

CREATING AN ENVIRONMENT OF SUCCESS, INC.

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
OCTOBER 31, 2017 AND OCTOBER 31, 2016**

CREATING AN ENVIRONMENT OF SUCCESS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Creating an Environment of Success, Inc.
Nashville, Tennessee 37218

We have audited the accompanying financial statements of Creating an Environment of Success, Inc. (a not-for-profit organization), which comprise the statements of financial position as of October 31, 2017 and October 31, 2016, and the related statements of activities, cash flows, and functional expenses 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 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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 Creating an Environment of Success, Inc. as of October 31, 2017 and October 31, 2016, 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.

A handwritten signature in blue ink that reads "Hoskins & Company". The signature is written in a cursive, flowing style.

Hoskins & Company
Nashville, TN
March 5, 2018

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2017 AND OCTOBER 31, 2016

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ -
Investments (Note 2)	26,058	30,646
Contributions and accounts receivable, net (Note 3)	96,918	11,353
Inventory (Note 4)	212,501	212,501
Total current assets	335,477	254,500
Noncurrent assets		
Property and equipment, net (Note 5)	813,224	867,806
Security deposit	17,643	17,643
Other non-current assets (Note 6)	16,206	21,117
Total noncurrent assets	847,073	906,566
Total assets	\$ 1,182,550	\$ 1,161,066
Liabilities and net assets		
Current liabilities		
Accounts and other payables	\$ 172,660	\$ 129,899
Cash and cash equivalents - overdraft	9,343	5,316
Lines of credit	70,000	70,000
Accrued payables	42,654	26,788
Deferred revenue - rent deposit	5,194	5,194
Current portion of notes payable (Note 8)	1,325,073	32,498
Total current liabilities	1,624,924	269,695
Noncurrent liabilities		
Promissory notes (Note 7)	57,051	58,027
Long term notes payable less current installments (Note 8)	-	1,302,010
Total noncurrent liabilities	57,051	1,360,037
Total liabilities	1,681,975	1,629,732
Net assets		
Net assets without donor restrictions	(499,425)	(468,666)
Total net assets	(499,425)	(468,666)
Total liabilities and net assets	\$ 1,182,550	\$ 1,161,066

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2017

	Without Donor Restrictions	Donor Restrictions	Total
Support and revenues			
Support:			
Public support	\$ 700,023	\$ -	\$ 700,023
Revenues:			
Special events	64,535	-	64,535
Program Income	585,268	-	585,268
Other income	27,715	-	27,715
Total support and revenues	1,377,541	-	1,377,541
Expenses			
General and Administrative	144,928		144,928
Summer Business Camp	218,061	-	218,061
Training Center	1,045,311	-	1,045,311
Total expenses	1,408,300	-	1,408,300
Decrease in net assets	(30,759)	-	(30,759)
Net assets at beginning of year	(468,666)	-	(468,666)
Net assets at end of year	\$ (499,425)	\$ -	\$ (499,425)

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2016

	Without Donor Restrictions	Donor Restrictions	Total
Support and revenues			
Support:			
Public support	\$ 538,541	\$ -	\$ 538,541
Revenues:			
Special events	21,598	-	21,598
Program Income	670,530	-	670,530
Other income	12,807	-	12,807
Total support and revenues	1,243,476	-	1,243,476
Expenses			
General and Administrative	100,426		100,426
Summer Business Camp	406,806	-	406,806
Training Center	798,054	-	798,054
Total expenses	1,305,286	-	1,305,286
Decrease in net assets	(61,810)	-	(61,810)
Net assets at beginning of year	(406,856)	-	(406,856)
Net assets at end of year	\$ (468,666)	\$ -	\$ (468,666)

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

	2017	2016
Cash flows from operating activities		
Decrease in net assets	\$ (30,759)	\$ (61,823)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	57,882	56,260
Amortization of closing costs	4,911	4,897
(Increase) decrease in contributions and accounts receivable	(85,565)	75,632
Decrease (increase) in accounts payables	42,761	(3,730)
Increase (decrease) in accrued payables	15,866	(5,180)
Increase in deferred revenue	-	1,400
Net cash (used in) by provided operating activities	5,096	67,456
Cash flows from investing activities		
Sale (purchase) of investments	4,588	(1,660)
Purchase of property and equipment	(3,300)	(25,625)
Net cash used in investing activities	1,288	(27,285)
Cash flows from financing activities		
Net payments from line of credit	-	-
Net payments of long-term debt	(10,411)	(47,516)
Net cash used in financing activities	(10,411)	(47,516)
Net decrease in cash and cash equivalents	(4,027)	(7,345)
Cash and cash equivalents at beginning of year	(5,316)	2,029
Cash and cash equivalents at end of year	\$ (9,343)	\$ (5,316)
Interest paid	\$ 84,204	\$ 79,414

