Educational First Steps

Financial Statements
May 31, 2019 and 2018

Sutton Frost Cary LLP
Certified Public Accountants

Educational First Steps

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Sutton Frost Cary LLP
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Independent Auditors' Report

To the Board of Directors
Educational First Steps

We have audited the accompanying financial statements of Educational First Steps, which comprise the statements of financial position as of May 31, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted accounting standards. Those standards require that we plan and perform the audits 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 misstatements 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 Educational First Steps as of May 31, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
September 11, 2019

Educational First Steps
Statements of Financial Position
May 31, 2019 and 2018

		2019		2018
Assets				
Current assets:				
Cash	$	197,634	$	214,822
Current portion of unconditional promises to give		1,340,409		163,727
Prepaid expenses		45,246		20,744
Inventory		950		-
Total current assets		1,584,239		399,293
Noncurrent assets:				
Unconditional promises to give, net of current portion		50,000		22,500
Investments		3,890,178		4,063,642
Property and equipment, net		1,380,222		1,412,167
Total noncurrent assets		5,320,400		5,498,309
Total assets	$	6,904,639	$	5,897,602
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	$	37,675	$	62,365
Accrued expenses		151,284		128,946
Refundable advance		249,904		100,000
Total current liabilities		438,863		291,311
Net assets:				
Without donor restrictions		5,075,368		4,389,130
With donor restrictions		1,390,408		1,217,161
Total net assets		6,465,776		5,606,291
Total liabilities and net assets	$	6,904,639	$	5,897,602

See notes to financial statements.

Educational First Steps
Statement of Activities
Year Ended May 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	$ 2,702,374	$ 1,432,253	$ 4,134,627
Special event revenue (net of direct costs of $116,126)	472,669	-	472,669
Donated goods and services	12,298	-	12,298
Program service fees	113,870	-	113,870
Investment earnings	152,287	-	152,287
Net assets released from restrictions	1,259,006	(1,259,006)	-
Total support and revenue	4,712,504	173,247	4,885,751
Expenses:			
Program expenses - education and training	3,240,400	-	3,240,400
Management and general	382,849	-	382,849
Fundraising	403,017	-	403,017
Total expenses	4,026,266	-	4,026,266
Change in net assets	686,238	173,247	859,485
Net assets at beginning of the year	4,389,130	1,217,161	5,606,291
Net assets at the end of the year	$ 5,075,368	$ 1,390,408	$ 6,465,776

See notes to financial statements.

Educational First Steps
Statement of Activities
Year Ended May 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	$ 471,815	$ 837,354	$ 1,309,169
Special event revenue (net of direct costs of $166,855)	492,701	-	492,701
Donated goods and services	16,702	-	16,702
Program service fees	61,619	-	61,619
Investment earnings	39,210	-	39,210
Net assets released from restrictions	2,062,319	(2,062,319)	-
Total support and revenue	3,144,366	(1,224,965)	1,919,401
Expenses:			
Program expenses - education and training	3,022,058	-	3,022,058
Management and general	326,835	-	326,835
Fundraising	411,571	-	411,571
Total expenses	3,760,464	-	3,760,464
Change in net assets	(616,098)	(1,224,965)	(1,841,063)
Net assets at beginning of the year	5,005,228	2,442,126	7,447,354
Net assets at the end of the year	$ 4,389,130	$ 1,217,161	$ 5,606,291

See notes to financial statements.

