



**Gorfine Schiller Gardyn**

Certified Public Accountants and Consultants



**ARTSTREAM, INC.**

FINANCIAL STATEMENTS  
AUGUST 31, 2020 AND 2019

**ARTSTREAM, INC.**  
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*August 31, 2020 and 2019*

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## INDEPENDENT AUDITORS' REPORT

**Board of Directors  
ArtStream, Inc.  
Chevy Chase, Maryland**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ArtStream, Inc., which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and cash flows for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, and the statement of functional expenses for the year ended August 31, 2020.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 ArtStream, Inc. as of August 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

We have previously audited ArtStream, Inc.'s August 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Martino, Schiller & Galdyn, P.A.*

**December 10, 2020**  
**Owings Mills, Maryland**

## **FINANCIAL STATEMENTS**

**ARTSTREAM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
*August 31, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 241,697	\$ 91,628
Accounts receivable	19,244	7,816
Grants receivable	91,218	83,937
Prepaid expenses	<u>19,565</u>	<u>11,772</u>
<b>Total current assets</b>	<u>371,724</u>	<u>195,153</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	19,352	19,352
Less accumulated depreciation	<u>(18,715)</u>	<u>(18,070)</u>
<b>Net property and equipment</b>	<u>637</u>	<u>1,282</u>
<b>OTHER ASSETS</b>		
Investments	200,293	194,712
Deposits	<u>13,861</u>	<u>11,858</u>
<b>Total other assets</b>	<u>214,154</u>	<u>206,570</u>
<b>TOTAL ASSETS</b>	<u>\$ 586,515</u>	<u>\$ 403,005</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,526	4,971
Accrued expenses	13,429	-
Deferred revenue and refundable advances	<u>31,744</u>	<u>76,166</u>
<b>Total current liabilities</b>	<u>55,699</u>	<u>81,137</u>
<b>NET ASSETS</b>		
Without donor restrictions	515,816	321,868
With donor restrictions	<u>15,000</u>	<u>-</u>
<b>Total net assets</b>	<u>530,816</u>	<u>321,868</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 586,515</u>	<u>\$ 403,005</u>

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

**ARTSTREAM, INC.**  
**STATEMENTS OF ACTIVITIES**  
*For the Years Ended August 31, 2020 and 2019*

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<b>SUPPORT AND REVENUE</b>					
Contributions						
Individuals	\$ 304,315	\$ -	\$ 304,315	\$ 206,777	\$ -	\$ 206,777
Corporate grants	24,931	-	24,931	27,826	-	27,826
Foundation grants	153,449	15,000	168,449	106,166	-	106,166
Government grants	152,318	-	152,318	155,104	-	155,104
Program Service Revenue						
Tuition	128,775	-	128,775	116,991	-	116,991
Contracted services	71,328	-	71,328	90,625	-	90,625
Theatre	7,048	-	7,048	30,127	-	30,127
Special events	26,705	-	26,705	16,622	-	16,622
Interest and dividend income	9,521	-	9,521	9,830	-	9,830
Net (depreciation) appreciation on investments	(15,986)	-	(15,986)	2,758	-	2,758
In-kind donation	6,523	-	6,523	9,085	-	9,085
Miscellaneous	3,677	-	3,677	-	-	-
<b>Total support and revenue</b>	<u>872,604</u>	<u>15,000</u>	<u>887,604</u>	<u>771,911</u>	<u>-</u>	<u>771,911</u>
<b>EXPENSES</b>						
Program services						
Inclusive theatre companies	237,550	-	237,550	288,569	-	288,569
Classes for adults and children	269,226	-	269,226	241,871	-	241,871
Contracted services	21,116	-	21,116	73,873	-	73,873
<b>Total program services</b>	<u>527,892</u>	<u>-</u>	<u>527,892</u>	<u>604,313</u>	<u>-</u>	<u>604,313</u>
Supporting services						
Management and general	86,567	-	86,567	19,513	-	19,513
Fundraising	64,197	-	64,197	57,766	-	57,766
<b>Total expenses</b>	<u>678,656</u>	<u>-</u>	<u>678,656</u>	<u>681,592</u>	<u>-</u>	<u>681,592</u>
<b>CHANGES IN NET ASSETS</b>	<u>193,948</u>	<u>15,000</u>	<u>208,948</u>	<u>90,319</u>	<u>-</u>	<u>90,319</u>
<b>NET ASSETS - Beginning of year, before restatement</b>	237,931	-	237,931	231,549	-	231,549
<b>EFFECT OF RESTATEMENT</b>	<u>83,937</u>	<u>-</u>	<u>83,937</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS - Beginning of year, as restated</b>	<u>321,868</u>	<u>-</u>	<u>321,868</u>	<u>231,549</u>	<u>-</u>	<u>231,549</u>
<b>NET ASSETS - End of year</b>	<u>\$ 515,816</u>	<u>\$ 15,000</u>	<u>\$ 530,816</u>	<u>\$ 321,868</u>	<u>\$ -</u>	<u>\$ 321,868</u>

