

**FINANCIAL STATEMENTS**



**ASSOCIATION**  

---

**OF OLD CROWS**

**FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

# ASSOCIATION OF OLD CROWS

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## CPAs & ADVISORS

### 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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

May 22, 2020

**ASSOCIATION OF OLD CROWS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

<b>ASSETS</b>		<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	3,069,314	\$ 4,681,715
Short-term investments		1,824,215	1,411,074
Accounts receivable		48,181	15,274
Prepaid expenses		47,434	23,682
Inventory		<u>13,035</u>	<u>14,808</u>
Total current assets		<u>5,002,179</u>	<u>6,146,553</u>
<b>PROPERTY AND EQUIPMENT</b>			
Building and improvements		2,037,999	-
Equipment and furniture		<u>154,528</u>	<u>181,237</u>
		2,192,527	181,237
Less: Accumulated depreciation and amortization		<u>(132,058)</u>	<u>(131,159)</u>
Net property and equipment		<u>2,060,469</u>	<u>50,078</u>
<b>OTHER ASSETS</b>			
Long-term investments		<u>266,449</u>	<u>320,959</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 7,329,097</u></b>	<b><u>\$ 6,517,590</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	\$	146,537	\$ 296,814
Accrued salaries and benefits		60,444	91,446
Deferred revenue:			
Dues		61,294	55,879
Conference and convention		489,815	215,112
Chapter account		<u>89,260</u>	<u>89,849</u>
Total current liabilities		847,350	749,100
<b>LONG-TERM LIABILITIES</b>			
Deferred dues revenue, non-current		<u>199,254</u>	<u>160,767</u>
Total liabilities		<u>1,046,604</u>	<u>909,867</u>
<b>NET ASSETS - Without Donor Restrictions</b>		<u>6,282,493</u>	<u>5,607,723</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$ 7,329,097</u></b>	<b><u>\$ 6,517,590</u></b>

See accompanying notes to financial statements.

## ASSOCIATION OF OLD CROWS

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>Without Donor Restrictions</u>	
	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Convention	\$ 1,609,812	\$ 1,514,732
Membership dues	448,719	446,972
Conferences	1,202,382	994,456
JED royalty	192,561	162,443
Professional development courses	390,339	252,965
JED subscriptions	41,653	72,747
Investment income (loss)	417,103	(90,473)
Sales	10,759	8,596
Other revenue	<u>62,108</u>	<u>35,379</u>
Total revenue	<u>4,375,436</u>	<u>3,397,817</u>
<b>EXPENSES</b>		
Program Services	2,981,129	2,785,756
Management and General	678,026	668,748
Fundraising	<u>41,511</u>	<u>52,019</u>
Total expenses	<u>3,700,666</u>	<u>3,506,523</u>
Change in net assets before other item	674,770	(108,706)
<b>OTHER ITEM</b>		
Gain on sale of fixed assets	<u>-</u>	<u>2,136,710</u>
Change in net assets	674,770	2,028,004
Net assets at beginning of year	<u>5,607,723</u>	<u>3,579,719</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 6,282,493</u></b>	<b><u>\$ 5,607,723</u></b>

**ASSOCIATION OF OLD CROWS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>2019</b>			<b>2018</b>	
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
Salaries and wages	\$ 775,238	\$ 188,465	\$ 16,365	\$ 980,068	\$ 773,756
Payroll taxes and workers benefits	133,152	106,187	2,811	242,150	260,368
Professional development	139,785	7	-	139,792	80,498
Professional fees	139,378	115,825	3,369	258,572	360,688
Occupancy costs	104,444	83,292	2,204	189,940	238,271
Conferences	497,897	-	-	497,897	349,467
Administrative costs	237,250	184,250	4,878	426,378	569,563
STEM expenses	27,815	-	-	27,815	21,017
Government and industry affairs	45,152	-	-	45,152	40,094
Membership services	172,723	-	11,884	184,607	92,843
Convention	708,295	-	-	708,295	719,958
<b>TOTAL</b>	<b>\$ 2,981,129</b>	<b>\$ 678,026</b>	<b>\$ 41,511</b>	<b>\$ 3,700,666</b>	<b>\$ 3,506,523</b>