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2017

	GENERAL AND ADMIN	SUMMER BUSINESS CAMP	TRAINING CENTERS	TOTAL
Accounting fees	-	10,075	4,305	14,380
Advertising	11,810	1,279	7,061	20,150
Conferences, conventions, and meetings	4,100	212,439	13,458	229,997
Contract labor	12,669	8,469	33,240	54,378
Depreciation	-	-	57,882	57,882
Dues and subscriptions	-	2,508	4,295	6,803
Facilities and equipment other	284	914	18,540	19,738
Insurance	-	-	6,218	6,218
Interest	383	-	40,418	40,801
Loan settlement charges	-	-	4,898	4,898
Occupancy	25,847	10,653	256,524	293,024
Office expenses	3,638	13,504	65,458	82,600
Other employee benefits	248	7	9,066	9,321
Other expenses	1,204	34,291	17,070	52,565
Other salaries and wages	78,548	-	251,351	329,899
Payroll taxes	6,197	-	17,954	24,151
Special events	-	-	35,347	35,347
Travel	-	90,347	35,801	126,148
Total expenses	<u>\$ 144,928</u>	<u>\$ 384,486</u>	<u>\$ 878,886</u>	<u>\$ 1,408,300</u>

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2016

	GENERAL AND ADMIN	SUMMER BUSINESS CAMP	TRAINING CENTERS	TOTAL
Salaries	\$ 58,170	\$ 45,064	\$ 243,629	\$ 346,863
Other employee benefits	15	2,020	2,500	4,535
Payroll tax	6,022	2,572	16,218	24,812
Accounting fees	-	13,143	5,586	18,729
Business expenses	81	495	715	1,291
Outside contract services	3,020	7,464	9,684	20,168
Contract services - other	3,255	1,601	9,015	13,871
Advertising	-	1,895	2,432	4,327
Postage, mailing service	-	250	78	328
Printing and copying	421	3,690	3,387	7,498
Supplies	-	2,777	5,989	8,766
Books, subscriptions, reference	-	293	162	455
Program related travel costs	-	146,297	3,779	150,076
Non-Program related travel	550	-	-	550
Program related conferences, mtgs	878	152,162	10,258	163,298
Gas allowance	-	-	880	880
Interest - general	429	-	41,451	41,880
Mortgage interest	-	-	37,534	37,534
Depreciation	-	-	56,260	56,260
Insurance - liability, d and o	2,326	-	2,703	5,029
Security services	-	-	4,561	4,561
Gasoline	-	251	1,118	1,369
Bad debt	-	-	11,267	11,267
Building materials & supplies	-	1,467	-	1,467
Equip rental and maintenance	1,246	61	5,338	6,645
Repairs and maintenance	750	24	18,839	19,613
Janitorial services	-	-	450	450
Janitorial supplies	-	-	11,707	11,707
Property insurance	-	-	13,640	13,640
Real estate, personal prop tax	-	-	8,717	8,717
Rent	10,500	-	138,250	148,750
Utilities	-	-	81,769	81,769
Facilities & equipment - other	-	-	364	364
Loan settlement charges	-	-	4,898	4,898
Telecommunications	-	8,134	7,287	15,421
Cable & internet services	-	852	3,181	4,033
Merchant card fees	-	12,554	10,176	22,730
Bank charges	379	268	744	1,391
Late payment penalty	4,428	-	3,847	8,275
Memberships and dues	-	45	450	495
Other costs	500	-	9,224	9,724
Gifts to other organizations	1,300	-	60	1,360
Gifts to individuals	1,400	-	-	1,400
Special event expenses	750	-	2,350	3,100
Other expenses	3,556	-	-	3,556
Scholarships	-	-	2,150	2,150
Stipends	450	3,360	2,300	6,110
Program related expenses - other	-	67	3,107	3,174
Total expenses	<u>\$ 100,426</u>	<u>\$ 406,806</u>	<u>\$ 798,054</u>	<u>\$ 1,305,286</u>

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

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Creating an Environment of Success, Inc. (the “Organization”) was established as a not-for-profit corporation for the purpose of promoting the values of entrepreneurship and self-empowerment in underserved communities. The Organization operates a summer business camp, a youth business program and a retail training center. The Organization opened the retail training center in fiscal year 2004. All items sold in the store are donated by individuals.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standard Board’s Accounting Standard Codification (FASB ASC 958), financial statements of not-for-profit Organizations. Under FASB ASC 958, the Organization is reporting information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets that are not restricted by explicit donor stipulations or by law.

