

DUPAGE HEALTH COALITION

Financial Statements and
Independent Auditor's Report

Year Ended June 30, 2022

DUPAGE HEALTH COALITION

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June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
DuPage Health Coalition
Carol Stream, Illinois

Opinion

We have audited the accompanying financial statements of DuPage Health Coalition (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DuPage Health Coalition as of June 30, 2022, and the changes in its net assets and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DuPage Health Coalition and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DuPage Health Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DuPage Health Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DuPage Health Coalition's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited DuPage Health Coalition's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Naperville, Illinois
January 4, 2023

DUPAGE HEALTH COALITION

STATEMENT OF FINANCIAL POSITION

June 30, 2022

(With Summarized Financial Information for June 30, 2022)

| | 2022 | 2021 |
|---|--------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 2,340,571 | \$ 1,635,475 |
| Grants receivable | 373,416 | 232,462 |
| Prepaid expenses and other | 45,231 | 58,435 |
| Total current assets | 2,759,218 | 1,926,372 |
| INVESTMENTS | 1,010,209 | 1,022,684 |
| PROPERTY AND EQUIPMENT, NET | 179,691 | 199,525 |
| TOTAL ASSETS | \$ 3,949,118 | \$ 3,148,581 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 39,520 | \$ 18,440 |
| Accrued payroll and withholdings | 34,711 | 21,551 |
| Accrued paid time off | 60,810 | 58,771 |
| Total current liabilities | 135,041 | 98,762 |
| NET ASSETS | | |
| Without donor restrictions | 3,814,077 | 2,986,561 |
| With donor restrictions | - | 63,258 |
| Total net assets | 3,814,077 | 3,049,819 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 3,949,118 | \$ 3,148,581 |

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022
(with comparative totals for 2021)

| | Without Donor Restrictions | With Donor Restrictions | Total | |
|---|----------------------------------|-------------------------------|---------------------|---------------------|
| | | | 2022 | 2021 |
| GRANTS, CONTRIBUTIONS AND REVENUE | | | | |
| Government | \$ 606,314 | \$ - | \$ 606,314 | \$ 442,568 |
| Hospitals | 2,182,542 | - | 2,182,542 | 2,025,213 |
| Foundations and other | 623,220 | - | 623,220 | 169,870 |
| Program service fees | 99,943 | - | 99,943 | 117,985 |
| Forgiveness of Paycheck Protection Program Loan | - | - | - | 106,332 |
| Net assets released from restrictions | <u>63,258</u> | <u>(63,258)</u> | <u>-</u> | <u>-</u> |
| Total grants, contributions and revenue | <u>3,575,277</u> | <u>(63,258)</u> | <u>3,512,019</u> | <u>2,861,968</u> |
| FUNCTIONAL EXPENSES | | | | |
| Program services | 2,574,783 | - | 2,574,783 | 2,586,476 |
| Administration | 62,157 | - | 62,157 | 62,042 |
| Fundraising | <u>98,400</u> | <u>-</u> | <u>98,400</u> | <u>91,476</u> |
| Total functional expenses | <u>2,735,340</u> | <u>-</u> | <u>2,735,340</u> | <u>2,739,994</u> |
| Change in net assets from operating activities | 839,937 | (63,258) | 776,679 | 121,974 |
| NONOPERATING INCOME | | | | |
| Investment return | (12,475) | - | (12,475) | 22,684 |
| Interest income | <u>54</u> | <u>-</u> | <u>54</u> | <u>57</u> |
| Total nonoperating income | <u>(12,421)</u> | <u>-</u> | <u>(12,421)</u> | <u>22,741</u> |
| CHANGE IN NET ASSETS | 827,516 | (63,258) | 764,258 | 144,715 |
| NET ASSETS, BEGINNING OF YEAR | <u>2,986,561</u> | <u>63,258</u> | <u>3,049,819</u> | <u>2,905,104</u> |
| NET ASSETS, END OF YEAR | <u>\$ 3,814,077</u> | <u>\$ -</u> | <u>\$ 3,814,077</u> | <u>\$ 3,049,819</u> |

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022
(with comparative totals for 2021)

