

CULTURAL SURVIVAL, INC.

AUGUST 31, 2018 AND 2017

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Independent Auditor's Report

To the Board of Directors
Cultural Survival Inc.
Cambridge, Massachusetts

I have audited the accompanying financial statements of the Cultural Survival, Inc. (a non-profit organization) which comprise the statement of financial position as of August 31, 2018 and 2017, and the related statement of Revenues, Expenses and changes in net assets, 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 of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion of these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

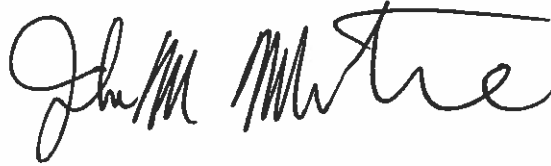
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cultural Survival, Inc. as of August 31, 2018, and 2017, 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 black ink, appearing to read "John M. White". The signature is written in a cursive style with a large initial "J" and "W".

Medford, Massachusetts
May 17, 2019

CULTURAL SURVIVAL, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2018 AND 2017

	2018			2017			
	Unrestricted	Temporarily Restricted	Endowment Fund	Unrestricted	Temporarily Restricted	Endowment Fund	Total
ASSETS							
CURRENT ASSETS:							
Cash and Cash Equivalents	\$ 1,068	\$ 365,503	\$ -	\$ 20,821	\$ 10,163	\$ -	\$ 366,571
Investments	-	7,420	26,286	-	6,967	21,064	33,706
Pledges Receivable	50,000	-	-	-	197,963	-	50,000
Other Assets	4,120	-	-	4,120	-	-	4,120
Total Assets	\$ 55,188	\$ 372,923	\$ 26,286	\$ 24,941	\$ 215,093	\$ 21,064	\$ 454,397
PROPERTY AND EQUIPMENT:							
Equipment and Furniture	23,752	-	-	23,752	-	-	23,752
Software	19,720	-	-	19,720	-	-	19,720
	43,472	-	-	43,472	-	-	43,472
Less: Accumulated Depreciation	43,472	-	-	43,472	-	-	43,472
	-	-	-	-	-	-	-
	55,188	372,923	26,286	24,941	215,093	21,064	454,397
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 44,182	\$ -	\$ -	\$ 45,811	\$ -	\$ -	\$ 45,811
Total Current Liabilities	44,182	-	-	45,811	-	-	45,811
NET ASSETS							
Unrestricted Funds	11,006	-	-	(20,870)	-	-	(20,870)
Temporarily Restricted Endowment Fund	-	372,923	26,286	-	215,093	21,064	215,093
	-	-	-	-	-	21,064	21,064
Total Net Assets	\$ 11,006	\$ 372,923	\$ 26,286	\$ (20,870)	\$ 215,093	\$ 21,064	\$ 215,287
Total Liabilities and Net Asset:	\$ 55,188	\$ 372,923	\$ 26,286	\$ 24,941	\$ 215,093	\$ 21,064	\$ 261,098

The accompanying notes are an integral part of these financial statements

CULTURAL SURVIVAL, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Endowment Fund	Unrestricted	Temporarily Restricted	Endowment Fund
REVENUES			Total			Total
Contributions and Subscriptions	\$ 956,441	\$ 135,281	\$ 1,096,722	\$ 782,003	\$ 137,113	\$ 919,116
Grant Revenue	172,500	717,685	890,185	150,000	476,713	626,713
Indigenous Crafts Bazaar Income	580,712	-	580,712	473,563	-	473,563
Investment Income	86	-	86	65	-	128
Realized and Unrealized Gain (Loss) on Investments	(61)	222	161	1,691	-	1,691
Sales of Publications	3,377	-	3,377	2,468	-	2,468
Total Support and Other Income	1,713,055	852,966	2,571,243	1,409,790	612,826	2,022,679
Net Assets Released from Restrictions	695,136	(695,136)	-	606,500	(606,500)	-
Total Revenues	2,408,191	157,830	2,571,243	2,016,290	6,326	2,022,679
EXPENSES						
Programs and Publications	2,012,810	-	2,012,810	1,698,475	-	1,698,475
Fundraising	236,480	-	236,480	184,710	-	184,710
General Administrative	127,024	-	127,024	127,390	-	127,390
Total Operating Expenses	2,376,315	-	2,376,315	2,010,575	-	2,010,575
INCREASE IN NET ASSETS	31,876	157,830	194,928	5,715	6,326	12,104
NET ASSETS, BEGINNING OF YEAR	(20,870)	215,093	215,287	(26,585)	208,767	203,183
NET ASSETS, END OF YEAR	\$ 11,006	\$ 372,923	\$ 410,215	\$ (20,870)	\$ 215,093	\$ 215,287

