

L'ARCHE JACKSONVILLE, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

L'ARCHE JACKSONVILLE, INC.

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-15



5150 Belfort Road, Bldg. 300, Jacksonville, FL 32256
Phone: (904) 725-5832 Fax: (904) 727-6835
Email: office@fordefirm.com

Linda R. Forde, C.P.A.*
Megan McAtee, C.P.A., M.Acc.*
Michelle del Pino, B.A.
Tralanda Masline, M.B.A.
Jana Vaughn, M.A.F.S.
David R. Forde, Ph.D.

* MEMBER OF
AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
L'Arche Jacksonville, Inc.
Jacksonville, Florida

Report on Financial Statements

We have audited the accompanying financial statements of L'Arche Jacksonville, Inc., which comprise the statements of financial position as of June 30, 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 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 L'Arche Jacksonville, Inc., as of June 30, 2019 and 2018, and the changes 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.

The Forde Firm, LLC

The Forde Firm LLC
Jacksonville, Florida
December 27, 2019

L'ARCHE JACKSONVILLE, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents (Note 2)	\$ 368,931	\$ 456,246
Investments (Note 6)	178,700	169,769
Accounts receivable	1,162	6,424
Unconditional promises to give (Note 7)	-	-
	548,793	632,439
Fixed assets, at cost less accumulated depreciation of \$1,098,996 and \$1,037,278 in 2019 and 2018, respectively (Note 2)	1,074,047	1,116,250
Unconditional promises to give (Note 7)	-	-
Other assets	1,270	1,270
	\$ 1,624,110	\$ 1,749,959

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$ 96,413	\$ 79,627
Unearned income	-	10,000
	96,413	89,627
Total Current Liabilities	96,413	89,627
Total Liabilities	96,413	89,627

Net Assets:

Without Donor Restrictions - Board Designated (Note 3)	266,907	328,529
Without Donor Restrictions - Property	1,074,047	1,116,250
With Donor Restrictions (Note 4)	186,743	215,553
	1,527,697	1,660,332
Total Net Assets	1,527,697	1,660,332
Total Liabilities and Net Assets	\$ 1,624,110	\$ 1,749,959

See Notes to Financial Statements.

L'ARCHE JACKSONVILLE, INC.
STATEMENTS OF ACTIVITIES

For The Years Ended June 30, 2019 and 2018

PUBLIC SUPPORT, REVENUE AND OTHER SUPPORT	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Grants and Public Support:						
Grants	\$ 105,301	\$ -	\$ 105,301	\$ 92,340	\$ 34,000	\$ 126,340
Contributions	237,568	29,500	\$ 267,068	322,054	30,902	352,956
In-kind contributions, (Note 8)	17,064	-	17,064	41,130	-	41,130
Total Grants and Public Support	359,933	29,500	389,433	455,524	64,902	520,426
Revenue:						
Special events (net of direct costs of \$22,864 and \$21,426 in 2019 and 2018, respectively)	45,197	-	45,197	50,595	-	50,595
Program service fees	1,078,068	-	1,078,068	1,018,444	-	1,018,444
Investment income	6,210	190	6,400	3,621	266	3,887
Gain on sale of capital assets	1,050	-	1,050	3,925	-	3,925
Other	8,376	-	8,376	14,616	-	14,616
Total Revenue	1,138,901	190	1,139,091	1,091,201	266	1,091,467
Total Public Support, Revenue and Other Support	1,498,834	29,690	1,528,524	1,546,725	65,168	1,611,893
Net Assets Released from Restrictions:						
Restrictions satisfied by payments	58,500	(58,500)	-	91,318	(91,318)	-
Total Public Support, Revenue and Other Support and Net Assets Released from Restrictions	1,557,334	(28,810)	1,528,524	1,638,043	(26,150)	1,611,893
Expenses:						
Program services	1,492,213	-	1,492,213	1,386,801	-	1,386,801
Supporting service expenses:						
Management and general	68,392	-	68,392	62,383	-	62,383
Fundraising	107,836	-	107,836	106,494	-	106,494
Total Expenses	1,668,441	-	1,668,441	1,555,678	-	1,555,678
CHANGE IN NET ASSETS BEFORE INVESTMENT GAINS (LOSSES)	(111,107)	(28,810)	(139,917)	82,365	(26,150)	56,215
NET APPRECIATION IN INVESTMENTS						
Unrealized gain (loss)	7,282	-	7,282	(5,403)	-	(5,403)
INCREASE (DECREASE) IN NET ASSETS	(103,825)	(28,810)	(132,635)	76,962	(26,150)	50,812
Net Assets, Beginning of Year	1,444,779	215,553	1,660,332	1,367,817	241,703	1,609,520
Net Assets, End of Year	\$ 1,340,954	\$ 186,743	\$ 1,527,697	\$ 1,444,779	\$ 215,553	\$ 1,660,332

