Children's Cardiomyopathy Foundation, Inc.

Financial Statements

December 31, 2019 and 2018

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Children's Cardiomyopathy Foundation, Inc.
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December 31, 2019 and 2018

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Independent Member
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Independent Auditors' Report

To the Board of Trustees
Children's Cardiomyopathy Foundation, Inc.
Tenafly, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Children's Cardiomyopathy Foundation, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audits. We conducted our audits 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 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 auditors' 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 Children's Cardiomyopathy Foundation, Inc. as of December 31, 2019 and 2018, 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.

Nisivoccia LLP

Mt. Arlington, New Jersey
March 30, 2020

Children's Cardiomyopathy Foundation, Inc.
Statement of Financial Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 1,108,986	$ 951,109
Investments	1,358,862	1,386,450
Intangible asset, net	54,591	61,844
Total assets	$ 2,522,439	$ 2,399,403
NET ASSETS		
Without donor restrictions	$ 2,520,426	$ 2,399,403
With donor restrictions	2,013	
Total net assets	$ 2,522,439	$ 2,399,403

See Notes to Financial Statements

Children's Cardiomyopathy Foundation, Inc.
Statement of Activities
Years Ended December 31, 2019 and 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support:				
Contributions	$ 163,901	$ 2,013	$ 165,914	$ 128,070
Fundraising and special events	832,378		832,378	803,199
Interest and dividends	47,581		47,581	39,300
Realized and unrealized gain (loss) on investments	211,892		211,892	(136,640)
Total revenue and other support	1,255,752	2,013	1,257,765	833,929
Expenses:				
Program services:				
Education	126,905		126,905	92,501
Patient support	132,297		132,297	64,448
Research	329,275		329,275	212,135
Advocacy	112,571		112,571	84,193
Total program services	701,048		701,048	453,277
Supporting services:				
Management and general	104,536		104,536	100,208
Fundraising	329,145		329,145	299,178
Total expenses	1,134,729		1,134,729	852,663
Change in net assets	121,023	2,013	123,036	(18,734)
Net assets, beginning of year	2,399,403		2,399,403	2,418,137
Net assets, end of year	$ 2,520,426	$ 2,013	$ 2,522,439	$ 2,399,403

Children's Cardiomyopathy Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services					Supporting Services		
	Education	Patient Support	Research	Advocacy	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 75,833	$ 51,871	$ 25,936	$ 47,881	$ 201,521	$ 51,296	$ 113,584	$ 366,401
Payroll taxes	6,034	4,128	2,064	3,810	16,036	4,082	9,038	29,156
Total personnel services	81,867	55,999	28,000	51,691	217,557	55,378	122,622	395,557
Special events							206,523	206,523
Filing fees						4,518		4,518
Legal and professional fees						12,585		12,585
Subscriptions	926	633	317	584	2,460			2,460
Website expense	1,680	1,149	574	1,060	4,463			4,463
Amortization expense	7,758	5,306	2,653	4,898	20,615			20,615
Education and awareness	12,996				12,996			12,996
Advocacy				52,910	52,910			52,910
Travel and entertainment						3,922		3,922
Patient support and outreach		67,783			67,783			67,783
Research grants			296,303		296,303			296,303
Medical conferences	20,252				20,252			20,252
Bank processing fees						9,933		9,933
Telephone and internet						5,246		5,246
Insurance						6,214		6,214
Office expense	844	844	845	845	3,378	1,126		4,504
Office supplies	582	583	583	583	2,331	777		3,108
Storage rental						4,837		4,837
Total expenses	$ 126,905	$ 132,297	$ 329,275	$ 112,571	$ 701,048	$ 104,536	$ 329,145	$ 1,134,729

