

FINANCIAL STATEMENTS



ASSOCIATION OF OLD CROWS

**FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2017**

ASSOCIATION OF OLD CROWS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Association of Old Crows
Alexandria, Virginia

We have audited the accompanying financial statements of the Association of Old Crows (AOC), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and change in net assets, 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 AOC as of December 31, 2018, and the change 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.

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Report on Summarized Comparative Information

We have previously audited AOC's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 1, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Friedman

April 25, 2019

ASSOCIATION OF OLD CROWS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

ASSETS		<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	4,681,715	\$ 1,879,727
Short-term investments		1,411,074	1,339,527
Accounts receivable		15,274	39,178
Prepaid expenses		23,682	36,529
Inventory		<u>14,808</u>	<u>22,923</u>
Total current assets		<u>6,146,553</u>	<u>3,317,884</u>
PROPERTY AND EQUIPMENT			
Land		-	336,757
Building and improvements		-	1,814,708
Equipment and furniture		<u>181,237</u>	<u>206,946</u>
		181,237	2,358,411
Less: Accumulated depreciation and amortization		<u>(131,159)</u>	<u>(1,707,556)</u>
Net property and equipment		<u>50,078</u>	<u>650,855</u>
OTHER ASSETS			
Long-term investments		<u>320,959</u>	<u>340,202</u>
TOTAL ASSETS	\$	<u>6,517,590</u>	\$ <u>4,308,941</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	\$	296,814	\$ 379,267
Accrued salaries and benefits		91,446	70,857
Deferred revenue:			
Dues		55,879	54,226
Conference and convention		215,112	915
Chapter account		<u>89,849</u>	<u>92,235</u>
Total current liabilities		749,100	597,500
LONG-TERM LIABILITIES			
Deferred dues revenue, non-current		<u>160,767</u>	<u>131,722</u>
Total liabilities		<u>909,867</u>	<u>729,222</u>
NET ASSETS - Without donor restrictions		<u>5,607,723</u>	<u>3,579,719</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>6,517,590</u>	\$ <u>4,308,941</u>

See accompanying notes to financial statements.

ASSOCIATION OF OLD CROWS

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	<u>Without Donor Restrictions</u>	
	<u>2018</u>	<u>2017</u>
REVENUE		
Convention	\$ 1,514,732	\$ 1,430,197
Membership dues	446,972	437,438
Conferences	986,631	1,009,838
JED royalty	162,443	103,564
Professional development courses	252,965	174,465
JED subscriptions	72,747	63,493
Investment (loss) income	(90,473)	196,199
Sales	8,596	9,210
Other revenue	<u>35,379</u>	<u>15,746</u>
Total revenue	<u>3,389,992</u>	<u>3,440,150</u>
EXPENSES		
Program Services	2,777,931	2,447,583
Management and General	668,748	478,791
Fundraising	<u>52,019</u>	<u>48,693</u>
Total expenses	<u>3,498,698</u>	<u>2,975,067</u>
Change in net assets before other item	(108,706)	465,083
OTHER ITEM		
Gain on sale of fixed assets	<u>2,136,710</u>	<u>-</u>
Change in net assets	2,028,004	465,083
Net assets at beginning of year	<u>3,579,719</u>	<u>3,114,636</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 5,607,723</u></u>	<u><u>\$ 3,579,719</u></u>

ASSOCIATION OF OLD CROWS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018			2017	
	Program Services	Management and General	Fundraising	Total Expenses	Total Expenses
Salaries and wages	\$ 632,888	\$ 125,253	\$ 15,615	\$ 773,756	\$ 628,621
Payroll taxes and workers benefits	151,865	104,756	3,747	260,368	158,650
Professional development	76,402	3,670	426	80,498	50,217
Professional fees	166,532	185,869	8,287	360,688	277,960
Occupancy costs	138,975	95,866	3,430	238,271	197,561
Conferences	341,642	-	-	341,642	389,115
Administrative costs	403,170	153,334	13,059	569,563	479,752
STEM expenses	21,017	-	-	21,017	26,422
Government and industry affairs	40,094	-	-	40,094	60,786
Membership services	85,388	-	7,455	92,843	96,307
Convention	719,958	-	-	719,958	609,676
TOTAL	\$ 2,777,931	\$ 668,748	\$ 52,019	\$ 3,498,698	\$ 2,975,067

