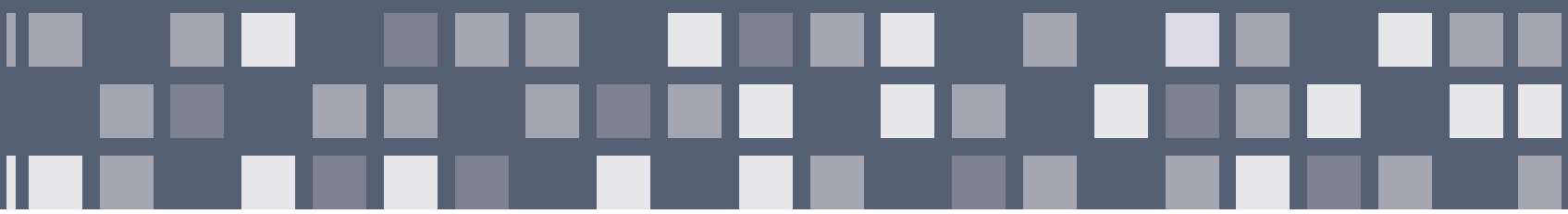


**Bronx Council
On the Arts, Inc**

Financial Report
June 30, 2020



Contents

Independent auditor's report	1-2
Financial statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to financial statements	7-14

Independent Auditor's Report

To the Board of Trustees
Bronx Council on the Arts, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Council on the Arts, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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

The Organization's 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 Bronx Council on the Arts, Inc. as of June 30, 2020 and 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

GMA & ASSOCIATES, LLC

Stamford, Connecticut
October 28, 2020

Bronx Council on the Arts, Inc
Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash	\$ 448,342	\$ 41,555
Grants and other receivables (Note 3)	202,809	200,467
Other current assets	5,683	318
Total assets	656,834	242,339
Building, furniture, and equipment, net (Note 5)	6,700,083	6,168,028
Other assets	-	3,250
	6,700,083	6,171,278
Total assets	\$ 7,356,917	\$ 6,413,617
Commitments and contingencies (Notes 6, 7, 8, 9, and 11)		
Current liabilities		
Accounts payable and accrued expenses	\$ 139,737	\$ 89,790
Current maturities of capital lease obligations (Note 7)	6,904	6,700
Payroll Protection Program loan (Note 6)	78,384	-
Line of credit (Note 4)	-	99,789
	225,025	196,278
Noncurrent liabilities:		
Loans payable, less current portion (Note 6)	286,633	-
Capital lease obligations, less current maturities (Note 7)	4,124	11,027
	515,782	207,306
Net assets:		
With donor restrictions (Note 4)	6,566,536	6,168,028
Without donor restrictions	274,598	38,283
	6,841,135	6,206,311
Total liabilities and net assets	\$ 7,356,917	\$ 6,413,617

See notes to financial statements.

Bronx Council on the Arts, Inc
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2020 and 2018

	Without Donor Restriction	With Donor Restriction	2020 Total	2019 Total
Revenues, public support and other income:				
Government grants and contracts	\$ 294,200	\$ 1,134,017	\$ 1,428,217	\$1,196,677
Individual and corporate contributions	12,550	-	12,550	18,952
Foundation and trust grants	-	120,000	120,000	156,100
Foundation and trust grants - building (Note 5)	-	688,085	688,085	1,696,723
Other program contributions:				
In-kind contributions	30,000	-	30,000	30,660
Miscellaneous	12,222	-	12,222	6,239
	<u>348,972</u>	<u>1,942,102</u>	<u>2,291,074</u>	<u>3,105,351</u>
Interest income	-	-	-	1
Net assets released from restriction	<u>1,543,594</u>	<u>(1,543,594)</u>	<u>-</u>	<u>-</u>
Total revenues and public support, and other income	<u>1,892,566</u>	<u>398,508</u>	<u>2,291,074</u>	<u>3,105,351</u>
Expenses:				
Program expenses	1,390,926	-	1,390,926	1,319,214
Fundraising	83,136	-	83,136	213,667
General and administrative	182,189	-	182,189	55,227
Total expenses	<u>1,656,251</u>	<u>-</u>	<u>1,656,251</u>	<u>1,588,108</u>
Changes in net assets	236,315	398,508	634,823	1,517,243
Net assets - Beginning of year	<u>38,283</u>	<u>6,168,028</u>	<u>6,206,311</u>	<u>4,689,067</u>
Net assets - End of year	<u>\$ 274,598</u>	<u>\$ 6,566,536</u>	<u>\$ 6,841,135</u>	<u>\$6,206,311</u>

