

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
EMDR Humanitarian Assistance Programs, Inc.

We have audited the accompanying financial statements of EMDR Humanitarian Assistance Programs, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 EMDR Humanitarian Assistance Programs, Inc. as of June 30, 2019, 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.

## **Report on Summarized Comparative Information**

We have previously audited the EMDR Humanitarian Assistance Programs, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Budwitz & Meyerjack, P.C.*

Cheshire, Connecticut  
March 17, 2021

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 2019

(With Summarized Totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>		
Cash	\$ 14,001	\$ 6,013
Investments	90,092	77,832
Accounts receivable	70,706	66,766
Prepaid expenses	8,555	8,403
Net property and equipment	34,574	40,836
Restricted cash	207,856	383,763
Security deposits	1,426	1,426
Total Assets	<u>\$ 427,210</u>	<u>\$ 585,039</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 36,609	\$ 219,822
Credit card payable	18,861	30,986
Deferred training revenue	103,619	116,333
Deferred grant revenue	5,982	5,982
Total Liabilities	<u>165,071</u>	<u>373,123</u>
<b>NET ASSETS:</b>		
Without donor restrictions	214,143	156,278
With donor restrictions	<u>47,996</u>	<u>55,638</u>
Total Net Assets	<u>262,139</u>	<u>211,916</u>
Total Liabilities and Net Assets	<u>\$ 427,210</u>	<u>\$ 585,039</u>

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019  
(With Summarized Totals for 2018)

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>2019</u> <u>Totals</u>	<u>2018</u> <u>Totals</u>
Public Support, Revenue and Reclassifications				
Program sales	\$ 51,712	\$ -	\$ 51,712	\$ 45,174
Program services	1,417,230	-	1,417,230	1,518,382
Program services-donated	4,208,340	-	4,208,340	4,026,135
Grant and contract income	-	-	-	19,599
Contribution income	101,156	9,150	110,306	89,940
Investment income	7,355	-	7,355	4,918
Unrealized gain on investments	5,482	-	5,482	6,883
Net assets released from restrictions:				
Restrictions satisfied by purpose	16,792	(16,792)	-	-
Total Support, Revenue and Reclassifications	<u>5,808,067</u>	<u>(7,642)</u>	<u>5,800,425</u>	<u>5,711,031</u>
Expenses and Losses				
Program costs	1,477,443	-	1,477,443	1,632,136
Program costs-donated	4,208,340	-	4,208,340	4,026,135
Management and general expenses	64,419	-	64,419	76,136
Total Expenses	<u>5,750,202</u>	<u>-</u>	<u>5,750,202</u>	<u>5,734,407</u>
Unrealized loss on investments	-	-	-	3,216
Total Expenses and Losses	<u>5,750,202</u>	<u>-</u>	<u>5,750,202</u>	<u>5,737,623</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	57,865	(7,642)	50,223	(26,592)
NET ASSETS, beginning of year	<u>156,278</u>	<u>55,638</u>	<u>211,916</u>	<u>238,508</u>
NET ASSETS, end of year	<u>\$ 214,143</u>	<u>\$ 47,996</u>	<u>\$ 262,139</u>	<u>\$ 211,916</u>

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019  
(With Summarized Totals for 2018)