ASSOCIATION OF OLD CROWS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,028,004	\$ 465,083
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	29,985	69,202
Unrealized loss (gain)	172,360	(153,475)
Realized gain	(14,859)	(15,624)
Change in allowance for doubtful accounts	-	(25,670)
Gain on sale of fixed assets	(2,136,710)	-
Decrease (increase) in:		
Accounts receivable	23,904	80,827
Prepaid expenses	12,847	(4,055)
Inventory	8,115	(3,647)
(Increase) decrease in:		
Accounts payable and other current liabilities	(82,453)	277,905
Accrued salaries and benefits	20,589	12,206
Deferred revenue:		
Dues	30,698	15,191
Conference and convention	214,197	(118,200)
Chapter account	<u>(2,386)</u>	<u>13,359</u>
Net cash provided by operating activities	<u>304,291</u>	<u>613,102</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,961)	(106,829)
Sale of fixed assets	2,717,463	-
Purchase of investments	(453,080)	(453,719)
Proceeds from sale of investments	<u>243,275</u>	<u>363,077</u>
Net cash provided (used) by investing activities	<u>2,497,697</u>	<u>(197,471)</u>
Net increase in cash and cash equivalents	2,801,988	415,631
Cash and cash equivalents at beginning of year	<u>1,879,727</u>	<u>1,464,096</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,681,715</u>	<u>\$ 1,879,727</u>

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Association of Old Crows (AOC) is a non-profit organization, incorporated in the District of Columbia and located in the State of Virginia. AOC's mission is to advance strategy, policy and programs for Electronic Warfare/Information Operations and electromagnetic spectrum operations.

AOC is an international professional association comprised of individuals in the military, government and private industry engaged in the science of electronic warfare, information warfare, C2W and related disciplines. It provides a forum for the exchange of information of the technical and operational aspects of electronic warfare and related fields and works for the advancement of the state of the art knowledge of electronic defense subjects. AOC has affiliations with numerous chapters.

The accompanying financial statements present the financial position and results of operation for the Association of Old Crows or the headquarters. The chapters are not fiscally responsible to the organization and have not been included in the accompanying financial statements. Revenues are received primarily from member dues, and conference and convention attendance fees.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with AOC's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Cash and cash equivalents -

AOC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, AOC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income net of investment expenses provided by external investment advisors and allocated internal management costs in the Statement of Activities and Change in Net Assets.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Accounts receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets. Equipment and furniture is depreciated generally over three to five years. Improvements are amortized over their estimated useful life. The cost of maintenance and repairs is recorded as expenses as incurred. Depreciation and amortization expense for the year ended December 31, 2018 totaled \$29,985 and is included in Occupancy costs on the Statement of Functional Expenses.

Income taxes -

AOC is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. Beginning January 1, 2018, AOC is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees. The amount of the tax for the year ended December 31, 2018 is immaterial. The Organization is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2018, AOC has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Inventory -

Inventory consists of published materials, mementos and shirts that AOC distributes and sells to its members and others. AOC follows FASB ASU 2015-11 *Simplifying the Measurement of Inventory*, and as such, inventory is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory.

Deferred revenue -

Deferred revenue consists of member dues and conference and convention registrations. AOC recognizes member dues on a pro-rata basis over the annual membership period. AOC recognizes conference and meeting revenue when the related event has occurred.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Net asset classification (continued) -

Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as net assets without donor restrictions. Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of AOC are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

AOC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 that such changes could materially affect the amounts reported in the accompanying financial statements.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Fair value measurement -

AOC adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

AOC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of December 31, 2017 as unrestricted net assets in the amount of \$3,579,719 are now classified as without donor restrictions.