**ASSOCIATION OF OLD CROWS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 674,770	\$ 2,028,004
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	37,215	29,985
Unrealized (gain) loss	(323,460)	172,360
Realized gain	(2,715)	(14,859)
Gain on sale of fixed assets	-	(2,136,710)
(Increase) decrease in:		
Accounts receivable	(32,907)	23,904
Prepaid expenses	(23,752)	12,847
Inventory	1,773	8,115
(Decrease) increase in:		
Accounts payable and other current liabilities	(150,277)	(82,453)
Accrued salaries and benefits	(31,002)	20,589
Deferred revenue:		
Dues	43,902	30,698
Conference and convention	274,703	214,197
Chapter account	(589)	(2,386)
Net cash provided by operating activities	<u>467,661</u>	<u>304,291</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,047,606)	(9,961)
Sale of fixed assets	-	2,717,463
Purchase of investments	(129,082)	(453,080)
Proceeds from sale of investments	<u>96,626</u>	<u>243,275</u>
Net cash (used) provided by investing activities	<u>(2,080,062)</u>	<u>2,497,697</u>
Net (decrease) increase in cash and cash equivalents	(1,612,401)	2,801,988
Cash and cash equivalents at beginning of year	<u>4,681,715</u>	<u>1,879,727</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 3,069,314</u></b>	<b><u>\$ 4,681,715</u></b>



**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are 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.

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, 2018, from which the summarized information was derived.

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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

New accounting pronouncements adopted -

During 2019, AOC adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way AOC recognized revenue; however, the presentation and disclosures of revenue have been enhanced. AOC has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2019, AOC adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. AOC adopted the ASU using a modified prospective basis.

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.

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. Buildings are depreciated over 39 years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2019 totaled \$37,215 and is included in Occupancy costs on the Statement of Functional Expenses. In 2019, AOC purchased an office condominium with plans to move in during 2020.

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

AOC is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Uncertain tax positions -

For the year ended December 31, 2019, 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.

Revenue -

Membership dues includes general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings; however, they are immaterial in nature to the contract and thus are included with the general member benefits.

Revenue received for conferences, conventions, and courses is recorded as revenue when the related event has occurred. Publication revenue is recognized when the publication has been delivered. Revenue received in advance for conference, meetings, publications are recorded as deferred revenue within the Statement of Financial Position.

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.

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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

Functional allocation of expenses (continued) -

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.

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.

New accounting pronouncement (not yet adopted) -

FASB issued ASU 2019-01, *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, 2020. 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 ASU at the respective required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

**2. INVESTMENTS**

Investments consisted of the following at December 31, 2019:

	<b>Fair Value</b>
Equities	\$ 1,716,849
Government and agency bonds	217,975
Corporate bonds	155,840
<b>TOTAL INVESTMENTS</b>	<b>\$ <u>2,090,664</u></b>

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**2. INVESTMENTS (Continued)**

Included in investment income are the following:

Interest and dividends	\$ 104,082
Unrealized gain	323,460
Realized gain	2,715
Management fees	<u>(13,154)</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 417,103</u></b>

**3. BOARD DESIGNATED NET ASSETS**

As of December 31, 2019, net assets amounting to \$5,096,583, 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.

**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, 2019:

Cash and cash equivalents	\$ 3,069,314
Short-term investments	1,824,215
Accounts receivable	48,181
Long-term investments	<u>266,449</u>
Subtotal financial assets available within one year	5,208,159
Less: Board designated funds	<u>(5,096,583)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 111,576</u></b>

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. During 2019, AOC signed an amendment to the lease. The lease is now scheduled to end August 2020 with monthly base rent of \$11,000.

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**5. COMMITMENTS (Continued)**

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

**Year Ending December 31, 2020** **\$ 88,000**

Rent expense for the year ended December 31, 2019 was \$131,309 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.

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, 2019 were \$27,480.

**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, 2019, AOC made contributions to the Foundation totaling \$11,550.

**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.

**ASSOCIATION OF OLD CROWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**8. FAIR VALUE MEASUREMENT (Continued)**

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.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended December 31, 2019. There have been no changes in the methodologies used at December 31, 2019.

- *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, 2019:

<b>Asset Class:</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
Equities	\$ 1,716,849	\$ -	\$ -	\$ 1,716,849
Government and agency bonds	217,975	-	-	217,975
Corporate bonds	<u>155,840</u>	<u>-</u>	<u>-</u>	<u>155,840</u>
<b>TOTAL</b>	<b><u>\$ 2,090,664</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,090,664</u></b>

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, AOC has evaluated events and transactions for potential recognition or disclosure through May 22, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization (WHO) declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen. The global financial markets have declined and the fair value of the investment portfolio of AOC has a fair value of approximately \$1,869,000 as of the date of the audit report. In addition, AOC postponed several meetings subsequent to year end due to the COVID-19 pandemic. The host locations waived all cancellation penalties. Other potential financial or operational impacts from COVID-19 are unknown at this time.