Net Assets with donor restrictions — Net assets, accepted by board actions, subject to donor stipulations that require the asset be invested in perpetuity.

At October 31, 2017 and 2016, the Organization had no net assets with donor restrictions.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without restrictions support.

The Organization reports gifts of goods and equipment as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used.

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The financial statements are prepared in conformity with generally accepted accounting principles. Management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Receivables

Contributions and pledges are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recorded when the promises are made. Unconditional promises to give due in the next year are reflected as current pledges/contributions receivable and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term pledges receivable and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the pledges are received to discount the amounts. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Receivables also include unpaid rents by tenants owed from leasing office space.

Inventories

The Organization receives contributions of goods and materials (inventory) and processes these contributions as merchandise available for sale in its retail stores. The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-605, Accounting for Contributions Received and Contributions Made requires that contributions received including goods and materials should be measured at their fair value. The Organization believes the contributed goods and materials do not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine an inventory value at the time of donation. Accordingly, contributed goods and materials inventory are valued at zero prior to being offered for sale. The Organization determines the value of inventory based on historical sales value records. This method is consistently applied and is not expected to be materially different from that determined using a more detailed measurement of the inventory's fair value.

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Fixed assets are recorded at cost at the date of purchase or fair value at the date of donation. Capital purchases and donations over \$1,000 with an extended useful life are included as fixed assets. Depreciation is taken on a straight-line basis over the estimated useful life of the assets. The estimated useful lives are as follows:

Building	30
Leasehold improvements	15
Furniture and fixtures	5
Equipment	5
Vehicles	5
Office Machines	3

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments. The fair values of the notes payable and the capitalized lease obligation approximate the carrying amounts and are estimated based on current rates offered to the Organization.

Income Taxes

The Organization is operated as a tax-exempt entity as described under Section 501(c) (3) of the Internal Revenue Code and is therefore exempt from Federal and State income taxes. Accordingly, no provisions for income taxes have been recorded.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Concentration of Revenues

The Organization receives a considerable portion of its revenues and support from contributions and donations from individuals and corporations. A significant decrease in this support could have an adverse impact on the Organization's operations.

NOTE 2---INVESTMENTS

Investments at October 31, 2017 and October 31, 2016, consist of the following:

	2017	2016
Stocks	\$ -	\$ 5,508
Money Market	6,053	5,133
	20,005	20,005
Other (See Note 10)	\$26,058	\$ 30,646
Total	\$26,058	\$ 30,646

Investments are stated at cost.

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 3---CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Contributions and accounts receivable at October 31, 2017 and October 31, 2016, consist of the following:

	<u>2017</u>	<u>2016</u>
Contributions and accounts receivable	\$ 154,435	\$ 68,870
Less: Allowance for doubtful accounts	<u>(57,517)</u>	<u>(57,517)</u>
Net receivable	<u>\$ 96,918</u>	<u>\$ 11,353</u>

The allowance for doubtful accounts was not increased due to 69% of accounts receivable being less than 180 days, and 50% of the total receivables in being collected subsequent to the financial year end of October 31, 2017.

NOTE 4---INVENTORY

Inventories consisting of donated items used for resale purposes in the retail stores were valued based on the historical sales value record. Inventory as of October 31, 2017 and October 31, 2016, was stated at \$212,501 and \$212,501 respectively.

NOTE 5---PROPERTY AND EQUIPMENT

Depreciation expense as of October 31, 2017 and October 31, 2016, was \$57,882 and \$56,260 respectively. A summary of Property and Equipment as of October 31, 2017 and October 31, 2016, were as follows:

	<u>2017</u>	<u>2016</u>
Land - Business Training Center	\$ 87,750	\$ 87,750
Business Training Center	1,119,466	1,119,466
Furniture and fixtures	9,106	9,106
Computer	15,349	15,349
Vehicle	84,881	84,881
Building improvements	195,190	191,891
Leaseholds improvements	<u>96,470</u>	<u>96,470</u>
Total	1,608,212	1,604,913
Less: Accumulated depreciation	<u>(794,988)</u>	<u>(737,107)</u>
Property and equipment, net	<u>\$ 813,224</u>	<u>\$ 867,806</u>

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 6---OTHER NON-CURRENT ASSETS

Other Non-Current Assets at October 31, 2017 and October 31, 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Investment in timeshare	\$ 10,900	\$ 10,900
Loan closing costs	5,306	10,217
Total	<u>\$ 16,206</u>	<u>\$ 21,117</u>

In 2002, the Organization purchased a timeshare in Orlando, Florida at Westgate Resorts for \$10,900. The outstanding mortgage payable including interest was paid off in total in 2010. There is annual maintenance fee of \$199. The Organization uses this property for senior staff meeting held at the end of summer programming to review outcomes and plan for upcoming year. This is normally held between August and September of every year.