The accompanying notes are an integral part of these financial statements

**CULTURAL SURVIVAL INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2018**

	<u>Programs and</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
	<u>Publications</u>			
Direct Support, including Grants	\$ 440,641	\$ -	\$ -	\$ 440,641
Indigenous Crafts Bazaar	577,744	-	-	577,744
Payroll	475,036	112,161	72,575	659,772
Payroll Taxes and Benefits	140,286	33,123	21,433	194,841
Consultants	185,520	2,979	13,109	201,608
Postages and Shipping	6,381	3,823	2,651	12,855
Printing and Copying	19,916	6,644	-	26,560
Bank and Credit Card Fees	6,643	1,568	1,015	9,226
Dues and Subscriptions	3,036	717	464	4,216
Office Expenses	18,589	4,389	2,840	25,818
Professional Fees	3,024	714	462	4,200
Equipment Lease Expense	4,548	1,074	695	6,317
Repairs and Maintenance	5,404	1,276	826	7,505
Telephone	10,853	2,563	1,658	15,074
Marketing Expenses	-	3,264	-	3,264
Travel, Meals and Entertainment	60,583	49,292	955	110,830
Utilities and Internet	2,469	583	377	3,429
Insurance	8,881	2,097	1,357	12,335
Rent expense	43,258	10,214	6,609	60,080
	<u>\$ 2,012,810</u>	<u>\$ 236,480</u>	<u>\$ 127,024</u>	<u>\$ 2,376,315</u>
Percentage of Total Expenses	<u>84.70%</u>	<u>9.95%</u>	<u>5.35%</u>	<u>100.00%</u>

The accompanying notes are an integral part of these financial statements

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2017**

	<u>Programs</u>	<u>and</u>	<u>Publications</u>	<u>Fundraising</u>	<u>General and</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Direct Support, including Grants	244,066	-	-	-	-	244,066
Indigenous Crafts Bazaar	496,364	-	-	-	-	496,364
Payroll	440,805	104,079	67,345	17,700	13,260	612,230
Payroll Taxes and Benefits	115,853	27,354	17,700	13,260	3,150	160,907
Consultants	195,481	-	17,700	13,260	3,150	208,741
Postages and Shipping	7,861	565	3,150	1,230	853	11,576
Printing and Copying	17,498	4,688	1,230	853	311	23,416
Bank and Credit Card Fees	5,586	1,319	853	311	2,722	7,758
Dues and Subscriptions	2,034	480	311	2,722	440	2,825
Office Expenses	17,816	4,207	2,722	440	670	24,744
Professional Fees	2,880	680	440	670	1,021	4,000
Equipment Lease Expense	4,388	1,036	670	1,021	1,760	6,094
Repairs and Maintenance	6,685	1,578	1,021	1,760	9,413	9,285
Telephone	11,519	2,720	1,760	9,413	387	15,998
Marketing Expenses	669	3,976	9,413	387	1,244	4,645
Travel, Meals and Entertainment	79,785	20,415	9,413	387	1,244	109,613
Utilities and Internet	2,531	598	387	1,244	5,883	3,516
Insurance	8,145	1,923	1,244	5,883	127,390	11,312
Rent expense	38,509	9,092	5,883	127,390	53,485	53,485
	<u>\$ 1,698,475</u>	<u>\$ 184,710</u>	<u>\$ 127,390</u>	<u>\$ 2,010,575</u>	<u>\$ 2,010,575</u>	<u>\$ 2,010,575</u>
Percentage of Total Expenses	<u>84.48%</u>	<u>9.19%</u>	<u>6.34%</u>	<u>100.00%</u>		

The accompanying notes are an integral part of these financial statements

**CULTURAL SURVIVAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Decrease in Net Assets	\$ 194,928	\$ 12,104
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Unrealized (Gain) Loss on Investments	(200)	(697)
(Gain) Loss on sale of investment	-	(994)
Increase (Decrease) in:		
Pledges Receivable	147,963	(197,963)
Accrued Expenses	(1,629)	12,011
 Net Cash Used In Operating Activities:	<u>341,062</u>	<u>(175,539)</u>
 INVESTING ACTIVITIES		
Proceeds from Sale of Investments	-	99,251
Purchases of Investments	(5,475)	(100,589)
 Net Cash Provided by Investing Activities	<u>(5,475)</u>	<u>(1,338)</u>
 DECREASE IN NET ASSETS	 335,587	 (176,877)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 30,984	 207,862
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 366,571</u>	 <u>\$ 30,984</u>

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

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 1 - Organization and Nature of Activities