	PROGRAMS					
	Store	TRN/Special	Training	Client Programs	Management & General	2018 Total
Program and Supporting Services Expenses:						
Salaries	\$ -	\$ -	\$ 492,082	\$ -	\$ 15,000	\$ 449,767
Payroll taxes and employee benefits	-	-	-	-	-	50,599
Travel and conference expense	-	-	8,642	-	-	26,930
Donation and grant expenses	469	-	-	6,520	-	2,378
Faculty training	-	-	94,441	-	-	70,221
Training expenses - domestic and international	1,100	-	477,557	-	182	478,839
Outreach/Volunteer Expenses	-	-	3,829,940	-	-	3,829,940
Insurance	-	-	18,424	2,298	39,953	60,675
Postage and delivery	-	-	13,305	-	-	13,305
Professional fees	-	-	3,393	-	-	3,393
Marketing and development	275	9,598	33,267	-	-	43,140
Business Consulting	438	-	31,064	-	-	31,502
Rent	-	-	27,405	-	8,600	36,005
Rent - donated	-	-	18,786	-	-	18,786
Store and product cost	20,761	-	378,400	-	-	378,400
Utilities and telecommunications	-	-	343	-	-	21,104
Office expenses	-	-	14,553	-	75	14,628
Bank, merchant, and investment fees	-	-	35,186	-	496	35,682
Donor restriction - client needs	1,603	-	22,603	2,207	113	26,526
Client needs and program expenses	226	9,080	7,711	-	-	16,791
Depreciation	-	-	116,347	-	-	116,573
	-	-	7,759	-	-	7,759
Total Program and Supporting Services Expenses June 30, 2019	\$ 24,872	\$ 18,678	\$ 5,631,208	\$ 11,025	\$ 64,419	\$ 5,750,202
Total Program and Supporting Services Expenses June 30, 2018	\$ 20,545	\$ 131,231	\$ 5,501,675	\$ 4,820	\$ 76,136	\$ 5,734,407

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

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

(With Summarized Totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 50,223	\$ (26,592)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,759	6,787
Allowance for doubtful accounts	-	-
Realized (gain) loss on investments	-	(6,883)
Unrealized (gain) loss on investments	(5,482)	3,216
Changes in Operating Assets and Liabilities		
(Increase) decrease in accounts receivable	(3,940)	43,439
(Increase) decrease in prepaid expenses	(152)	4,308
(Increase) decrease in cash restricted for grant purposes	175,907	(179,055)
Increase (decrease) in accounts payable and accrued expenses	(183,213)	161,026
Increase (decrease) in credit card payable	(12,125)	6,180
Increase (decrease) in deferred training revenue	(12,714)	22,066
Increase (decrease) in deferred grant revenue	-	(19,599)
Net Cash Used in Operating Activities	<u>16,263</u>	<u>14,893</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(6,778)	(82,694)
Proceeds from sale of investment	-	61,163
Purchase of property, plant and equipment	<u>(1,497)</u>	<u>(19,892)</u>
Net Cash Used by Investing Activities	<u>(8,275)</u>	<u>(41,423)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>7,988</b>	<b>(26,530)</b>
CASH, beginning of year	<u>6,013</u>	<u>32,543</u>
CASH, end of year	<u>\$ 14,001</u>	<u>\$ 6,013</u>

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



EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization:

EMDR Humanitarian Assistance Programs, Inc. (the Organization) is a non-profit Organization, incorporated within the State of California. The Organization's tax-exempt status has been certified by the internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. The primary objectives and purposes of the Organization shall be to extend access to mental health services for underserved populations anywhere in the world through public and professional education, humanitarian services, and supportive research, with emphasis on building the capacity of local care givers to provide effective care for psychological trauma. The Organization's fiscal year begins on July 1 and ends on June 30. A summary of the Organization's accounting policies that affect the significant elements of the financial statements are stated below.

Change in Accounting Principle:

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update changes the previous reporting model for nonprofit Organizations and enhances the disclosure requirements intending to increase the usefulness of nonprofit financial statements. The changes address the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The ASU is effective for annual periods beginning after December 15, 2017. Management has adopted ASU 2016-14 for the year ended June 30, 2019 and the changes have been retrospectively applied to the comparative summarized totals presented for the year ended June 30, 2018 where applicable.

Basis of Presentation and Accounting Method:

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization are reported in the following categories:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources maybe expended at the discretion of the Board of Directors.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions to be maintained in perpetuity.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Further, the use of estimates also affects the levels of revenues and expenses recorded throughout the reporting period. Actual results could differ from those estimates.