NOTE 7---LINES OF CREDIT AND PROMISSORY NOTES

The Organization established a line of credit with Regions Bank in the amount of \$20,000 on October 31, 2014, with an interest rate of 6.5%, secured by all business assets. As of October 31, 2017, and October 31, 2016, the outstanding balance on this line of credit was \$19,892 and \$20,000 respectively. On July 9, 2014, the organization established a \$50,000 line of credit with Franklin Synergy Bank with an interest rate of 5.25%, secured by all business assets. As of October 31, 2017, and October 31, 2016, the outstanding balance of the line of credit was \$50,000 and \$50,000 respectively.

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 7--- LINES OF CREDIT AND PROMISSORY NOTES (Continued)

Promissory notes as of October 31, 2017 and October 31, 2016 include the following:

	2017	2016
On September 9, 2016, the Organization entered into a promissory note agreement with Christine Rayner, payable on November 9, 2016, with a 5% annual interest rate. The note with interest is unsecured.	\$ -	\$17,947
On October 31, 2017, the Organization entered into an unsecured 3.5 % annual interest rate loan agreement with Samuel and Cynthia Kirk. (Note 10)	11,000	13,500
During the fiscal year, the Organization entered into an unsecured non-interestbearing loan agreement with Lord’s House Ministries. (Note 10)	14,099	7,028
During the fiscal year, the Organization entered into a promissory note agreement with The Elpizo Fund, LLC payable on April 27, 2016, with a 7% annual interest rate. The note is still outstanding past the original maturity date. The note with interest is unsecured. (Note 10)	30,000	15,000
On July 20, 2012, the Organization traded in the old 2002 Toyota Camry for a 2011 model, and entered in to a loan agreement with Toyota Motor Credit. The note is payable in monthly installments of \$248, with an interest rate of 4.6% through maturity on August 14, 2018. The note is secured by a vehicle.	1,952	4,552
Total promissory notes	\$ 57,064	\$ 58,027

Summaries of the estimated amortization as of October 31, 2017 are as follows:

2018	\$ 2,915
2019	963
2020	963
2021	963
There after	51,260
Total	\$ 57,064

CREATING AN ENVIRONMENT OF SUCCESS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 AND OCTOBER 31, 2016

NOTE 8--- NOTE PAYABLE

Note payable to Franklin Synergy Bank, with monthly installments of \$9,193 beginning November 9, 2014, and an annual interest rate of 5.4% through maturity on October 9, 2018. Interest paid on this loan began in August, and a final balloon payment for the remaining balance of loan will be due at maturity date. The note is secured by commercial property.

Summaries of the estimated maturities over the next year are as follows:

2018	<u>\$ 1,325,073</u>
Total	<u>\$ 1,325,073</u>

NOTE 9--CAPITAL AND OPERATING LEASES

In fiscal year 2014, the Organization entered into a lease agreement with Delhaize America, Inc., and Food Lion, LLC, to sublease property located at 2061 Lascassas Pike for an initial term of three (3) years, for monthly payments of \$10,500 at commencement date, which ended on June 30, 2015, and monthly payments of \$11,750 after base rate expired. The Organization also leases office space under lease arrangements classified as operating leases. Total rent expense under these leases were \$141,000 and \$148,750 for the year ended October 31, 2017 and October 31, 2016 respectively.

The future minimum lease payments are as follows:

2018	\$ 141,000
2019	141,000
2020	<u>141,000</u>
Total	<u>\$ 423,000</u>

NOTE 10--- RELATED PARTY TRANSACTIONS

As of October 31, 2017 and October 31, 2016, the organization had investment of \$20,005 and \$20,005 in related party entities (See Note 2). The executive director of the Organization held management and ownership positions in the entities the Organization invested in. The Organization also owed \$50,599 and \$35,528 to related parties as of October 31, 2017 and October 31, 2016 respectively. (See Note 7)

NOTE 11 --- SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of March 5, 2018, the date management evaluated such events. March 5, 2018, is the date the financial statements were available to be issued.