Bronx Council on the Arts, Inc
Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

	Program	Fundraising	General and Administrative	2020 Total	2019 Total
Expenses:					
Salaries and wages	\$ 314,930	\$ 37,051	\$ 18,525	\$ 370,506	\$ 376,793
Payroll taxes and fringe benefits	102,393	12,046	6,023	120,462	110,929
	<u>417,323</u>	<u>49,097</u>	<u>24,548</u>	<u>490,968</u>	<u>487,722</u>
Regrants	692,989	-	-	692,989	655,426
Depreciation	162,374	19,103	9,551	191,029	70,426
Rent and utilities	34,065	-	12,557	46,622	63,343
Consultants	-	14,936	72,843	87,779	124,222
Fees & Honoraria	66,177	-	-	66,177	89,790
Repairs and cleaning maintenance	-	-	13,062	13,062	27,482
Insurance	1,250	-	10,111	11,361	14,007
Supplies	3,200	-	7,677	10,877	9,978
Telephone	-	-	9,965	9,965	6,918
Dues, fees, licenses and permits	-	-	7,618	7,618	7,345
Interest expense	-	-	7,570	7,570	2,025
Travel	4,806	-	2,263	7,069	3,401
Printing, publications, and publicity	3,022	-	1,528	4,550	6,184
Special events	3,931	-	-	3,931	7,843
Bank and merchant service charges	-	-	2,057	2,057	1,338
Programming	1,680	-	-	1,680	1,603
Postage and delivery	-	-	758	758	698
Shipping and handling	108	-	-	108	328
Conference and meeting	-	-	80	80	389
Equipment leases	-	-	-	-	7,140
Sponsorship	-	-	-	-	500
Total expenses	<u>\$ 1,390,926</u>	<u>\$ 83,136</u>	<u>\$ 182,189</u>	<u>\$ 1,656,251</u>	<u>\$ 1,588,109</u>

See notes to financial statements.

Bronx Council on the Arts, Inc
Statements of Cash Flows
Year Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Changes in net assets	\$ 634,823	\$ 1,517,243
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	191,029	70,425
Changes in assets and liabilities:		
Grants and other receivables	(2,342)	11,774
Other current assets	(5,365)	-
Other assets	3,250	687
Accounts payable and accrued expenses	49,947	76,569
Net cash provided by operating activities	871,342	1,676,699
Cash flows from investing activities:		
Payment for property, furniture and equipment	(723,085)	(1,727,557)
Cash flows from financing activities:		
Proceeds from loans payable	286,633	-
Proceeds from Payroll Protection Program loan	78,384	-
Repayment of capital leases	(6,699)	-
Proceeds from line of credit, net	(99,789)	789
Net cash provided by financing activities	258,529	789
Net increase (decrease) in cash	406,786	(50,069)
Cash:		
Beginning	41,555	91,621
Ending	\$ 448,342	\$ 41,555
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	\$ 7,570	\$ 2,025

See Notes to Financial Statements.

Bronx Council on the Arts

Notes to Financial Statements

Note 1. Organization and Purpose:

The Bronx Council on the Arts, Inc. (the Organization) is a not-for-profit organization which was incorporated in 1962, under the laws of the state of New York. The Organization provides community arts grants and cultural services, arts education and exhibition programs, a writer's center, performances, public arts sponsorship, training and technical services, and acts as a fiscal conduit for qualified organizations engaged in cultural programming. The Organization is supported primarily by government contracts. The primary focus is to offer quality professional and comprehensive services for artists, and art organizations.

The Organization is a tax-exempt organization and, accordingly, is not subject to income tax in accordance with §501(c)(3) of the Internal Revenue Code (the "Code"). Contributions to the Organization are tax deductible to contributors as provided by law. The Organization has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization under the applicable sections of the Code. Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Organization had no unrelated business income for the year ended June 30, 2020 and 2019.