Cultural Survival, Inc., (the "Organization") is a non-profit 501(c) (3) non-governmental organization that was founded in 1972 to promote the rights, voices, and visions of Indigenous Peoples around the world. Through education forums, cutting-edge and widely read publications, research, projects, advocacy, partnerships and an interactive web site. The Organization works towards a world in which Indigenous Peoples are able to determine their own futures on their own lands. It further works as a medium through which Indigenous Peoples can network with other groups facing similar problems and with other organizations that can help to ensure that their human rights, including their right to self-determination, are protected and promoted.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Basis of Presentation

Net assets are classified as permanently restricted, temporarily restricted and unrestricted when appropriate to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives of donors and grantors. The Organization has temporarily restricted net assets from its projects activities and unrestricted net assets that are available to be used and designated by the Board of Directors for general purposes.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

Investments

Short-term investments in marketable securities with readily determinable fair values are carried at their fair value in the statement of financial position based on quoted market prices. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Accounts Receivable

Accounts receivables are stated at the amount management expect 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. Accounts are considered collectible. Interest is not charged on overdue accounts. The organization does not reflect multi-year pledges in accounts receivable beyond the current year. The balance of the outstanding five year pledges amounted to £200,000, equivalent to \$259,200 at the exchange rate as of August 31, 2018.

The outstanding balance of Pledges Receivable as of August 31, 2018 for \$50,000, represents a grant receivable with a time restriction imposed by the donor for fiscal year ended August 31, 2018

Functional Allocation of Expenses

The costs of providing the various programs and other activities 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.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Tax Exempt Status

The Organization is a not-for-profit corporation as described in Section 501 (c) (3) of the United States Internal Revenue Code and is determined to be an Organization which is not a private foundation and, accordingly, does not provide for state and federal income taxes. The Internal Revenue Service classifies the organization as a public charity.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Major additions are capitalized, while repairs and maintenance are charged to expense as incurred. Depreciation expense for the years ending August 31, 2018 and 2017 was \$-0-.

The estimated useful lives for purposes of computing depreciation are as follows:

<u>Assets</u>	<u>Life in Years</u>
Furniture and equipment	5 years
Software	3 years

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

See Auditors' Report.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Contributed Goods and Services

The Organization records various types of in-kind support including professional services, volunteer labor, and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Additionally, the Organization received a significant amount of skilled, contributed time, which does not meet the two (2) recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Note 3 - Investments

Investments consisted of the following at August 31, 2018:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Marketable Securities	<u>\$ 33,706</u>	<u>\$29,629</u>	<u>\$ 4,077</u>

Investments consisted of the following at August 31, 2017:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Marketable Securities	<u>\$ 28,031</u>	<u>\$ 23,894</u>	<u>\$ 3,916</u>

Investment return is summarized as follows:

	<u>2018</u>	<u>2017</u>
Dividend and interest income	\$ 86	\$ 128
Realized gains on investments	-0-	994
Net unrealized gain (loss)	<u>161</u>	<u>697</u>
Total unrestricted investment income	<u>\$ 247</u>	<u>\$ 1,819</u>

Marketable Securities are subject to market fluctuations.

See Auditor's Report

**CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017**

Note 4 - Donated Services, Goods, and Facilities

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with administering its indigenous advocacy programs. During the years ended August 31, 2018 and 2017 there were approximately 6,020 and 5,500 total volunteer hours, which the Organization valued at \$90,300 and \$82,500, respectively. None of this has been recognized in the accompanying statement of activities because the volunteer activities do not meet the criteria for recognition of such volunteer effort under auditing standards generally accepted in the United States of America.

Note 5 - Endowment and Temporarily Restricted Funds

The Organization's endowment and Temporarily Restricted Funds includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with the Endowment Fund and Temporarily Restricted Funds are classified and reported on the existence or absence of donor-imposed restrictions.

As of August 31, 2018, and 2017, the Organization had the following endowment and Temporarily Restricted Funds:

	2018	2017
Temporarily Restricted Fund	\$372,923	\$215,093
Endowment Fund	<u>26,286</u>	<u>21,064</u>
Total	<u>\$399,209</u>	<u>\$236,157</u>

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classified as permanently restricted net assets (a) the original value gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 5 - Endowment and Temporarily Restricted Funds (Continued)

expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a) The duration and preservation of the fund
- b) The purposes of the Organization and the donor-restricted endowment fund
- c) General economic conditions
- d) The possible effect of inflation and deflation
- e) The expected total return from income and the appreciation of investments
- f) Other resources of the organization
- g) The investment policies of the Organization

For the fiscal year ended August 31, 2018, the Board of Directors has adopted a policy not to use endowment income (interest, dividends, realized gains and losses and changes in unrealized appreciation) for the current fiscal year. Appropriations for operating use are subject to Board approval each year.