Promises to Give:

Unconditional promises to give are recognized as revenues 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 when the conditions on which they depend are substantially met.

Restricted and Unrestricted Revenue and Support:

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, 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 restrictions 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 restrictions, 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 restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets without donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Statement of Cash Flows:

The Organization considers demand deposits, certificates of deposit and all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amount management 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. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for doubtful accounts has been provided for June 30, 2019 as management has evaluated all amounts and believes they are all collectible.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Property, Plant and Equipment:

Buildings, improvements and equipment are carried at the cost of acquisition. The Organization follows the practice of capitalizing all expenditures for property and equipment equal to or in excess of \$1,000. The Organization uses the straight-line method of depreciation in all cases, allocating the cost of acquisition of property and equipment evenly over their expected useful lives. The depreciated cost of all property and equipment represents that portion of the original cost not yet allocated as charge against operations and does not purport to be realizable value or a replacement cost. Upon retirement or disposal, gain or loss, if any, is reflected in earnings for the period.

The estimated useful lives are as follows:

Computers	5 years
Website costs	3 years
Furniture and fixtures	5-7 years

Property and equipment consist of the following at June 30, 2019:

Computer equipment	\$ 36,275
Website costs	53,306
Furniture and fixtures	<u>61,963</u>
Total Costs	151,544
Less accumulated depreciation	<u>(116,970)</u>
Net property and equipment	<u>\$ 34,574</u>

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information is derived.

Reclassifications:

Certain reclassifications have been made to the financial statements to conform to the June 30, 2018 presentation. These reclassifications have no material effect on the financial statements.

Restricted Cash:

Restricted cash is from the McCormick Foundation grant and other funding sources. The McCormick grant stipulates that the grant money can only be used for the purpose of the grant. The amounts for the purpose of the grant and other amounts were merged into one bank account. The total of these amounts was \$199,062. Additionally, other amounts held in separate bank accounts based on donor restriction amounted to \$8,794. The total balance in these restricted accounts as of June 30, 2019 was \$207,856.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Corporate Income Taxes:

The Internal Revenue Service has ruled that under Section 501 (c) (3) of the Internal Revenue Code, the Organization qualifies as an Organization exempt from income tax under the present Federal income tax laws. Further, the Internal Revenue Service has ruled that the Organization is not a private foundation in accordance with Section 170 (b) (1) (a) (iv) of the Internal Revenue Code. The Organization is additionally exempt from State income taxation by virtue of its Federal exemption.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Return of Organizations Exempt From Income Tax (Form 990) for the years ended June 30, 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Allocation Expenses:

The costs of providing the various programs and other supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that were clearly identifiable as being for a specific function were allocated to that function. All other expenses were allocated based on management's estimation of time spent on a particular function or asset usage. Various allocation methods may change from year to year based upon management's review of internal processes.

Gains and Losses:

The realized gain or loss on the sale of investments is the difference between the proceeds received and the average cost of the investment sold. Unrealized appreciation or depreciation in the aggregate fair value of investments represents the change in the difference between the fair value and cost of investments.

Deferred Training Revenue:

Deferred revenue represents program income from training services invoiced in the period prior to the fiscal year in which such training services are provided.

Deferred Grant Revenue:

The Organization recognizes grant funds as revenue to the extent the funds are expended. Grant funds received and not currently expended by the Organization are reflected as deferred revenue until such funds are expended.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

2. OPERATING LEASE

As of November 1, 2014, the Organization entered into a three year lease for office space that expired October 2017 at a cost of \$17,894 per year. The Organization amended the lease agreement on November 1, 2016 to extend through October 2018 at a cost of \$18,672 per year. Total rent expense for the year ended June 30, 2019 was \$18,786.