| | Program Services | | | | Total | Administration | Fundraising | Total 2022 | Total 2021 |
|--|---------------------|-------------------|-----------------------|--------------------------------|---------------------|------------------|------------------|---------------------|---------------------|
| | Access DuPage | Silver Access | Dispensary of Hope | Community Health Workers | | | | | |
| Salaries | \$ 626,289 | \$ 54,779 | \$ 33,578 | \$ 88,447 | \$ 803,093 | \$ 36,503 | \$ 73,006 | \$ 912,602 | \$ 787,031 |
| Employee benefits | 63,594 | 1,845 | 3,397 | 17,207 | 86,043 | 3,911 | 7,822 | 97,776 | 89,842 |
| Payroll taxes | 67,053 | 4,121 | 3,572 | 6,123 | 80,869 | 3,675 | 7,350 | 91,894 | 85,024 |
| Health care services and subsidies | 430,537 | 451,820 | - | - | 882,357 | - | - | 882,357 | 982,563 |
| Pharmacy services | 496,663 | - | 3,465 | 3,465 | 500,128 | - | - | 500,128 | 510,151 |
| Other patient-related expenses | 55,813 | - | - | - | 55,813 | - | - | 55,813 | 52,300 |
| Postage and delivery | 10,233 | 1,000 | - | - | 11,233 | 358 | 358 | 11,949 | 13,345 |
| Occupancy | 12,755 | 2,022 | - | - | 14,777 | 1,007 | 1,007 | 16,791 | 19,919 |
| Telecommunications | 7,662 | - | - | - | 7,662 | 412 | 165 | 8,239 | 10,979 |
| Printing and reproduction | 9,930 | 2,945 | - | - | 12,875 | 290 | 1,302 | 14,467 | 6,933 |
| Insurance | 19,212 | - | - | - | 19,212 | 1,011 | - | 20,223 | 19,198 |
| Equipment rental | 8,599 | 1,204 | - | - | 9,803 | 668 | 668 | 11,139 | 10,200 |
| Supplies | 6,881 | 805 | - | - | 7,686 | 524 | 524 | 8,734 | 3,453 |
| Marketing, education, and training | 2,907 | 120 | - | - | 3,027 | 313 | 139 | 3,479 | 19,782 |
| Repairs and maintenance | 6,372 | - | - | - | 6,372 | 336 | - | 6,708 | 5,777 |
| Utilities | 4,815 | - | - | - | 4,815 | 152 | 101 | 5,068 | 4,870 |
| Travel and meals | 2,102 | 213 | - | - | 2,315 | 72 | - | 2,387 | 1,533 |
| Software and computer supplies | 4,487 | - | - | - | 4,487 | 306 | 306 | 5,099 | 9,547 |
| Record storage | - | 65 | - | - | 65 | - | - | 65 | - |
| Dues, subscriptions, and permits | 1,346 | - | - | - | 1,346 | 150 | - | 1,496 | 1,655 |
| Consulting | 19,508 | - | - | - | 19,508 | 3,793 | 3,793 | 27,094 | 59,477 |
| Accounting and other professional fees | 25,415 | - | - | - | 25,415 | 3,718 | 1,859 | 30,992 | 24,654 |
| Miscellaneous | 1,006 | - | - | - | 1,006 | - | - | 1,006 | 884 |
| Depreciation | 14,876 | - | - | - | 14,876 | 4,958 | - | 19,834 | 20,877 |
| TOTAL FUNCTIONAL EXPENSES | \$ 1,898,055 | \$ 520,939 | \$ 44,012 | \$ 115,242 | \$ 2,574,783 | \$ 62,157 | \$ 98,400 | \$ 2,735,340 | \$ 2,739,994 |

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022
(with comparative totals for 2021)

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 764,258 | \$ 144,715 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 19,834 | 20,877 |
| Forgiveness of Paycheck Protection Program Loan | - | (106,332) |
| (Increase) decrease in | | |
| Grants receivable | (140,954) | 84,650 |
| Prepaid expenses and other | 13,204 | (1,411) |
| Increase (decrease) in | | |
| Accounts payable | 21,080 | (58,125) |
| Accrued expenses and withholdings | <u>15,200</u> | <u>22,729</u> |
| Total adjustments | <u>(71,636)</u> | <u>(37,612)</u> |
| Net cash from operating activities | <u>692,622</u> | <u>107,103</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments | <u>12,474</u> | <u>(1,022,684)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash from financing activities | <u>-</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH | 705,096 | (915,581) |
| CASH, BEGINNING OF YEAR | <u>1,635,475</u> | <u>2,551,056</u> |
| CASH, END OF YEAR | <u>\$ 2,340,571</u> | <u>\$ 1,635,475</u> |

See accompanying notes to financial statements.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

1. NATURE OF ACTIVITIES

DuPage Health Coalition (the “Organization”) is a nonprofit organization incorporated in the State of Illinois under the Illinois Not for Profit Act of 1986. The Organization’s mission is to develop and sustain in DuPage County (Illinois) a system for effectively and efficiently managing the health of low-income populations across the continuum of care. The DuPage Health Coalition accomplishes its goals through a variety of community strategic planning efforts, also operating a number of consumer-focused direct service programs.

Three key programs operated by the DuPage Health Coalition are Access DuPage, Silver Access, and Dispensary of Hope.

The Access DuPage program coordinates near comprehensive health access for low income and medically uninsured residents of DuPage County via a network of volunteer health providers and additional supportive services.

Silver Access provides low income Affordable Care Act Marketplace eligible families with premium payment assistance to reduce financial barriers to insurability.

DuPage Dispensary of Hope provides donated medications to low income and uninsured DuPage County residents.