Children's Cardiomyopathy Foundation, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services					Supporting Services		
	Education	Patient Support	Research	Advocacy	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 66,610	$ 45,108	$ 22,101	$ 42,204	$ 176,023	$ 43,083	$ 97,209	$ 316,315
Payroll taxes	5,855	3,965	1,943	3,710	15,473	3,787	8,544	27,804
Total personnel services	72,465	49,073	24,044	45,914	191,496	46,870	105,753	344,119
Special events							193,425	193,425
Filing fees						4,598		4,598
Legal and professional fees						16,861		16,861
Subscriptions	2,032	1,376	674	1,287	5,369			5,369
Website expense	1,396	946	463	885	3,690			3,690
Education and awareness	7,030				7,030			7,030
Advocacy				34,632	34,632			34,632
Travel and entertainment						4,794		4,794
Patient support and outreach		11,578			11,578			11,578
Research grants			185,479		185,479			185,479
Medical conferences	8,103				8,103			8,103
Bank processing fees						10,068		10,068
Telephone and internet						4,495		4,495
Insurance						6,158		6,158
Office expense	1,068	1,068	1,068	1,068	4,272	1,424		5,696
Office supplies	407	407	407	407	1,628	542		2,170
Storage rental						4,398		4,398
Total expenses	$ 92,501	$ 64,448	$ 212,135	$ 84,193	$ 453,277	$ 100,208	$ 299,178	$ 852,663

Children's Cardiomyopathy Foundation, Inc.
Statement of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 123,036	$ (18,734)
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Realized gain on investments	(98,702)	(112,323)
Unrealized (gain) loss on investments	(113,190)	248,963
Amortization expense	20,615	
Net cash provided by (used in) operating activities	(68,241)	117,906
Cash flows from investing activities:		
Purchase of investments	(547,897)	(708,249)
Proceeds from sale of investments	819,039	557,859
Dividends reinvested	(31,662)	(5,648)
Purchase of intangible assets	(13,362)	(61,844)
Net cash provided by (used in) investing activities	226,118	(217,882)
Net increase (decrease) in cash and cash equivalents	157,877	(99,976)
Cash and cash equivalents, beginning of year	951,109	1,051,085
Cash and cash equivalents, end of year	$ 1,108,986	$ 951,109
Supplemental disclosure of noncash flow information:		
Unrealized gain (loss) on investments	$ 113,190	$ (248,963)

See Notes to Financial Statements

1. Nature of Activities

Children's Cardiomyopathy Foundation, Inc.'s (the "Organization") primary purpose is to raise funds to support research for the causes and treatments of pediatric cardiomyopathy, and secondly, to educate and support patients and healthcare professionals, and raise awareness of the disease among lawmakers and the general public.

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Accounting for Contributions Received and Made*, and *Presentation of Financial Statements of Not-for-Profit Entities*. *Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements. *Accounting for Contributions Received and Made* requires that unconditional promises to give be recorded as receivables and revenue and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization had net assets with donor restrictions of $2,013 and $0 at December 31, 2019 and 2018.

Adoption of New Accounting Standards

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Organization's implementation of ASU 2018-08.

Support and Revenue Recognition

Revenue is measured based on consideration specified in a contract with a customer. This occurs with the transfer of control at a specific point in time. The Organization recognizes fundraising and special event revenue at the time the event occurs. There are no multi-year contracts and performance obligations are typically satisfied within one year or less.

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31:

	2019	2018
Performance obligations satisfied at a point in time	$ 244,093	$ 264,590

Revenue from performance obligations satisfied at a point in time consists of fundraising and special events.

The Organization recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on when they depend have been substantially met.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to programs based on units of service and support costs are allocated to programs based on time spent. Program expenses are those related to education, patient support, research and advocacy. Management and general expenses relate to administrative costs associated with the administration of those programs. Fundraising expenses include the direct costs of special events and the allocation of employees' salaries and other costs involved in fundraising and special events based on estimates of time and effort considered by management to be reasonable.

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 of assets and liabilities, revenue and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Cash and Cash Equivalents

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

Investments

The Organization follows FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The fair value of investments is determined by reference to quoted market prices. Investment income or loss (including interest and dividends) and gain on sale of investments are included in the statement of activities unless the income or loss is restricted by donor or law.

Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. Fair market value, at acquisition or contribution, as well as at subsequent dates, is determined based on quoted market prices as provided by the investment advisors.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Intangible Assets

In accordance with FASB ASC, *Intangibles – Goodwill and Other*, website costs incurred during the application and infrastructure development stage are capitalized. Costs incurred during the planning stage and operation stage are expensed as incurred. Capitalized costs are amortized on a straight-line basis over the estimated useful life.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not-for-Profit Act*. The Organization is also exempt under Article 7-A of the Executive Law (Article 7-A) of the State of New York. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

The Organization follows the provisions of FASB ASC, *Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements.