Educational First Steps
Statement of Functional Expenses
Year Ended May 31, 2019

	Education and training	Management and general	Fundraising	Total
Salaries and wages	$ 1,760,406	$ 242,833	$ 263,120	$ 2,266,359
Payroll taxes	134,562	18,058	19,651	172,271
Employee benefits	232,204	32,062	22,853	287,119
Total compensation	2,127,172	292,953	305,624	2,725,749
Contractual services	49,012	39,301	35,631	123,944
Office supplies	16,817	6,768	2,590	26,175
Communications	32,997	1,776	3,698	38,471
Occupancy	17,557	19,761	13,212	50,530
Equipment maintenance	13,460	6,084	1,888	21,432
Materials provided to centers	299,987	11,936	14,846	326,769
Enrichment field trips and events	15,359	-	-	15,359
EFS Academy expenses	216,523	131	283	216,937
Enrollment	358,213	-	-	358,213
Special events	-	-	116,126	116,126
Insurance	17,327	1,585	2,567	21,479
Marketing	5,484	754	12,165	18,403
Other	8,592	1,800	10,513	20,905
Total expenses before depreciation	3,178,500	382,849	519,143	4,080,492
Depreciation	61,900	-	-	61,900
Total	3,240,400	382,849	519,143	4,142,392
Less expenses included with revenues on the statement of activities - Direct costs at special events	-	-	(116,126)	(116,126)
Total expenses included in the expense section on the statement of activities	$ 3,240,400	$ 382,849	$ 403,017	$ 4,026,266

See notes to financial statements.

Educational First Steps
Statement of Functional Expenses
Year ended May 31, 2018

	Education and training	Management and general	Fundraising	Total
Salaries and wages	$ 1,712,768	$ 195,609	$ 289,559	$ 2,197,936
Payroll taxes	123,098	5,037	21,444	149,579
Employee benefits	178,984	20,007	18,005	216,996
Total compensation	2,014,850	220,653	329,008	2,564,511
Contractual services	41,160	67,883	25,396	134,439
Office supplies	15,046	4,579	4,017	23,642
Communications	32,764	1,701	3,371	37,836
Occupancy	32,551	8,296	4,929	45,776
Equipment maintenance	8,446	791	1,851	11,088
Materials provided to centers	294,968	8,501	7,884	311,353
Enrichment field trips and events	22,246	-	-	22,246
EFS Academy expenses	188,424	37	-	188,461
Enrollment	305,276	-	-	305,276
Special events	-	-	166,855	166,855
Insurance	13,222	2,144	2,512	17,878
Marketing	5,507	1,434	19,692	26,633
Other	8,848	1,219	6,272	16,339
Total expenses before depreciation	2,983,308	317,238	571,787	3,872,333
Depreciation	38,750	9,597	6,639	54,986
Total	3,022,058	326,835	578,426	3,927,319
Less expenses included with revenues on the statement of activities - Direct costs at special events	-	-	(166,855)	(166,855)
Total expenses included in the expense section on the statement of activities	$ 3,022,058	$ 326,835	$ 411,571	$ 3,760,464

See notes to financial statements.

Educational First Steps
Statements of Cash Flows
Years Ended May 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 859,485	$ (1,841,063)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	61,900	54,986
Unrealized and realized (gains) losses on investments	(39,499)	52,394
Changes in operating assets and liabilities:		
Unconditional promises to give	(1,204,182)	1,512,685
Inventory	(950)	19,633
Prepaid expenses	(24,502)	9,345
Accounts payable	(24,690)	10,023
Accrued expenses	22,338	4,624
Refundable advance	149,904	100,000
Net cash used by operating activities	(200,196)	(77,373)
Cash flows from investing activities:		
Purchases of property and equipment	(29,955)	(49,110)
Proceeds from sales and maturities of investments	750,080	800,020
Purchases of investments	(537,117)	(616,483)
Net cash provided by investing activities	183,008	134,427
Increase (decrease) in cash	(17,188)	57,054
Cash at beginning of year	214,822	157,768
Cash at end of year	$ 197,634	$ 214,822

See notes to financial statements.

1. Organization

Educational First Steps (Organization) was formed in May 1990 in the state of Texas as a nonprofit organization. Its mission is to increase the availability of quality early childhood education for economically disadvantaged children.