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

ARTSTREAM, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended August 31, 2020 (With Comparative Totals for 2019)

	2020						2019	
	Program Services							
	Inclusive Theatre Companies	Classes for Adults and Children	Contracted Services	Total Program Services	Management and General	Fundraising	Total	Total
Administrative expenses	\$ 25,496	\$ 28,896	\$ 2,266	\$ 56,658	\$ 2,575	\$ 5,151	\$ 64,384	\$ 85,239
Computer software	2,392	2,712	213	5,317	242	483	6,042	-
Depreciation	255	289	23	567	26	52	645	743
In-kind donations	2,583	2,928	230	5,741	261	522	6,524	9,085
Marketing	939	1,064	83	2,086	95	190	2,371	4,301
Miscellaneous	1,645	1,864	146	3,655	166	332	4,153	84
Printing and publication	3,632	4,117	323	8,072	367	734	9,173	13,836
Professional fees	21,220	24,049	1,886	47,155	2,143	4,287	53,585	51,657
Program	13,637	15,455	1,212	30,304	1,377	2,755	34,436	57,167
Salaries	99,531	112,802	8,848	221,181	72,626	36,313	330,120	294,953
Special events	6,940	7,866	617	15,423	701	1,402	17,526	15,525
Subcontractors	58,487	66,285	5,199	129,971	5,908	11,816	147,695	147,597
Travel	793	899	70	1,762	80	160	2,002	1,405
<b>Total functional expenses</b>	<b>\$ 237,550</b>	<b>\$ 269,226</b>	<b>\$ 21,116</b>	<b>\$ 527,892</b>	<b>\$ 86,567</b>	<b>\$ 64,197</b>	<b>\$ 678,656</b>	<b>\$ 681,592</b>

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



**ARTSTREAM, INC.**  
**STATEMENT OF CASH FLOWS**  
*For the Years Ended August 31, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 208,948	\$ 90,319
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	645	743
Net depreciation (appreciation) on investments	15,986	(2,758)
Changes in assets and liabilities:		
Accounts receivable	(11,428)	(256)
Grants receivable	(7,281)	(83,937)
Prepaid expenses	(7,793)	(2,711)
Security deposits	(2,003)	4,178
Accounts payable	5,555	(629)
Accrued expenses	13,429	-
Deferred revenue	(44,422)	23,457
<b>Net cash provided by operating activities</b>	171,636	28,406
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(166,192)	(58,162)
Proceeds from sales of investments	144,625	47,207
<b>Net cash used in investing activities</b>	(21,567)	(10,955)
<b>CHANGES IN CASH</b>	150,069	17,451
<b>CASH - Beginning of year</b>	91,628	74,177
<b>CASH - End of year</b>	\$ 241,697	\$ 91,628

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

**ARTSTREAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*August 31, 2020 and 2019*

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**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Organization and Nature of Activities**

ArtStream, Inc. (the organization) was incorporated in the State of Maryland on September 9, 2005. ArtStream teaches acting techniques and communication skills in inclusive classes designed for people of all ages, races, and income levels with intellectual and developmental disabilities (IDDs), including autism. Programs build skills that are applicable in all aspects of life: from the stage, to the family dinner table, to Individual Education Plan (IEP) meetings and the workplace. Participants make their own choices and are engaged, stimulated, challenged, and inspired to find their voices and to discover their creativity and strengths.

ArtStream provides **performing arts classes and workshops** for participants with IDD, including autism. Class topics include musical theatre, scriptwriting, Shakespeare, comedy, and more. “Super Social Saturday” workshops focus on a specific theme to create a welcoming environment for participants to learn socializing skills, let loose, and have fun. “Positively Speaking” workshops teach public speaking and self-advocacy skills.

Participants in ArtStream’s six **Inclusive Theatre Companies** for adults with IDD – including autism - create and perform in original musical theatre productions on professional stages. The actors, along with volunteer mentors and a professional production team, vote on a theme, improvise scenes and characters, and develop the script, songs, and choreography.

