

Yellow Springs Home, Inc.

Financial Statements

December 31, 2018



FLAGEL HUBER FLAGEL
Certified Public Accountants | Business Advisors

Yellow Springs Home, Inc.

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Independent Auditor's Report

Board of Directors
Yellow Springs Home, Inc.

We have audited the accompanying financial statements of Yellow Springs Home, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yellow Springs Home, Inc. as of December 31, 2018, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

April 22, 2020

Yellow Springs Home Inc.
Statement of Financial Position
December 31, 2018

Assets

Current Assets

Cash and cash equivalents	\$ 38,883
Grants receivable	659,638
Pledges receivable	53,725
Endowment investments	4,922
Total Current Assets	<u>757,168</u>

Property and Equipment, Net

105,206

Other Assets

Pledges receivable	73,565
Community land trust land	852,936
Buildings and rehab costs	803,179
	<u>1,729,680</u>

Total Assets

\$ 2,592,054

Liabilities and Net Assets

Current Liabilities

Lines of credit	\$ 46,244
Accrued payroll and related expenses	4,446
Deposits	3,050
Deferred revenue	659,638
Current portion of note payable	32,224
Total Current Liabilities	<u>745,602</u>

Long-term Liabilities

Note payable	702,964
Accrued interest	3,082
	<u>706,046</u>

Net Assets

Without donor restrictions	1,013,116
With donor restrictions	127,290
	<u>1,140,406</u>

Total Liabilities and Net Assets

\$ 2,592,054

The accompanying notes are an integral part of these statements.

Yellow Springs Home Inc.
Statement of Activities
For the year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 48,698	\$ 127,290	\$ 175,988
Grant revenue	160,256	0	160,256
In-kind contributions	12,169	0	12,169
Homebuyer application fees	360	0	360
Rental income	20,280	0	20,280
Special events	8,148	0	8,148
Interest and dividends	295	0	295
Gain on sale of buildings and rehab costs	4,038	0	4,038
Realized gain on investments	124	0	124
Unrealized loss on investments	(658)	0	(658)
Net assets released from restrictions	3,300	(3,300)	0
Total Support and Revenue	257,010	123,990	381,000
Expenses			
Program	202,044	0	202,044
Administrative	19,857	0	19,857
Fundraising	21,143	0	21,143
Total Expenses	243,044	0	243,044
Change in Net Assets	13,966	123,990	137,956
Net Assets – beginning of year	999,150	3,300	1,002,450
Net Assets – end of year	\$ 1,013,116	\$ 127,290	\$ 1,140,406

The accompanying notes are an integral part of these statements.

Yellow Springs Home Inc.
Statement of Functional Expenses
For the year ended December 31, 2018

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Operating Expenses				
Director salary	\$ 52,580	\$ 5,634	\$ 4,382	\$ 62,596
Salaries and wages	90,216	4,139	12,232	106,587
Payroll taxes and benefits	15,136	605	1,136	16,877
Depreciation	6,860	0	0	6,860
Insurance	3,694	1,280	0	4,974
Professional fees	0	3,500	0	3,500
Development & membership	0	0	3,393	3,393
Office supplies	3,522	881	0	4,403
Travel	1,511	1,511	0	3,022
Facility maintenance	7,777	0	0	7,777
Property tax	3,164	0	0	3,164
Dues & subscriptions	1,181	1,181	0	2,362
Telephone	2,053	0	0	2,053
Interest expense	3,893	0	0	3,893
Volunteer programs	197	0	0	197
Advertising	2,459	0	0	2,459
Office rent	0	1,082	0	1,082
Homebuyer services	3,599	0	0	3,599
Training	922	0	0	922
Miscellaneous	3,280	0	0	3,280
Bank fees	0	44	0	44
Total operating expenses	<u>\$ 202,044</u>	<u>\$ 19,857</u>	<u>\$ 21,143</u>	<u>\$ 243,044</u>

The accompanying notes are an integral part of these statements.