Through its own work and collaborations with community partners, the Organization teaches caregivers how to create high-quality early learning environments to start these children on a path to academic success. Working principally with childcare centers in under resourced neighborhoods of North Texas, the Organization equips center directors and teachers with proven tools and techniques that transform basic caregiving into effective social-emotional and educational preparation. The ultimate goal of each center is to meet nationally-accredited quality standards. These services are delivered through a research-based program of professional development offered at the Organization itself and in local childcare center classrooms throughout North Texas. The Organization offers supporting programs that supply age-appropriate learning tools, materials and curricula that provide student enrichment opportunities at local cultural and academic venues and that encourage higher student enrollment at centers that have achieved its quality objective.

The Organization is supported primarily through contributions, grants and fundraising activities.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> *Net assets without donor restrictions* - Net assets not subject to donor or grantor imposed restrictions. Net assets without donor or grantor restrictions may be designated for specific purposes by action of the board of directors.
>
> *Net assets with donor restrictions* - Net assets subject to donor or grantor restrictions that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. As of May 31, 2019 and 2018, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Contributions whose restrictions are met in the same year the contributions are received are reported as net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give (pledge) has been received. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected and reduced by an allowance for uncollectable amounts. Conditional promises to give are recognized when the conditions to which they are subject are met. If funds are received related to the conditional promise, the amounts received are accounted for as a refundable advance.

Donated materials, equipment and use of facilities are reflected as contributions at their estimated fair values at date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the Organization.

Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimated.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash, unconditional promises to give and investments. Cash, which may at times exceed federally insured limits is placed with high credit quality financial institutions to minimize risk. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. The Organization evaluates the collectability of unconditional promises to give and maintains allowances for potential losses, if considered necessary. Investments are subject to various risks such as interest rate, credit and overall market volatility risks.

Investments

At May 31, 2019 and 2018, the Organization's noncurrent investments consist of mutual funds and are stated at fair value in the statements of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of the donation. All items with a value greater than $1,500 are capitalized. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 40 years.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy and depreciation are allocated on a square footage basis that is in alignment with staff's time and effort. All other expenses are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended May 31, 2019 and 2018. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of May 31, 2019 and 2018, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Fair Value Measurement

The Organization categorizes its investments measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the fair value is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

> Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.
>
> Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
>
> Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value measurement is based on quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. The Organization does not have any securities that are valued using Level 2 or 3 inputs.

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components. The effective date of ASU 2014-09 is for annual periods beginning after December 15, 2018 for the majority of not-for-profit organizations.

In 2018, the FASB issued ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) Subject to Topic 958, Not-for-Profit Entities or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is *not a factor* for determining whether an agreement is within the scope of that guidance. The standard is effective for annual periods beginning after December 15, 2018 for the majority of not-for-profit entities. The changes in this standard should generally be applied on a retrospective basis in the year that it is first applied.

In 2016, the FASB issued its leasing standard in ASU 2016-02*, Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2019.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

Accounting Pronouncements Adopted

The Organization adopted FASB ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* as of and for the year ended May 31, 2019. As result, the major changes applicable for the Organization include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (c) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, and (d) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources. The adoption of this ASU had no effect on net assets or the change in net assets presented for the year ended May 31, 2019.

3. Investments

Investments consist of bond-based mutual funds reported at fair value using level 1 inputs totaling $3,890,178 and $4,063,642 at May 31, 2019 and 2018, respectively.

For the years ended May 31, 2019 and 2018 the components of investment earnings are:

	2019	2018
Interest and dividends	$ 112,788	$ 91,604
Unrealized/realized gains (losses) on investments	39,499	(52,394)
	$ 152,287	$ 39,210

4. Unconditional Promises to Give

As of May 31, 2019 and 2018, unconditional promises to give are expected to be collected as follows:

	2019	2018
Within one year	$ 1,340,409	$ 163,727
One - two years	50,000	22,500
	$ 1,390,409	$ 186,227

Due to current interest rates, the present value discount for pledges due in more than one year is nominal.