Note 2. Nature of Activities and Significant Accounting Policies

A summary of the Organization's significant accounting policies follows:

Basis of Accounting presentation: The financial statements of the Organization have been prepared in the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, with guidance as issued by the Financial Accounting Standards Board (FASB) relating to financial statements of nonprofit organizations. As such, the financial statements are presented on the basis of the net assets of the Organization are reported as follows:

Descriptions of the classes of net assets of the Organization are reported as follows:

- **With Donor Restrictions:** This class consist of net asset resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization's, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities. Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise be removed by actions of the Organization are classified as net assets with donor restrictions – perpetual in nature.
- **Without Donor Restrictions:** This class consists of the part of net assets that is not restricted by donor-imposed stipulations.

Estimates:

The preparation of the 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 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 estimates and those differences could be material.

Note 2. Nature of Activities and Significant Accounting Policies (Continued)

Revenue and Revenue Recognition:

Revenues from government agencies are recognized when earned. Expenses-based grants are recognized as allowable expenses are incurred. Payments of government grants that are received before the terms of the grants are satisfied are recorded as deferred income in the statements of financial position to reflect the conditional nature of the revenue recorded.

In-Kind Contributions:

In-kind donations of property, equipment, supplies and other goods and services are recorded at their estimated fair value on the date of donation. These donations are reported as contributions without donor restrictions unless the donor has restricted the donated gifts for a specific purpose or period of time. Assets, goods, and services donated with explicit restrictions regarding their use are reported as support with donor restrictions and reclassified to net assets without donor restrictions when used or placed in service. In-kind contributions recorded in the financial statements at their estimated fair value totaled \$30,000 for the year ended July 31, 2020. These contributions were used primarily for programs (Note 8).

The classification of the Organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for the two classes of net assets (Net Assets Without Donor Restrictions and Net Assets with Donor Restrictions) be reported in the statements of financial position. When a donor's restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor restricted net assets are then reclassified to net assets without donor restriction and reported in the statement of activities as part of public support.

The Organization recognizes contribution revenue for donated goods and services at their fair values, with a corresponding expense categorized as supporting services.

Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, direct costs have been allocated among the various program and supporting-service categories based on the nature of the expense as determined by management. Indirect costs have been allocated on the basis of utilization.

Cash:

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in bank deposits, which, at times, may exceed federally insured limits.

Contribution receivable:

The Organization reports unconditional promises to give as contributions. If the outstanding contributions are expected to be collected in less than one year, they are recorded at the estimated amount to be ultimately realized. If outstanding contributions are to be paid to the Organization over a period of years, they are recorded at the present value of their estimated cash flows using the prime rate of the calendar - year in the year of donation. Contribution receivable amounts due in excess of one year after June 30, 2020, and 2019 are reflected net of an allowance for uncollectible amounts based on management's judgement, past payment experience, and other relevant factors and have been discounted to net realizable value. There were no allowance for uncollectible amounts for the year ended June 30, 2020 and 2019.

Note 2. Nature of Activities and Significant Accounting Policies (Continued)

Building, furniture and equipment:

The Organization records building, furniture and equipment at cost at the date of purchase, or if donated, at fair value at the date of donation. The Organization's fixed asset capitalization policy is set at 1,000; otherwise any fixed asset purchased below the capitalization policy is expensed in the period cost is incurred. Depreciation is computed and charged to operations using the straight-line method over the estimated useful life of 3-39 years. Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized. The cost of assets sold or retired, and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal.

Long-lived assets and impairments:

The Company follows the principles contained in Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 360, *Accounting for the Impairment and Disposal of Long-Lived Assets*, which requires that long-lived assets to be held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such review indicates that the carrying amount of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis, the asset's carrying amount should be written down to fair value. Additionally, ASC 360 requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value less cost to sell. Management believes that the carrying costs of the leasehold improvements was not impaired at June 30, 2020.

Income taxes:

The Organization is subject to the provisions of FASB ASC Topic 740, Income Taxes, relating to accounting and reporting for uncertainty in income taxes. Because of Organization's general tax-exempt status, ASC Topic 740 has not had, and is not expected to have, a material impact on its financial statements.

The Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. Based on management's evaluation of its tax positions at June 30, 2019 the Organization had no liabilities for uncertain tax positions.

Adoption of new accounting pronouncement:

On July 1, 2019, the Organization adopted on a prospective basis the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The Update assists with evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution has a donor-imposed condition. Adoption of the Update resulted in no significant changes in the way the Organization recognizes contributions, and no changes to previously issued audited financial statements are required on a retrospective basis.