Yellow Springs Home Inc.
Statement of Cash Flows
For the year ended December 31, 2018

Cash Flows From Operating Activities	
Change in net assets	\$ 137,956
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,860
Realized gain on sale of buildings and rehab costs	(4,038)
Realized gain on investments	(124)
Unrealized loss on investments	658
Changes in assets and liabilities:	
Pledges receivable	(127,290)
Accounts payable	(599)
Accrued payroll and related expenses	(3,282)
Net Cash Provided By Operating Activities	<u>10,141</u>
Cash Flows From Investing Activities	
Acquisition of community land trust land	(574)
Acquisition of buildings and rehab costs	(733,445)
Proceeds from sale of buildings and rehab costs	4,038
Proceeds from sale of investments	15,005
Purchase of investments	(295)
Net Cash Used In Investing Activities	<u>(715,271)</u>
Cash Flows From Financing Activities	
Proceeds from line of credit	65,139
Payments on line of credit	(124,718)
Proceeds from notes payable	705,938
Accrued interest	3,082
Payments on notes payable	(2,374)
Net Cash Provided By Investing Activities	<u>647,067</u>
Change In Cash	(58,063)
Cash and Cash Equivalents - beginning of year	<u>96,946</u>
Cash and Cash Equivalents - end of year	<u>\$ 38,883</u>
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	\$ 3,884

The accompanying notes are an integral part of these statements.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

1. Organization

Yellow Springs Home, Inc. (the Organization) is a not-for-profit organization incorporated in Ohio in 1995. The Organization's mission is to strengthen community and diversity in Yellow Springs and Miami Township by providing permanently affordable and sustainable housing through its Community Land Trust. The low and moderate income families served in turn enrich the community. The Organization reaches its mission through a pipeline of affordable Community Land Trust homeownership and affordable rentals alongside a robust pre- and post-purchase stewardship program and services.

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed in the preparation of the financial statements. These policies conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

Basis of Accounting

The Organization utilizes the accrual basis of accounting. Accordingly, revenue is recognized as it is earned and expenses are recorded as incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. A description of each class as it pertains to the Organization is as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization maintains its cash in multiple checking and savings accounts which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contributions, Pledges and Grants Receivable

Contributions, pledges and grants receivable are recognized as revenues in the period in which the pledge or grant is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization believes all amounts to be collectible and therefore, an allowance for doubtful accounts is not considered necessary. Grants receivable totaled \$659,638 at December 31, 2018. Pledges receivable totaled \$127,290 at December 31, 2018.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

2. Summary of Significant Accounting Policies (Continued)

Investments

Investments are stated at fair value. Unrealized gains and losses are included in the statements of activities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line and accelerated methods over the estimated useful lives of five to twenty-seven and one-half years.

Community Land Trust Land

Community land trust land is comprised of properties placed into service to further the mission, including homes sold to households of low income and subject to 99-year ground leases and affordable rentals. Total cost of land at December 31, 2018 was \$852,936.

Buildings and rehab costs

Buildings and rehab costs consists of costs to complete new affordable housing developments. These properties will be held for sale or rent and are expected to be sold or rented upon completion.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment losses were recognized during the year ended December 31, 2018.

Deferred Revenue

The Organization enters into service contracts and grants to provide services. Unearned revenue is recognized on a pro-rata basis as services are provided over the term of the contract or grant.

Income Taxes

A favorable determination letter has been obtained from the Internal Revenue Service exempting the Organization from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

The Organization determines the recognition of uncertain tax positions, if applicable, that may subject the Organization to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization has no tax positions which must be considered for disclosure. The Organization believes it is no longer subject to income tax examinations for the years prior to 2015.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to both program and supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization charges all expenses directly related to the fulfillment of its mission to program services based on direct identification of the costs for each program. Expenses that are not directly related to a single program or activity but are indispensable to the conduct of the Organization's programs or existence are charged to management and general. Expenses relating to activities undertaken to induce contributions are charged to fundraising. Certain administrative costs including salaries and wages, payroll taxes, and employee benefits are allocated on the basis of estimates of personnel time related to each activity.