Of the total unconditional promises to give at May 31, 2019, approximately 88% was due from two donors. Of the total unconditional promises to give at May 31, 2018, approximately 58% was due from three donors.

5. Conditional Promises to Give

During the year ended May 31, 2018, the Organization received two grants totaling $1,220,000 for assistance in covering child care costs. The amount the grantor promises to give is conditioned upon specific provisions mandated by the grantor. At May 31, 2019 these conditional promises to give totaled approximately $600,000. Theses promises to give will be recognized as revenue when the respective conditions are met in future years.

6. Property and Equipment

Property and equipment consist of the following at May 31:

	2019	2018
Building and improvements	$ 1,295,121	$ 1,265,166
Land	201,778	201,778
Computer equipment	148,368	148,368
Office equipment, furniture and fixtures	44,237	44,237
Less: accumulated depreciation	(309,282)	(247,382)
Total property and equipment	$ 1,380,222	$ 1,412,167

Depreciation expense totaled $61,900 and $54,986 for the years ended May 31, 2019 and 2018, respectively.

7. Refundable Advance

Refundable advance at May 31, 2019 and 2018 relates to certain grant receipts for which the Organization has not yet performed the required program activities.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at May 31:

	2019	2018
"Bridge" program	$ -	$ 150,243
Future operations/program support	1,160,825	670,600
Future operations/program support - Dallas	-	40,000
Future operations/program support - Tarrant	200,000	30,000
Future operations/program support - Grayson and Collin	-	275,000
Other	29,583	51,318
	$ 1,390,408	$ 1,217,161

9. Donated Goods and Services

The Organization received the following donated goods and services during the years ended May 31 which are reflected in the accompanying financial statements:

	2019	2018
Donated professional services	$ 7,050	$ 7,750
Donated goods for educational programs and centers	5,248	8,952
	12,298	16,702
Donated goods included in special event revenue	5,000	12,822
	$ 17,298	$ 29,524

10. Retirement Plan

The Organization has a 403(b) defined contribution plan available to employees after eligibility periods are met which is managed by a third-party administrator. Eligible employees can make voluntary contributions, subject to certain limitations, on a pretax basis. The Organization may make a discretionary employer contribution to the plan on an annual basis. Vesting is full and immediate. Plan assets are held in separate employee owned and directed accounts.

The Organization elected to make a 2% matching contribution to the plan totaling $10,923 and $10,321 for the years ended May 31, 2019 and 2018, respectively.

11. Lease Commitments

The Organization leased an office facility in Tarrant County that expired July 31, 2019. Effective August 1, 2019, the Organization entered into a five year non-cancellable operating lease agreement for new office space in Tarrant County. This lease requires monthly payments of $1,838 and includes fixed rent escalations and a five year renewal option. The Organization also leases office equipment under operating leases that expire at various times through 2020. Rental payments under non-cancelable operating leases totaled $18,819 and $11,913 for the years ended May 31, 2019 and 2018, respectively. The remaining minimum lease payments pursuant to these leases are as follows for the years ending May 31:

2020	$	21,942
2021		22,560
2022		23,173
2023		23,785
2024		24,398
Thereafter		4,083

12. Revenue Concentration

Approximately 41% and 10% of total support and revenue was from one contributor for the years ended May 31, 2019 and 2018, respectively.

13. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

Cash	$	197,634
Pledges receivable		1,390,409
Investments		3,890,178
Total financial assets		5,478,221
Less amounts not available for general expenditure within one year, due to:		
Future operations/program support		(1,160,825)
Future operations/program support - Tarrant		(200,000)
Other		(29,583)
Financial assets available to meet cash needs for general expenditure within one year	$	4,087,813

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year. The Organization strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly and quarterly. During the year ended May 31, 2019, the level of liquidity was managed within the Organization's expectations.

14. Subsequent Events

The Organization evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.