Note 6 - Retirement Arrangement with Staff Employees

The Organization offers staff employees the opportunity for participation in a Simple IRA contributory retirement plan approved by the Internal Revenue Service. The Organization matches employees' contributions at 3% of their regular salary, up to the amount of their contribution. The expense to the Organization under this Plan for the year ended August 31, 2018 and 2017 was \$16,344 and \$16,785, respectively.

Note 7 - Concentration of Credit Risk

Financial Instruments that potentially subject the Organization to significant concentrations of credit risk consists primarily of cash and cash equivalents and short-term investments.

The Organization maintains its cash and cash equivalents in banks and investment brokerage deposit and money market accounts which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

See Auditors' Report.

**CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017**

Note 8 - Property and Equipment

Property and Equipment consisted of the following at August 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Furniture & Equipment	\$ 23,752	\$ 23,752
Software	<u>19,720</u>	<u>19,720</u>
	43,472	43,472
Accumulated Depreciation & Amortization	<u>(43,472)</u>	<u>(43,472)</u>
	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Note 9 - Line of Credit

As of August 31, 2018, and 2017, the Organization had available unsecured line of credit with American Express Company to be drawn down upon as needed, with interest rates of 13.24% and 21.24% for purchases and cash advances, respectively. At August 31, 2018 and 2017, no amount has been drawn down. Credit available August 31, 2018 and 2017 was \$38,000.

During the year ended August 31, 2017, the organization acquired a new credit card with Capital One, with an interest rate of 13.9% and 24.9% for purchases and cash advances, respectively. At August 31, 2017, no amount has been drawn down. Credit available August 31, 2017 was \$20,000.

Note 10 - Commitments

The organization currently leases some of its office equipment. Equipment lease expense under these leases are \$6,317 and \$6,094 for the years ended August 31, 2018 and 2017, respectively.

Future minimum lease payments required as of August 31, 2018:

Year ended	Amount:
August 31,	
2019	6,195
2020	4,605
2021	<u>3,469</u>
	<u>\$ 14,269</u>

See Auditors' Report.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 11 - Leases

On April 27, 2018, the Organization signed a new lease for its office in Cambridge with expiration date December 31, 2021. The current annual basic rent is \$36,912, payable in monthly installments of \$3,076.

On February 1st, 2015, the Organization signed a new lease for its storage space with expiration date April 30, 2023. The lease includes annual base rent plus Common Area Maintenance (CAM) escalator of \$1,024 a month.

On May 1st, 2018, the Organization signed a new lease for its office in New Mexico with expiration date November 1, 2018. The Organization didn't renew this lease and closed the office in New Mexico.

Minimum rental payments for both leases are as follows:

<u>Year ended Aug 31,</u>	<u>Amount</u>
2019	\$57,718
2020	48,318
2021	48,318
2022	23,710
2023	<u>7,604</u>
Total	<u>\$185,670</u>

For the years ended August 31, 2018 and 2017, the total rent expense was \$60,080 and \$53,485, respectively.

Note 15 - Assets Measured at Fair Value on a Recurring Basis

In accordance with the Fair Value Measurement and Disclosure topic of the FASB Accounting Standards Codification, the Organization is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. The guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into levels 1, 2, and 3.

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 15 - Assets Measured at Fair Value on a Recurring Basis (continued)

Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the assets or liabilities in which little or no market activity is available for the asset or liability at the measurement date.

For purposes of financial reporting, the Organization has determined that the fair values of its financial instruments, which include cash and cash equivalents, publicly traded domestic mutual funds, approximate the carrying values under Level 1 at August 31, 2018 and 2017, based on their short maturities and/or the terms available to the Organization in financial markets.

Note 13 – Subsequent Events

The Organization evaluated subsequent events through February 20, 2019, which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

Note 14 - New Pronouncements

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958). The main provisions of this update are that not-for-profit organizations will no longer be required to distinguish between resources with temporary and permanent restrictions on the face of their financial statements, meaning they will present two classes of net assets instead of three. They will be required to present expenses by their natural and functional classification and present investments returns net of external and direct internal investment expenses. Nonprofits also will be required to provide more information about their available resources and liquidity. The standard will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017 and is not expected to have a material effect on the Organization's financial position or change in net assets. The Organization has decided to implement this new pronouncement in the financial statements for fiscal year ended August 31, 2019.

CULTURAL SURVIVAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

Note 15 - Uncertain Tax Positions

Management has evaluated the tax positions taken on returns for open years and those expected to be taken on returns for the year ended August 31, 2018. It is management's belief that such tax positions are more likely than not to be sustained upon examination by tax authorities. Accordingly, no liability for uncertain tax positions has been reflected in these financial statements. Returns for tax years beginning with those filed for the year ended August 31, 2015 are open to examination.