See Notes to Financial Statements.

L'ARCHE JACKSONVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 814,002	\$ 25,200	\$ 46,192	\$ 885,394
Employee benefits	171,646	16,590	7,369	195,605
Payroll taxes	60,316	1,827	3,401	65,544
Automobile and travel	15,191	-	-	15,191
Direct services	70,117	-	-	70,117
Dues and licenses	33,944	-	-	33,944
Insurance	50,119	3,042	-	53,161
Food	29,643	-	-	29,643
In-Kind Donations	17,064	-	-	17,064
Legal and professional	7,879	10,917	25,570	44,366
Maintenance and repairs	24,600	-	-	24,600
Conferences and retreats	18,135	-	-	18,135
Training and continuing education	3,328	-	-	3,328
Miscellaneous	8,914	1,857	18,625	29,396
Supplies	19,698	5,873	1,067	26,638
Recreation	7,992	-	-	7,992
Postage, printing and promotional	4,251	-	5,612	9,863
Telephone	16,697	-	-	16,697
Utilities	60,045	-	-	60,045
Fundraising expenses	-	-	-	-
Total before depreciation	1,433,581	65,306	107,836	1,606,723
Depreciation	58,632	3,086	-	61,718
Total	<u>\$ 1,492,213</u>	<u>\$ 68,392</u>	<u>\$ 107,836</u>	<u>\$ 1,668,441</u>

See Notes to Financial Statements.

L'ARCHE JACKSONVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2018

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 673,496	\$ 24,459	\$ 45,316	\$ 743,271
Employee benefits	166,073	15,618	7,226	188,917
Payroll taxes	50,671	1,786	3,424	55,881
Automobile and travel	17,253	-	-	17,253
Direct services	94,764	-	-	94,764
Dues and licenses	32,424	-	-	32,424
Insurance	49,800	3,042	-	52,842
Food	35,798	-	-	35,798
Food, in-kind (Note 10)	41,130	-	-	41,130
Legal and professional	7,559	8,579	29,185	45,323
Maintenance and repairs	27,541	-	-	27,541
Conferences and retreats	19,187	-	-	19,187
Training and continuing education	5,126	-	-	5,126
Miscellaneous	10,333	1,622	5,990	17,945
Supplies	19,136	4,154	1,133	24,423
Recreation	7,598	-	-	7,598
Postage, printing and promotional	4,399	-	1,927	6,326
Telephone	13,523	-	-	13,523
Utilities	51,663	-	-	51,663
Fundraising expenses	-	-	12,293	12,293
	<hr/>	<hr/>	<hr/>	<hr/>
Total before depreciation	1,327,474	59,260	106,494	1,493,228
Depreciation	59,327	3,123	-	62,450
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,386,801</u>	<u>\$ 62,383</u>	<u>\$ 106,494</u>	<u>\$ 1,555,678</u>

See Notes to Financial Statements.