It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition related to those tax positions.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the year ended December 31, 2019. However, the Organization is subject to audit by tax authorities, including a review of its nonprofit status which management believes would be upheld upon examination. The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

The Organization files informational returns with the federal and two state governments on an annual basis – Form 990 with the Internal Revenue Service, and the applicable form with each state. These returns are subject to examinations at any time within statutorily defined periods from the latest filing date for federal and for each state jurisdiction.

Donated Services

The Board of Trustees makes significant contributions of time relative to general management and operations of the Organization. These donated services are not reflected in the financial statements for the year ended December 31, 2019, as they do not meet the criteria for recognition as contributed services in accordance with U.S. generally accepted accounting principles.

Fair Value Measurements

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable market price existed (an exit price).

An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are 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.

Level 2: 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;
- 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. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset's 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. For some assets and liabilities, observable market transactions or market information may be available.

For other assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2019.

Cash and cash equivalents: the carrying amounts approximate fair value due to the short-term maturity of these instruments.

Common stocks: The carrying amounts are stated at the value at the closing price reported in the active market in which the individual securities are traded.

Mutual funds: The carrying amounts are valued at the net asset value (NAV) of shares held by the Organization at year end.

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

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's investments and the amounts reported in the statement of financial position and the statement of activities.

Credit Risk and Concentrations

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents. At times, amounts invested with financial institutions may be in excess of federally insured limits. The Organization invests with reputable financial institutions to limit their exposure and has not experienced any losses in such accounts. As a result, management believes it is not exposed to any significant risk related to cash and cash equivalents.

3. Liquidity and Availability

The adoption of FASB Update No. 2016-14 requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	$ 1,108,986	$ 951,109
Investments	1,358,862	1,386,450
Total financial assets	2,467,848	2,337,559
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,013	
Total financial assets available to meet general expenditures over the next twelve months	$ 2,465,835	$ 2,337,559

The Organization strives to maintain liquid financial assets sufficient to meet 60 days of normal operating expenses. In addition to these financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including contributions and fundraising and special event revenue. As part of the Organization's liquidity plan, cash in excess of daily requirement is invested in short-term investments. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Investments

The following financial instruments, measured on a recurring basis, are carried at fair value in the Organization's financial statements. The fair value disclosures include information regarding the valuation of the Organization's investments at December 31, 2019 and 2018:

	2019		
	Cost Basis	Fair Market Value (Level 1)	Unrealized Gains (Losses)
Equities	$ 104,800	$ 243,141	$ 138,341
Mutual Funds	1,038,052	1,115,721	77,669
Total investments	$ 1,142,852	$ 1,358,862	$ 216,010

	2018		
	Cost Basis	Fair Market Value (Level 1)	Unrealized Gains (Losses)
Equities	$ 107,222	$ 218,336	$ 111,114
Mutual Funds	1,188,405	1,168,114	(20,291)
Total investments	$ 1,295,627	$ 1,386,450	$ 90,823

Investment activity at December 31, 2019 and 2018 is comprised of the following:

	2019	2018
Beginning balance	$ 1,386,450	$ 1,367,052
Purchases	547,897	708,249
Sales	(819,039)	(557,859)
Dividend income reinvested	31,662	5,648
Realized gain on investments	98,702	112,323
Unrealized gain (loss) on investments	113,190	(248,963)
Ending balance	$ 1,358,862	$ 1,386,450

Return on investments at December 31, 2019 and 2018 is comprised of the following:

	2019	2018
Interest and dividend income	$ 47,581	$ 39,300
Realized gain on investments	98,702	112,323
Unrealized gain (loss) on investments	113,190	(248,963)
	$ 259,473	$ (97,340)

5. Intangible Assets

During 2018, the Organization incurred costs to develop a website. Intangibles are being amortized over three years. Intangible assets at December 31, 2019 and 2018 are comprised of:

	Estimated Useful Lives (Years)	2019	2018
Website Development Costs	3	$ 75,206	$ 61,844
Less: Accumulated Amortization		(20,615)	
		$ 54,591	$ 61,844

A portion of the Organization's website became operational in January 2019. For the year ended December 31, 2019 and 2018, the Organization incurred amortization expense of $20,615, and $0 respectively.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	2019
Hospital Bags Project	$ 2,013

7. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2019 through the date of the independent auditors' report and the date the financial statements were available to be issued, March 30, 2020. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no unrecognized subsequent events that require additional disclosure. However, the COVID-19 coronavirus outbreak has caused business disruption through government mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Company expects this matter may have an impact on its future operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.