Donated Services

Donated services are recognized as contributions only if the services create or enhance nonfinancial assets or require specialized skills, are performed by people possessing those skills, and would otherwise be purchased by the Organization. Donated services are recorded as contributions at their fair value at the date of donation. The value of substantial donated volunteer services has not been reflected in the accompanying financial statements since these criteria are not met.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Advertising

Advertising costs are charged to operations when incurred. Advertising costs incurred were \$2,459 for 2018.

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

3. Endowment Investments

The Organization's investments as of December 31, 2018, are comprised of the following:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Bond funds	\$ 3,290	\$ 3,183	\$ (107)
Stock Funds	1,760	1,739	(21)
	<u>\$ 5,050</u>	<u>\$ 4,922</u>	<u>\$ (128)</u>

Interest and dividends earned on investments during 2018 totaled \$295.

4. Property and Equipment

The following is a summary of property and equipment at December 31, 2018:

<u>Cost</u>	<u>2018</u>
Buildings	\$ 164,046
Computers & equipment	3,840
Furniture & fixtures	7,871
Total	<u>175,757</u>
Less accumulated depreciation	<u>(70,551)</u>
Net book value	<u>\$ 105,206</u>

5. Buildings and Rehab Costs

The Organization receives funds from various resources for the construction of multiple homes to be purchased or rented by low-income families. These projects are subject to compliance requirements as stipulated in the various grant agreements. Total construction costs at December 31, 2018 were \$803,179.

6. Ground Lease Agreements

As a Community Land Trust, the Organization has a ground lease agreement with various lessee/homeowners giving them the right to use the respective land. The leases convey ownership of the improvements (homes) and a 99-year, renewable leasehold estate on the land and require the lessee to pay a \$25 monthly ground lease fee. Total ground lease revenue for the year ended December 31, 2018 totaled \$5,480.

7. Line of Credit

The Organization had a \$75,000 line of credit with a bank. The line of credit bears interest at a variable rate as determined by the bank and fluctuates with the prime rate. The interest rate at December 31, 2018 was 5.95%. The outstanding balance at December 31, 2018 was \$46,244. The credit line is due on demand.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

8. Long Term Debt

Note payable at December 31, 2018 totaled \$30,000. The note bore interest at 0% and was due on demand. This note was forgiven in 2019.

Note payable at December 31, 2018 totaled \$297,590. The note bears interest at 2%. Principal and all accrued interest are due June 2023. The note is secured by certain real estate.

Note payable at December 31, 2018 totaled \$29,250. The note bears interest at 3.54%. and matures December 2029. Principal and interest payments are due monthly. The note is secured by certain real estate.

Note payable at December 31, 2018 totaled \$9,502. The note bears interest at 0%. The note is secured by certain real estate and is due May 2033.

The Organization has a construction loan with a bank in the amount of \$460,000. Total draws on the note at December 31, 2018 totaled \$7,758. The note bears interest at 2% through the conversion date and 7% thereafter. Interest payments only are due through the conversion date which is March 6, 2020. Upon the conversion date, principal and interest payments will be due monthly. The note is collateralized by mortgage on certain real estate and is due March 2035.

The Organization has a funding agreement with the Ohio Housing Finance Agency in the amount of \$500,000 for the construction of a low and moderate income rental housing project. Total draws on the note at December 31, 2018 totaled \$361,088. The note bears interest at 2% and is payable in annual installments of 25% of the property's prior year cash flow after the completion of construction. The note is collateralized by a mortgage on certain real estate and is due October 2049.

Annual maturities of long-term debt at December 31, 2018 and thereafter are as follows:

2019	\$	32,224
2020		2,426
2021		2,855
2022		2,950
2023		300,639
Thereafter		394,094
	\$	<u>735,188</u>

9. Net Assets

At December 31, 2018, net assets with donor restrictions consisted of pledges receivable of \$127,290 to be used for development of low-income housing. There was a release of net assets with donor restrictions in the amount of \$3,300 which was used for Glen Cottages project costs.