Participants in ArtStream’s four **Cabaret** companies each perform one original annual production. Actors agree on a theme for ensemble music and dance performances, and then each actor works with the choreographer and music director to develop solo and small group music, dance or drama performances.

Participants in the **Traveling Troupe** perform locally for community groups and at public events.

At Walter Reed National Military Medical Center (WRNMMC) in Bethesda, ArtStream’s bedside programming uses **therapeutic arts activities** to aid in the psychological recovery of wounded veterans and visiting family members. Arts-based activities also improve the resilience and morale of nursing personnel, technicians, and medics employed across the Walter Reed campus. This program was transferred to the Institute for Integrative Health in December 2018.

**2. Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board Accounting Standards Codification (ASC) which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. There were no assets with donor restrictions as of August 31, 2020 and 2019.

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**3. Use of Estimates**

The preparation 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**4. Cash and Cash Equivalents**

The Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. As of August 31, 2020, the Organization did not have any cash equivalents.

**5. Promises to Give**

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of 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.

**6. Receivable**

Receivables consist of amounts due for program service fees and contributions receivable from unconditional promises to give which are recorded at their net realizable value. The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**7. Property and Equipment**

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over the estimated useful lives of the asset, which range from 3 to 7 years. Depreciation expense was \$645 and \$743 for the years ended August 31, 2020 and 2019, respectively.

**8. Investments**

Investments are presented at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value, whether realized or unrealized, are reported in the statements of activities in the period in which they occur. Purchases and sales of investments are recorded on the trade-date basis, dividend income is recognized as of the ex-dividend date and interest income is recognized as earned on the accrual basis.

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**9. Contributions and Revenue**

Contributions are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**10. Deferred Revenue and Refundable Advances**

Revenues received in advance of rendering related services are recorded as deferred revenue, until services are rendered. Conditional grant funds and contributions are recorded as refundable advances until the conditions are met.

**11. Donated Services, Equipment and Supplies**

Donated equipment and supplies are recorded at their estimated fair values in the period received. Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

**12. Functional Allocation of Expense**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**13. Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private organization under Section 509(a)(1).

**14. Change in Accounting Policy**

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update 2018-08, *Not-for-Profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in the Update provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction, and for determining whether a contribution is conditional or unconditional. The new standard is effective for the year ending August 31, 2020. The Organization restated beginning net assets, increase net assets without donor restrictions by \$83,937 as of September 1, 2019, to recognize the effect of revenues recognized in the prior period under the new standard that were not recognized during the year ended August 31, 2020.

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**15. Recent Accounting Pronouncement**

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, which requires that revenue recognition be determined by applying a five step process. The new standard, as amended by subsequent Accounting Standards Updates, is effective for the year ending August 31, 2021. The Organization will evaluate the effect that implementation of the new standard will have on its consolidated balance sheet and statement of operations.

**16. Subsequent Events**

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through December 10, 2020 the date the financial statements were available to be issued. During this period, the Organization did not have any material recognizable subsequent events.

**NOTE B – CONCENTRATION OF CREDIT RISK**

The Organization maintains cash in multiple financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At August 31, 2020, there were no uninsured cash balances. Financial instruments with a maturity date of less than three months are invested in demand deposits and mutual funds at commercial financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the FDIC. The uninsured portion of these accounts are backed solely by the assets of the financial institution. The Organization has not experienced any loss in these accounts and does not believe it is exposed to any significant credit risk on its cash and financial instruments balances.

**NOTE C – COMMITMENTS**

The Organization entered into operating sublease agreement for office space on July 17, 2017. The sublease terminates on December 19, 2022 and requires aggregate monthly payments of \$3,483. Rent expense for the years ended August 31, 2020 and 2019 was \$34,833 and \$37,302, respectively.

Future minimum payments under the sublease for the years ending August 31 are as follows:

2021	\$ 40,683
2022	41,904

The Organization was also obligated under various short-term leases, during the year ended August 31, 2020, for office, event and theater space.

## **NOTE D – FAIR VALUE MEASUREMENTS**

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (FASB 820), establishes a framework for measuring fair value. That 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 FASB 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan 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 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at August 31, 2020.

*Mutual funds and STIF:* Valued at the quoted net asset value of shares held by the plan at year end.

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 the Plan believes its valuation method is 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.

