computer, equipment, and software are capitalized if it has a cost of \$500 or more and a

useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computer and Equipment	3 years
Software	3 years

Revenue Recognition

Contributions are presented in accordance with the recommendations of ASC Statement No. 958-605, Accounting for Contributions Received and Contributions Made, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions.

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future years or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Gifts-in Kind Contributions

The Organization receives contributions in a form other than cash. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. Donated advertising time is reported as contribution and as expenses at the estimated fair value as specified by the donor. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

Grant Awards

Grant awards received for a specific purpose are recognized as support to the extent of the related expenses incurred in compliance with the specific restrictions.

Donated Facilities

Donated facilities or the use of facilities for free or at below-market rate are also presented in accordance with ASC Statement No. 958-605 *Accounting for Contributions Received and Contributions Made* (formerly SFAS No. 116), which requires that donated facilities be recorded at fair value.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Expenses associated with a specific program, representing the vast majority of charges and including salaries and fringe benefits, are charged directly to that program. Transactional charges with costs common to multiple programs have been allocated based on actual costs of goods or services as estimated by program operations and further reviewed and approved by management.

Salaries and related fringe benefits that are not directly coded to a specific program are allocated periodically by percentage, based on associated time and effort, as estimated by department managers and further reviewed and approved by executive management.

Shared or indirect expenses other than personnel are allocated among program, general and administrative, and fundraising functions based on percentage of salaries or actual usage, as estimated by department managers and further reviewed and approved by executive management.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General and administrative expenses including those costs that are not directly attributable to any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Tax Status

The Organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC) though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2014, 2015, and 2016 are still open to audit for both federal and state purposes. Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Reclassifications

Certain reclassifications may have been made to prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets

Accounting Standards Issued but Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," as modified (ASC 842), which replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASC 842 will require lessees to recognize most leases on their balance sheets as liabilities, with corresponding "right-of-use" assets, and is effective for annual reporting periods beginning after December 15, 2018, subject to early adoption. For income statement recognition purposes, leases will be classified as either a finance or an operating lease without relying upon the bright-line tests under current GAAP. The new standard will affect the CAW's financial statements for the year ending August 31, 2020.

NOTE 3 CONCENTRATION OF CREDIT RISKS

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash accounts in a financial institution which at times exceed the federal depository insurance coverage limit of \$250,000. However, the Organization has not experienced any losses.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits, savings accounts, and cash on hand. Cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

Cash and cash equivalents as of August 31, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
Cash in Bank:		
Chase High Yield Savings	\$ 120,515	\$ 120,447
Chase Business Classic	284,859	364,671
Investments in Ameritrade	<u>4,996</u>	<u>26,628</u>
Total Cash in Bank	410,370	511,746
Petty Cash	<u>645</u>	<u>206</u>
Total	<u>\$ 411,015</u>	<u>\$ 511,952</u>

The maximum FDIC insurance is \$250,000 per insured bank.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable as of August 31, 2019 and 2018 consists of:

	<u>2019</u>	<u>2018</u>
Department of Cultural Affairs	\$ 41,465	41,975
CASA	20,000	16,000
Administration for Childrens Services	16,711	-
A. Philip Randolph	16,000	-
PAL	15,000	6,500
Building Contractors Association	10,000	-
Cushman & Wakefield	10,000	-
The Cornell Family Foundation	10,000	-
Others	<u>39,277</u>	<u>43,675</u>
Total	<u>\$ 178,453</u>	<u>\$ 108,150</u>

As of audit report date, a total of \$84,983 receivables was subsequently collected.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 6 FIXED ASSETS

Fixed Assets as of August 31, 2019 and 2018 consist of:

	<u>Software</u>	<u>Computer & Equipment</u>	<u>Total</u>
Cost			
At August 31, 2018	\$ 12,399	\$ 79,840	\$ 92,239
Additions	-	1,530	1,530
At August 31, 2019	<u>12,399</u>	<u>81,370</u>	<u>93,769</u>
Accumulated depreciation			
At August 31, 2018	12,399	67,053	79,452
Depreciation	-	6,407	6,407
At August 31, 2019	<u>12,399</u>	<u>73,460</u>	<u>85,859</u>
Net book value			
At August 31, 2018	-	12,787	12,787
At August 31, 2019	<u>\$ -</u>	<u>\$ 7,910</u>	<u>\$ 7,910</u>

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of August 31, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
Professional Fees	\$ 31,125	\$ 20,351
American Express	-	2,464
Chase Credit Card	21,768	7,549
Payroll Expense	-	2,714
Total	<u>\$ 52,893</u>	<u>\$ 33,078</u>

As of audit report date, a total of \$36,309 account payable and accrued expenses was subsequently paid.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of August 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
West Harlem Development Corp	\$ 19,000	\$ -
DCLA Cultural Development Fund	22,810	-
NYC Council Member Mark Levine	5,000	5,000
Total	<u>\$ 46,810</u>	<u>\$ 5,000</u>

NOTE 9 IN-KIND CONTRIBUTIONS

In-kind contributions as of August 31, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
Donated use of facilities	165,161	\$ 66,463
Donated goods	28,058	108,763
Donate service	10,030	43,676
Total	<u>\$ 203,249</u>	<u>\$ 218,902</u>

NOTE 10 EARNED REVENUES

Earned revenue as of August 31, 2019 and 2018 consist consists of:

	<u>2019</u>	<u>2018</u>
Program Service Fees	\$ 119,249	\$ 138,606
Sale of Art	72,390	105,000
Others	1,437	1,973
Total	<u>\$ 193,076</u>	<u>\$ 245,579</u>

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 11 CONTRIBUTIONS

Contributions as of August 31, 2019 and 2018 consist consists of:

	<u>2019</u>	<u>2018</u>
Foundations	111,750	\$ 72,356
Board Members	23,697	19,220
Individuals	54,991	45,835
Corporations	84,496	46,990
Total	<u>\$ 274,934</u>	<u>\$ 184,401</u>

NOTE 12 GOVERNMENT GRANTS

Government grants as of August 31, 2019 and 2018 consist of:

	<u>2019</u>	<u>2018</u>
Cultural After-School Adventures (CASA)Initiative	\$ 100,000	\$ 80,000
Cultural Immigrant Initiative	25,000	-
Department of Cultural Affairs	39,810	53,275
Manhattan Borough President - Community Grant	-	3,500
Total Government Grants	<u>164,810</u>	<u>136,775</u>

NOTE 13 FUTURE PROGRAM AUDITS

Reimbursements from grant related expenses and overhead applicable to programs conducted under contract with the city, state, and federal government are subject to audit which may result in adjustments for disallowances. The amount of the disallowance, if any, cannot be determined. Therefore, no provision is made for these potential liabilities.

Creative Arts Workshops for Kids, Inc.
DBA Creative Art Works
Notes to Financial Statements
August 31, 2019

NOTE 14 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects CAW’s financial assets as of year-end, reduced by amounts not available for general expenditures within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	2019	2018
Financial assets, at year-end:		
Cash and cash equivalents	411,015	511,952
Account receivable	178,453	108,150
Less: net assets with donor restriction	(46,810)	(5,000)
Financial assets available to meet cash needs for general expenditures within one year	542,658	615,102

NOTE 15 LINES OF CREDIT

The Organization has a line of credit agreement with Chase Bank for \$100,000. The line bears interest rate of 2.30% Rate Per Annum Above the Prime Rate. Interest is computed on the unpaid principal balance from the date of each borrowing. There were no borrowings against the line of credit at August 31, 2019.

NOTE 16 SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 31, 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