Community Health Workers provide outreach, health education, support with flu vaccination and COVID-19 mitigation services, and assistance linking clients to available benefits and services , including enrollment in health insurance and help to connecting to behavioral health services, dental services, and assistance meeting critical needs (food, shelter, etc).

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of DuPage Health Coalition have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (US GAAP) which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of DuPage Health Coalition, whose board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions. Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of DuPage Health Coalition or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash

Cash consists of a demand deposit account and savings accounts which exceed federally insured limits. However, management does not believe DuPage Health Coalition is exposed to any significant risk of loss on such accounts.

Property and Equipment

Property and equipment are stated cost if purchased, or at estimated fair value at the date of gift if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 years for furniture and equipment to 20 years for the executive office facility.

Investments

Investments are recorded at cost when purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less direct investment expenses.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Program service fees are recognized when earned. Contributions and grants are recognized when cash, other assets, or an unconditional promise to give is received.

DuPage Health Coalition reports contributions restricted by the donors 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 restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes

DuPage Health Coalition is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state regulations.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, costs have been allocated among the programs and supporting services using a direct functional method, when applicable, and on the basis of time and effort as estimated by management.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior Year Information

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Use of Estimates

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

3. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 and 2021 consists of:

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Executive office facility and improvements | \$ 394,457 | \$ 394,457 |
| Office furniture and equipment | <u>15,020</u> | <u>15,020</u> |
| | 409,477 | 409,477 |
| Less accumulated depreciation | <u>(229,786)</u> | <u>(209,952)</u> |
| Property and equipment, net | <u>\$ 179,691</u> | <u>\$ 199,525</u> |

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

4. INVESTMENTS

Investments are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within *Level 1* that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. Inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to any assessment of the quality, risk, or liquidity profile of the asset.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

4. INVESTMENTS (Continued)

A significant portion of the Organization's investments assets are classified within *Level 1* because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values and readily marketable equity securities (common stock). The Organization has no *Level 2* or *Level 3* investments.

Investments as of June 30, 2022 consist of:

| | |
|--------------------------|---------------------|
| Insured deposit accounts | \$ 506,196 |
| Common stock (Level 1) | 205,807 |
| Mutual funds (Level 1) | <u>298,206</u> |
| | <u>\$ 1,010,209</u> |

5. LINE OF CREDIT

DuPage Health Coalition maintains a \$150,000 line of credit with a local bank, collateralized by the Organization's executive office facility. There were no amounts outstanding on the line of credit during the year ended June 30, 2022 or 2021. If utilized, interest is payable monthly at the prime rate plus .17 percent; there is no stated expiration date.

6. PAYCHECK PROTECTION PROGRAM

During April 2020, DuPage Health Coalition applied for and was approved for a loan in the amount of \$106,332 under the Paycheck Protection Program (PPP) created as part of the relief efforts to COVID-19 and administered by the Small Business Administration. The loan accrued interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, including accrued interest, upon meeting certain requirements. The loan was uncollateralized and fully guaranteed by the Federal government.

During the fiscal year ended June 30, 2021, the PPP loan was forgiven and revenue was recognized for the full amount of the loan.

7. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021, certain contributions were restricted by donors to the subsequent fiscal year. Those restrictions were met and net assets were released. There were no contributions with donor restrictions during the year ended June 30, 2022.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

8. RETIREMENT PLAN

The Organization maintains a 403(b) plan for eligible employees. The Organization matches dollar-for-dollar participant deferrals up to 3% of their compensation. Contributions to the plan by DuPage Health Coalition were \$11,727 and \$11,418 for the years ended June 30, 2022 and 2021.

9. COORDINATION OF MEDICAL SERVICES

DuPage Health Coalition coordinates health services provided to its' 6,354 enrollees by local health care entities and professionals who are key to the execution of the Organization's mission statement. Such services include hospital care, physicians, and drug assistance programs, and are provided to the enrollees at no cost or for a nominal fee. Annually, management estimates the value of these services based upon actual data provided by the respective providers, as well as historical data and projections which have ranged from \$34.8 to \$38.0 million at managed-care rates over the past three years.

10. LIQUIDITY

DuPage Health Coalition manages its cash available to meet general expenditures by operating within a prudent range of financial soundness and maintaining adequate liquid assets. Financial assets available within one year for general expenditures at June 30, 2022 and 2021 are as follows:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Cash | \$ 2,340,571 | \$ 1,635,475 |
| Grants receivable | 373,416 | 232,462 |
| Investments | <u>1,010,209</u> | <u>1,022,684</u> |
| Total financial assets available within one year | <u>\$ 3,724,196</u> | <u>\$ 1,867,937</u> |

None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Receivables are expected to be collected within one year. Investments classified as long-term are not expected to be used within one year, however, these amounts could be made available if necessary.

DUPAGE HEALTH COALITION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022 and 2021

11. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues throughout the United States. The Organization's operations may be affected by this pandemic, however, the impact cannot be reasonably estimated at this time.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 4, 2023, which was the date that these financial statements were available for issuance. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.