New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. AOC has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. AOC has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

New accounting pronouncements (not yet adopted) (continued) -

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

AOC plans to adopt the new ASUs at the respective required implementation dates.

2. INVESTMENTS

Investments consisted of the following at December 31, 2018:

	Fair Value
Equities	\$ 1,372,358
Government and agency bonds	200,892
Corporate bonds	158,783
TOTAL INVESTMENTS	\$ <u>1,732,033</u>

Included in investment loss are the following:

Interest and dividends	\$ 80,223
Unrealized loss	(172,360)
Realized gain	14,859
Management fees	(13,195)
TOTAL INVESTMENT LOSS, NET OF INVESTMENT EXPENSES	\$ <u>(90,473)</u>

3. BOARD DESIGNATED NET ASSETS

As of December 31, 2018, net assets amounting to \$4,817,260, have been designated by the Board of Directors for the following purposes:

- Continuity of operations in case of a catastrophic or other unforeseen event(s) which adversely impact(s) the normal flow of income to AOC;
- Income for large AOC capital purchases, such as a building acquisition or equipment upgrades; and,
- Resources for new AOC business opportunities requiring initial starting capital with the expectation that these opportunities will return these resources to the reserve fund at a future date.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

4. LIQUIDITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position, comprise the following at December 31, 2018:

Cash and cash equivalents	\$ 4,681,715
Short-term investments	1,411,074
Accounts receivable	15,274
Less: Board designated funds	<u>(4,817,260)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,290,803</u>
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AOC has a policy to structure its financial assets to be available and liquid as its obligations become due. There is a fund established by the governing board that may be drawn upon in the event of financial distress or immediate liquidity need resulting from events outside the typical operations.

5. COMMITMENTS

AOC leases office space under a 33 month agreement, which originated in August 2018. Base rent is \$124,200 per year, plus a proportionate share of expenses, with no escalation per year.

The following is a schedule of the future minimum lease payments:

<u>Year Ending December 31,</u>	
2019	\$ 124,200
2020	124,200
2021	<u>41,400</u>
	<u>\$ 289,800</u>

Rent expense for the year ended December 31, 2018 was \$71,312 and is included in Occupancy costs on the Statement of Functional Expenses.

AOC is committed under agreements for conference and convention space through the year 2020. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event.

6. RETIREMENT PLAN

AOC provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with six months of eligible service and who have attained the age of twenty-one years.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

6. RETIREMENT PLAN (Continued)

AOC contributes 3% percent of gross wages. Employees are vested in the employer portion of the contributions at the following rates:

Year 1	50%
Year 2	75%
Year 3	100%

Contributions to the Plan during the year ended December 31, 2018 were \$24,235.

7. RELATED PARTY

AOC has an affiliated 501(c)(3), the AOC Educational Foundation (the Foundation), which provides scholarships to undergraduate students in the hard sciences, Enlisted Tuition Grants to assist enlisted members of the Armed Forces with educational expenses not reimbursed by the government and speaker support from member events. AOC and the Foundation are governed by the same Board of Directors.

For the year ended December 31, 2018, AOC made contributions to the Foundation totaling \$22,716.

8. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, AOC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market AOC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

ASSOCIATION OF OLD CROWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

8. FAIR VALUE MEASUREMENT (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

- *Equities and corporate bonds* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Government and agency bonds* - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, by level within the fair value hierarchy, AOC's investments as of December 31, 2018:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 1,372,358	\$ -	\$ -	\$ 1,372,358
Government and agency bonds	200,892	-	-	200,892
Corporate bonds	<u>158,783</u>	<u>-</u>	<u>-</u>	<u>158,783</u>
TOTAL	<u>\$ 1,732,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,732,033</u>

9. SUBSEQUENT EVENTS

In preparing these financial statements, AOC has evaluated events and transactions for potential recognition or disclosure through April 25, 2019, the date the financial statements were issued.