L'ARCHE JACKSONVILLE, INC.
STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (132,635)	\$ 50,812
Adjustments to reconcile change in net assets to net cash provided in operating activities:		
Depreciation	61,718	62,450
Decrease in prepaid expenses	-	-
Decrease (increase) in accounts receivable	5,262	(4,770)
Decrease in pledges receivable	-	26,416
Increase in accounts payable	16,786	20,917
Decrease in unearned income	<u>(10,000)</u>	<u>(9,182)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(58,869)	146,643
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to fixed assets	(19,515)	(42,596)
Decrease in investments	<u>(8,931)</u>	<u>81,437</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(28,446)	38,841
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in notes payable	<u>-</u>	<u>(10,334)</u>
NET CASH USED BY FINANCING ACTIVITIES	-	(10,334)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,315)	175,150
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>456,246</u>	<u>281,096</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 368,931</u></u>	<u><u>\$ 456,246</u></u>
Supplementary Disclosure of Cash Flow Information:		
Interest expense paid	<u><u>\$ -</u></u>	<u><u>\$ 201</u></u>
Income taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

1. NATURE OF ORGANIZATION:

L'Arche Jacksonville, Inc. was incorporated on November 30, 1992 to operate as "L'Arche Harbor House". In 2015, the name was changed to L'Arche Jacksonville, Inc. to reflect its alignment with the national L'Arche community. L'Arche Jacksonville, Inc. is engaged in providing housing and services for disabled persons. Its major sources of revenue are program service fees and contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation:

In accordance with FASB ASC 958, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets representing resources generated from operations that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

New Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

On June 21, 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The update was issued to clarify and improve the scope of the accounting guidance for contributions received and contributions made. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Income Taxes:

L'Arche Jacksonville is exempt from federal taxation under Internal Revenue Code Section 501(c)(3). The Organization is not a private foundation. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for 3 years after they were filed.

Expense Allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Revenue and Support With and Without Donor Restrictions:

Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Fixed Assets and Depreciation:

Fixed assets are depreciated using the straight-line method over the estimated useful lives (ranging from 5 to 40 years) of the assets. Fixed asset additions of \$500 and greater are capitalized.

Fixed assets consist of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ -0-	\$ -0-
Buildings	1,295,999	1,295,999
Construction in progress	-0-	850
Leasehold improvements	662,746	642,746
Furniture and equipment	90,040	89,675
Transportation equipment	<u>124,258</u>	<u>124,258</u>
	2,173,043	2,153,528
Less: Accumulated depreciation	<u>1,098,996</u>	<u>1,037,278</u>
	<u>\$ 1,074,047</u>	<u>\$ 1,116,250</u>

Leasehold improvements consist of buildings and improvements located on property owned by the Catholic Diocese of St. Augustine. The land is rent free from the Diocese through 2025.

Cash and Cash Equivalents:

Cash and cash equivalents include funds on hand, checking accounts, savings accounts, and money market funds, if not otherwise held for long-term purposes.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Use of Estimates:

Preparation of the Organization's financial statements in conformity with generally accepted accounting principles requires the use of management's estimates, primarily related to the collectability of receivables, market value of investments, and depreciable lives of fixed assets. The nature of those estimates however, is such that variances in actual results are generally immaterial.

Fair Values of Financial Instruments

Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization's financial position, activities or cash flows. Cost approximates fair value for certain other investments, short term debt, and cash equivalents.

3. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED:

The Board of Directors of L'Arche Jacksonville has designated that up to three years of expenses be reserved for future operations as funds permit. The amount available at June 30, 2019, represents less than one year.

4. NET ASSETS WITH DONOR RESTRICTIONS:

As of June 30, 2019 and 2018, there were restricted capital campaign contributions of \$186,743 and \$215,553, respectively.

5. RETIREMENT PLAN:

The Organization sponsors a defined contribution pension plan that covers all employees with over three years' employment. Contributions to the plan are based on 5% of each eligible employee's salary. The amount of pension expense was \$15,129 and \$18,062 for 2019 and 2018, respectively.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

6. INVESTMENTS:

The Organization has categorized its financial instruments based on a three-level fair value hierarchy as follows:

Level 1 – Values are based on quoted prices for identical assets in an active market.

Level 2 – Values are based on quoted prices for similar assets in active or inactive markets.

Level 3 – Values are based on unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The fair value measurement objective is to determine an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the Organization's judgment about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Organization's own data.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis as of June 30, 2019 and 2018.