The following is a schedule by year of future minimum lease payments required under the lease as of June 30, 2019:

Year Ending June 30,	
2020	<u>\$ 6,224</u>
	<u>\$ 6,224</u>

3. DEFERRED GRANTS AND TRAINING REVENUE

The Organization received a \$250,000 grant in November 2008 from the McCormick Foundation's "Welcome Back Veterans" initiative. The grant money is to be used to train service providers to treat veterans with post-traumatic stress. The grant money and any interest earned on it can only be used for the purposes of this grant. As such, the grant money is segregated in a separate account. Of this amount, \$3,888 was unexpended and shown as deferred grant revenue as of June 30, 2019.

In May 2012 the Organization was awarded an \$8,000 grant from the Kent Richard Hoffman Foundation, Inc. The grant is to be used to support mental health training. The Organization received \$4,000 of that grant prior to June 30, 2014. Of this amount, \$2,094 is unexpended and shown as deferred grant revenue as of June 30, 2019.

Total deferred grants amounted to \$5,982 as of June 30, 2019.

Total deferred training revenue for the year ended June 30, 2019 was \$103,619.

4. DONATED SERVICES

A substantial number of volunteers have donated significant amounts of time in the area of clinical training and trauma education in international disaster settings and in community mental health agencies across the U.S. If these hours were valued at commercial rates, the Organization would have received approximately \$3,829,940 of training time for domestic, military and international clinician training during the year ended June 30, 2019.

The Organization uses facilities of its sponsors for training events for which the Organization does not pay rent. The estimated fair value of the rent during the year ended June 30, 2019 was \$378,400, and has been included in program services and program expenses in the statements of activities and net assets.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

5. INVESTMENTS

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investments are stated at fair value and consist primarily of equity securities and mutual funds.

	June 30, 2019		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 89,472	\$ 90,092	\$ 620
	<u>\$ 89,472</u>	<u>\$ 90,092</u>	<u>\$ 620</u>

Investment return is summarized as follows:

	2019
Investment income	\$ 7,355
Net realized and unrealized loss	5,483
Total Net Unrestricted Investment Loss	<u>\$ 12,838</u>

6. CONCENTRATIONS OF CREDIT RISK

The Organization maintains a substantial portion of its cash with one financial institution. At June 30, 2019, and at other times of the year, amounts of cash and cash equivalents maintained on deposit may be in excess of Federal Deposit Insurance Corporation (FDIC) limits. As of June 30, 2019, there was \$18,341 in excess of insured limits.

7. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (“ASC”) Topic 820, “Fair Value Measurements and Disclosures” (“ASC 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 fair value hierarchy under ASC 820 are described below:

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in market that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and observable.

The asset's and 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.

Mutual funds – These funds are valued at the closing price reported in the active market in which the securities are traded.

The method 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 Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

<u>Description</u>	<u>6/30/19</u>	<u>In Active Markets For Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	<u>\$ 90,092</u>	<u>\$ 90,092</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 90,092</u>	<u>\$ 90,092</u>	<u>\$ -</u>	<u>\$ -</u>

Gains and losses (realized and unrealized) are reported in the statement of activities for the year ended June 30, 2019.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

8. NET ASSET CLASSIFICATIONS

Temporarily Restricted Net Assets:

Temporarily restricted net assets as of June 30, 2019 totaled \$ 47,996 and the purposes and amounts are as follows:

Client needs	<u>\$ 47,996</u>
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Net Assets Released From Restrictions:

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released from restrictions are as follows:

	<u>2019</u>
Client needs	<u>\$ 133,365</u>
	<u>\$ 133,365</u>

9. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>
Cash and cash equivalents	<u>\$ 14,001</u>
Investments	<u>90,092</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 104,093</u>

Liquidity Management:

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2021 the date the financial statements were available to be issued.

Since early March 2020, the COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While this disruption is currently expected to be temporary, there is uncertainty around the duration of the closings. Therefore, the Company expects this matter to negatively impact its training income. However, the related financial impact and duration cannot be reasonably estimated at this time.

As of March 17, 2021, there have been no other subsequent events requiring disclosure in; or adjustment to these financial statements.