10. Commitments and Contingencies

The Organization receives grants from various agencies which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would be immaterial.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

11. Endowment Funds

The Organization's endowment consists of donated funds which were contributed to provide support to the Organization. Its endowment includes donor-restricted funds and funds designated by the Board of Directors to function as endowments; the Board uses the funds for predevelopment and real estate opportunities to further its mission as well as for operations reserves if needed. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization follows Ohio's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. The Organization has interpreted 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. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Organization's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

All endowment funds are administered by a third party organization in which the Organization relies upon for prudent investment policies. The primary objective for the investment of these assets is to generate sufficient long-term growth of capital, without undue exposure to risk, to provide a sustainable level of spending distributions, as well as enhance the real purchasing power of the investments. The objectives shall be accomplished utilizing a balanced strategy of equities and fixed income based upon a mix which is intended to provide real growth, net of inflation and investment fees.

The Organization has a policy to replace any money withdrawn from the endowment fund within a reasonable period of time so that the money is available for future opportunities. Upon replacement, that portion of the fund will be board designated.

The total endowment fund balance is without donor restrictions. Changes in endowment net assets for the year ended December 31, 2018 is as follows:

	<u>2018</u>
Endowment net assets, beginning of year	\$ 20,166
Contributions	0
Investment income	295
Net appreciation (depreciation)	(534)
Amounts appropriated for expenditure	<u>(15,005)</u>
Endowment net assets, end of year	<u>\$ 4,922</u>

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

12. Fair Value Measurements

The Organization's investments are reported at fair value in the accompanying Statement of Financial Position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of inputs used to measure fair value under this accounting standard are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies the Organization used for assets measured at fair value:

Equity securities, equity, and bond funds: Reference to quoted market prices, net asset values per share and other relevant information generated by market transactions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

12. Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

	Level 1	Level 2	Level 3	Total
Bond funds	\$ 3,183	\$ 0	\$ 0	\$ 3,183
Stock funds	1,739	0	0	1,739
Total assets at fair value	<u>\$ 4,922</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,922</u>

13. Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Financial assets at December 31, 2018	\$ 171,095
Less those unavailable for general expenditure within one year, due to:	
Pledges receivable with donor restrictions	<u>(127,290)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 43,805</u>

The Organization is substantially supported by grants and contributions, which may contain donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Consequently, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. It is the policy of the Organization to regularly review and assess the need for funds to meet operating obligations and to ensure the availability of cash or collateral to fulfill those requirements. In addition, the Organization has a \$75,000 line of credit that may be drawn upon in the event of financial distress. See note 7.

14. Beneficial Interest

The Organization is the beneficiary of various funds established by donors. The funds are held by a third-party organization which has variance power over the funds and, accordingly, the Organization has not included its interest in these funds in the accompanying financial statements. The total value of these funds at December 31, 2018 was \$46,916. The Organization will receive a portion of income from these funds when certain conditions are met as stipulated in the fund agreements. Total amount received from these funds during the year ended December 31, 2018 was \$2,619. which is included in revenue.

Yellow Springs Home, Inc.

Notes to Financial Statements

December 31, 2018

15. Change in Accounting Policy

The Organization reclassified its opening net asset balances as of January 1, 2018 to properly comply with accounting standards related to net asset classifications. The adoption of the new standard changes the presentation of net assets and has no net effect on the financial results of the Organization. Under the new policy the Organization's three net asset classifications (permanently restricted, temporarily restricted, and unrestricted) were replaced with two net asset classes: net assets with donor restrictions and net assets without donor restrictions.

16. Subsequent Events

Subsequent to year end, a note payable in the amount of \$30,000 was forgiven (note 8) and the Organization's line of credit was increased to \$100,000.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

Management evaluated the activity of the Organization through April 22, 2020 (the date the financial statements were available to be issued) and concluded that no other subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



In this ever-changing business environment, Flagel Huber Flagel goes beyond numbers and deadlines, returning the trust and confidence our clients place in us, with a caring partner relationship. We are committed to a collaborative search for ideas and solutions that help business organizations thrive and families build and preserve wealth. Our commitment is simple; financial and operational *insight*, service *integrity*, and problem solving *innovation*.

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