Registered investment companies (Mutual Funds): Valued at the net asset value (NAV) of shares held by the Organization at year-end.

Fair values of assets measured on a recurring basis at June 30, 2019, are as follows:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Equity Securities	\$ 32,069	\$ 32,069
Mutual Funds	<u>146,631</u>	<u>146,631</u>
Total	<u>\$ 178,700</u>	<u>\$ 178,700</u>

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

6. INVESTMENTS (continued):

Fair values of assets measured on a recurring basis at June 30, 2018, are as follows:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Equity Securities	\$ 33,705	\$ 33,705
Mutual Funds	<u>136,604</u>	<u>136,064</u>
Total	<u>\$ 169,769</u>	<u>\$ 169,769</u>

The Organization held no assets valued at Level 2 or Level 3 inputs at June 30, 2019 or 2018.

Investments in marketable securities are stated at market value. Realized and unrealized gains and losses are recognized in the Statement of Activities.

Investments are reported at market value at June 30, 2019 and 2018 and are comprised of the following:

Year ending June 30, 2019:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity Securities	\$ 26,110	\$ 32,609	\$ 6,499
Mutual Funds	<u>142,873</u>	<u>146,631</u>	<u>3,758</u>
	<u>\$ 168,983</u>	<u>\$ 173,695</u>	<u>\$ 10,257</u>

Year ending June 30, 2018:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity Securities	\$ 27,670	\$ 33,705	\$ 6,035
Mutual Funds	<u>139,650</u>	<u>136,064</u>	<u>(3,586)</u>
	<u>\$ 167,320</u>	<u>\$ 169,769</u>	<u>\$ 2,449</u>

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

6. INVESTMENTS (continued):

Investment income is summarized as follows:

	<u>2019</u>	<u>2018</u>
Dividend income	\$ 8,451	\$ 5,252
Interest income	446	1,239
Realized gains (losses)	1,050	3,925
Investment management fees	<u>(2,497)</u>	<u>(2,604)</u>
Net investment income	<u>\$ 7,450</u>	<u>\$ 7,812</u>

7. UNCONDITIONAL PROMISES TO GIVE:

During the fiscal year ending June 30, 2013 the organization launched a capital campaign to fund the construction and furnishing of the new Rainbow Center. During the current fiscal year the remaining pledge of \$25,000 was written off in 2018 as there had been no activity or payments against this pledge in several years. The donor, however, does continue to support other fundraising activities of the organization.

8. CONTRIBUTIONS IN-KIND:

During the current fiscal year L'Arche Jacksonville received in-kind donations of goods and services from many individuals and organizations. The total value of these items was \$17,064.

In-kind donations are measured at their fair value. The Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 820 provides a single definition of fair value and established a three-tier hierarchy which is described below.

Level 1 – In-kind donations for which there are readily available prices in active markets for identical items.

Level 2 – In-kind donations for which there is publicly available information about similar items in inactive markets, such as auction websites.

Level 3 – In-kind donations for which little publicly available information is available, and unobservable inputs may be used to measure fair value.

The in-kind contributions valued above are considered Level 2.

L'ARCHE JACKSONVILLE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

-continued-

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure without donor restrictions limiting their use within one year of the statement of financial position date consist of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$368,931	\$456,246
Liquid Investments	178,700	169,769
Accounts Receivable	<u>1,162</u>	<u>6,424</u>
	\$548,793	\$632,439
Less Funds Held with Donor Restrictions	<u>(186,743)</u>	<u>(215,553)</u>
Funds available for use within one year	<u>\$362,050</u>	<u>\$416,886</u>

As part of L'Arche's liquidity management, it invests cash in excess of daily requirements in highly liquid short-term investments.

10. SUBSEQUENT EVENTS:

In preparing these financial statements, L'Arche Jacksonville, Inc. evaluated events and transactions for potential recognition or disclosure through December 27, 2019, the date the financial statements were available to be issued. . No material subsequent events have occurred since June 30, 2019 that would require recognition or disclosure in the financial statements.