Bronx Council on the Arts, Inc
Notes to Financial Statements

Note 2. Nature of Activities and Significant Accounting Policies (Continued)

Pending Accounting Pronouncements:

In February 2016, FASB released ASU 2016-02, Leases (ASC 842). Under ASU 2016-02, lessees will be required to bring substantially all leases into their balance sheets by recording a right-of-use asset and lease liability. Expense will be recognized on a straight-line basis for an operating lease. The requirements of ASU 2016-02 are effective for the Organization's fiscal year ending December 15, 2021. The Organization is currently evaluating the impact of this pronouncement.

Reclassifications:

Certain reclassifications have been made to the 2019 comparable information to conform to the 2020 presentation. Such reclassifications do not alter the change in net assets or net asset balances as previously reported.

Note 3. Grants and other receivables

Grants and other receivables consist of the following

	<u>2020</u>	<u>2019</u>
Department of Cultural Affairs	\$ 78,620	\$ 60,660
Department of Cultural Affairs Re grants	61,000	104,000
Department of Cultural Affairs Su Casa	23,000	22,400
Hispanic Federation	30,189	12,750
National Endowment for the Arts	10,000	-
Hostos Community College	-	560
En Foco, Inc	-	97
	<u>\$ 202,809</u>	<u>\$ 200,467</u>

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the land, building and building improvements (net book value), in the amount of \$6,566,536 and \$6,189,89 as of June 30, 2020 and 2019 (Note 5).

Note 5. Building, furniture and equipment

In 2011 the Organization's building, located at 2700 East Tremont Avenue, at Westchester Square in Bronx, New York was donated to the Organization by the JP Morgan Chase Foundation. Major renovations, to the building, was funded by the New York City Department of Cultural Affairs. Donation of the building and major renovation cost were capitalized and reported as construction in-progress on the statements of financial positions as of June 30, 2018. The building renovation was substantially completed and used in 2019, of which, the amount reported as construction in-progress for the fiscal year ended June 30, 2018 was reclassified to building cost as of June 30, 2019, of which the Organization commenced depreciating the building cost in fiscal year 2019.

Bronx Council on the Arts, Inc
Notes to Financial Statements

Note 5 Building, furniture, and equipment (Continued)

In Fiscal 2020 and 2019, the City of New York spent/contributed \$688,085 and \$1,696,723 respectively, relating to the project named “Bronx Council on the Arts – Renovation of Facility”. The City’s investment of capital funding obligated the recipient organization, Bronx Council on the Arts, to operate the facility and/or maintain equipment for the respective bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational or artistic uses and/or related purposes approved by the City.

The building serves as the Organization’s permanent headquarters and programs location. The Organization’s building, furniture and equipment as of June 30, 2020 and 2019 were as follow:

	2020	2019
Land	\$ 72,500	\$ 72,500
Building	6,805,478	6,117,393
Leasehold improvements	37,180	37,180
Web-Site	35,000	-
Furniture and equipments	142,674	142,674
	7,092,833	6,369,747
Less accumulated depreciation	(392,749)	(201,719)
	\$ 6,700,083	\$ 6,168,028

Note 6. Line of Credit and Term Loans

The Organization established a line of credit (the “loan”) with Sterling Bank that is secured by the assets of the Organization. The loan allows the Organization to borrow up to \$150,000; at prime rate plus 1.5% (4.75%) at June 30, 2020. The loan matures on August 1, 2025. The Organization borrowed \$0 and \$99,789 against the loan for the years ended June 30, 2020 and 2019, respectively.

Long-term debt and the collateral pledged thereon consisted of the following:

In May 2020, the Organization was granted a loan under the Paycheck Protection Program (“PPP”) offered by the United States Small Business Administration under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), in the amount of \$78,384. The loan with Kabbage Inc., bears interest at 1.0% with no payments for the first six months. Monthly payments of principal and interest of \$3,317 begin on December 2020 and continue through maturity in November 2022, if required. All or portions of the loan may be forgiven if the Organization uses all proceeds for eligible purposes, maintains certain employment and compensation levels in accordance with and subject to the CARES ACT and the rules and regulations and guidance. The Organization expects all of the loan proceeds to be forgiven. As of June 30, 2020, the Organization has not completed its application for loan forgiveness.