## **NOTE D – FAIR VALUE MEASUREMENTS – Continued**

The following tables are set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of August 31, 2020 and 2019:

### **Assets at Fair Value as of August 31, 2020**

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Mutual funds - bonds				
Global bonds	\$ 70,515	\$ -	\$ -	\$ 70,515
Large blend	49,981	-	-	49,981
Short-term bond	42,916	-	-	42,916
Capital markets	960	-	-	960
High yield bond	<u>16,698</u>	<u>-</u>	<u>-</u>	<u>16,698</u>
STIF	<u>19,223</u>	<u>-</u>	<u>-</u>	<u>19,223</u>
<b>Total assets at fair value</b>	<b><u>\$ 200,293</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 200,293</u></b>

### **Assets at Fair Value as of August 31, 2019**

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Mutual funds - bonds				
Global bonds	\$ 83,421	\$ -	\$ -	\$ 83,421
US core bonds	9,665	-	-	9,665
Large blend	32,230	-	-	32,230
Short-term bond	41,079	-	-	41,079
High yield bond	<u>24,374</u>	<u>-</u>	<u>-</u>	<u>24,374</u>
STIF	<u>3,943</u>	<u>-</u>	<u>-</u>	<u>3,943</u>
<b>Total assets at fair value</b>	<b><u>\$ 194,712</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 194,712</u></b>

## **NOTE E – COVID-19 RELIEF FUNDS**

In response to the global pandemic, COVID-19, Congress passed the CARES Act. One of the provisions of the CARES Act was the Paycheck Protection Program (PPP), which allowed small businesses to obtain government loans to assist with meeting payroll and other operational needs. In May 2020, the Organization secured a loan for \$61,100 from Capital Bank under the PPP. No payments are due for the first six months of the loan and interest will accrue at 1% per annum. Under the terms of the loan, the Organization may apply for full forgiveness of the loan, pursuant to the Organization meeting specified criteria outlined by the CARES Act. As of August 31, 2020, the Organization has met the requirements for forgiveness and subsequent to year end has applied for full forgiveness of the loan. The Organization is expecting the full amount of the loan to be forgiven. The Organization has elected to recognize these funds as revenue for the year ended August 31, 2020.

## **NOTE F – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations. Net assets may have donor restrictions for various purposes, such as use in future periods for specified purposes. The Paul M Angell Family Foundation Contribution is considered with donor restrictions since it is used for the Theatre for an Inclusive World Program. Net assets with donor restrictions as of August 31, 2020 and 2019 was \$15,000 and \$-0-, respectively and are restricted for the purpose of the specific program.

## **NOTE G – CONTRIBUTED SERVICES**

During the years ended August 31, 2020 and 2019, the Organization's programs benefited from the services of volunteers. During the year ended August 31, 2020, the Organization estimates a total of 1,972 hours of services were provided by volunteers, with an estimated value of \$54,230. During the year ended August 31, 2019, the Organization estimates a total of 3,148 hours of services were provided by volunteers, with an estimated value of \$90,190.

In accordance with generally accepted accounting principles, contributed services are recorded in the financial statements at their fair market value, if the services require specialized skills, or increase the value of the Organization's assets. During the years ended August 31, 2020 and 2019, there was \$1,800 and \$9,085 of contributed services, respectively.

## **NOTE H – CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES**

The Organization invests in various investments. As a result, the Organization's revenues and liquidity are directly affected by general economic and capital market conditions, including fluctuations in the price levels of securities and changes in interest rates. The Organization believes the risks associated with such investment activities have been minimized through diversification of the investment portfolio and utilization of independent portfolio managers, as well as an independent investment manager, to monitor investment performance.

## **NOTE I – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization's financial assets available within one year of the statement of financial position date for general expenditures at August 31, are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 241,697	\$ 91,628
Accounts receivable	19,244	7,816
Grants receivable	91,218	83,937
Investments	<u>200,293</u>	<u>194,712</u>
Financial assets and liquidity resources available for general expenditures within one year.	<u>\$ 552,452</u>	<u>\$ 378,093</u>



**NOTE I – LIQUIDITY AND AVAILABILITY OF RESOURCES – Continued**

The Organization has various sources of liquidity at its disposal, including cash, receivables and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization’s cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of the Organization’s cash flow related to the Organization’s various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. The Organization currently has enough cash to cover expenses for almost four months. The Organization will receive grant funds along with contributions throughout fiscal year 2021 to support the Organization throughout the upcoming fiscal year.

**NOTE J – COVID-19 IMPACT**

The Organization’s businesses are operating in an environment in which a pandemic exists in relation to the novel coronavirus, COVID-19. The Organization obtained a SBA Loan of \$61,100 through the Paycheck Protection Program and the Organization has applied for forgiveness. As of the date of this financial statement, the Organization does not have any additional liabilities resulting from COVID-19 and its operations have not been significantly impacted by the virus.