Bronx Council on the Arts, Inc
Notes to Financial Statements

Note 6. Line of Credit and Term Loans (Continued)

Long-term debt consists of the following as of June 30:

	<u>2020</u>	<u>2019</u>
In May 2020, the Organization entered into a promissory note with Nonprofit Finance Fund, at an implied interest rate of 3.25% per annum, payable in three equal quarterly payments in the amount of \$46,667 (including interest and principal), commencing November 2021 and maturing fiscal year May 2022. The note is secured by the assets of the Organization	\$ 136,633	\$ -
In June 2020, the Organization entered into a 30 years promissory note with the Small Business Administration, for equal monthly installment payments of \$641, (including interest and principal), at 2.75% per annum, maturing in fiscal year May 2049. The note is secured by the assets of the Organization	150,000	-
	<u>\$ 286,633</u>	
Less: current maturities	-	-
	<u>\$ 286,633</u>	<u>\$ -</u>

Future maturities of long-term debt at June 30, 2020 are due in future years as follows:

Year Ended June 30,	
2021	
2022	\$ -
2023	47,740
2024	49,631
2025	50,113
2026	3,923
Thereafter	135,227
	<u>\$ 286,633</u>

Bronx Council on the Arts, Inc
Notes to Financial Statements

Note 7. Capital lease Obligation

The Organization leases a copier equipment under a capital lease. The book value of the asset was \$11,028 and \$17,727 at June 30, 2020 and 2019, respectively. The capital lease obligation is, payable in monthly installments of \$595, which includes principal and interest expense, through December 2021, at an interest rate imputed at 3%.

2021	\$ 7,140
2022	4,165
Total minimum lease payments	<u>11,305</u>
Less amounts representing interest	<u>(277)</u>
Present value of minimum capital lease payments	11,028
Less current portion	(6,904)
Capital lease obligation, net of current portion	<u><u>\$ 4,124</u></u>

Note 8. Office Leases

The Organization is granted an in-kind donation for use of the Longwood Art Gallery space, located in Bronx, New York valued at approximately \$30,000. For the years ending June 30, 2020 and 2019, rent and utilities expense was \$46,622 and \$63,343, respectively.

The Westchester Square Branch of the New York Public Library provides space, utilities and maintenance services to The Writers' Center, a program of the Organization. The fair value of the space and related services are not recorded as income and expense since it is not susceptible to objective measurement.

Note 9. Contingency and Commitments

The Organization receives funds from federal, state, and local governments in the form of grants. Entitlement to the resources is conditional upon compliance with terms and conditions of the grant agreement and applicable regulations. Substantially, all grants are subject to the financial and compliance audit by the grantors. Management believes a liability, if any, resulting from any financial and compliance audits would not have a material adverse effect on the Organization's financial statements.

Note 10. Information Regarding Liquidity and Availability of Resources

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Bronx Council on the Arts, Inc
Notes to Financial Statements

Note 10. Information Regarding Liquidity and Availability of Resources (Continued)

The Organization's financial assets as of June 30, 2020 consist of cash, all of which are available to meet general expenditures within one year of the financial statement date.

Financial assets, at year end:

Cash	\$ 448,342
Grants and other receivables (Note 3)	202,809
Other assts	<u>5,683</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u><u>\$ 656,834</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 11. Pension Plans

The Organization participates in the employee Cultural Institutions Retirement System ("CIRS"), which covers all eligible employees. CIRS is a multi-employer plan administered by the City of New York, and its actuarial present value of vested and non-vested accumulated plan benefits and net assets available for plan benefits are determinable on an individual institution basis. CIRS sponsors its employee benefit plans: 401(k) Savings Plan, Defined Benefit Pension Plan, and a Group Life Insurance Plan. The Organization makes contributions to the 401(k) Saving Plan on behalf of all eligible employees. The Organization has suspended matching contribution to the plan since 2006. Pension cost incurred as of June 30, 2020 and 2019 was \$39,997 and \$35,207, respectively.

Note 12. Subsequent Events

Subsequent events have been evaluated through October 28, 2020, the date the financial statements were available to be issued.

The recent global outbreak of COVID-19 has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The operational and financial performance of the Company may be significantly impacted by COVID-19, which may in turn impact the Company's revenue and profitability.