FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORP.

Financial Statements
December 31, 2019 and 2018

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Flaherty Salmin LLP Certified Public Accountants
2300 Buffalo Road, Building 200, Rochester, NY 14624-1365
office 585 279-0120 fax 585 279-0166 www.fs-cpa.com
PrimeGlobal An Association of Independent Accounting Firms

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Finger Lakes Regional Telecommunications Development Corp.

Report on the Financial Statements

We have audited the accompanying financial statements of Finger Lakes Regional Telecommunications Development Corp. (a New York not-for-profit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets (deficit), 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 audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Finger Lakes Regional Telecommunications Development Corp. as of December 31, 2019 and 2018, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2, Finger Lakes Regional Telecommunications Development Corp. adopted Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flow (Topic 230): Restricted Cash* and the issued guidance relating to *Revenue Recognition* during 2019. Our opinion is not modified with respect to these matters.

Flaherty Salmin LLP

Flaherty Salmin LLP
Rochester, New York

March 26, 2020

FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 1,619,915	$ 1,561,434
Prepaid expenses	50,157	55,239
Current portion of lease receivable	213,250	139,949
Total current assets	1,883,322	1,756,622
Other assets:		
Lease receivable, net of current portion	2,649,589	2,837,838
Restricted cash	175,646	177,999
Total assets	$ 4,708,557	$ 4,772,459

LIABILITIES AND NET ASSETS (DEFICIT)

	2019	2018
Current liabilities:		
Current portion of long-term debt	$ 3,521,810	$ 128,241
Accounts payable	51,825	50,066
Accrued interest	6,222	7,285
Total current liabilities	3,579,857	185,592
Other liabilities:		
Interest rate swap agreements, at fair value	773,061	571,907
Long-term debt, net of current portion	1,500,000	5,021,810
Total liabilities	5,852,918	5,779,309
Net assets (deficit) without donor restrictions	(1,144,361)	(1,006,850)
Total liabilities and net assets (deficit)	$ 4,708,557	$ 4,772,459

See accompanying notes to financial statements

FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Revenues	$ -	$ 283,456
Expenses:		
Marketing and sales	-	200
Insurance	7,242	7,274
Legal and accounting	24,611	39,140
Network operations	36,340	76,070
Property taxes	152,268	149,650
Office expense	3,198	3,395
Depreciation	-	98,121
Amortization	-	5,306
Interest	251,986	269,706
Professional services - administration	-	16,924
Total expenses	475,645	665,786
Income (loss) from operations	(475,645)	(382,330)
Other income (expense):		
Empire Pipeline revenue	379,237	379,237
Change in fair value of interest rate swap agreements	(201,154)	164,087
Interest income	160,051	95,711
Gain on sale of assets	-	907,420
Total other income (expense)	338,134	1,546,455
Increase (decrease) in net assets (deficit)	(137,511)	1,164,125
Net assets (deficit) without donor restrictions at beginning of year	(1,006,850)	(2,170,975)
Net assets (deficit) without donor restrictions at end of year	$ (1,144,361)	$ (1,006,850)

See accompanying notes to financial statements

FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Total
Expenses:			
Marketing and sales	$ -	$ -	$ -
Insurance	7,242	-	7,242
Legal and accounting	-	24,611	24,611
Network operations	36,340	-	36,340
Property taxes	152,268	-	152,268
Office expense	-	3,198	3,198
Depreciation	-	-	-
Amortization	-	-	-
Interest	251,986	-	251,986
Professional services - administration	-	-	-
Total expenses	$ 447,836	$ 27,809	$ 475,645

See accompanying notes to financial statements

FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Total
Expenses:			
Marketing and sales	$ 200	$ -	$ 200
Insurance	7,274	-	7,274
Legal and accounting	-	39,140	39,140
Network operations	76,070	-	76,070
Property taxes	149,650	-	149,650
Office expense	-	3,395	3,395
Depreciation	98,121	-	98,121
Amortization	5,306	-	5,306
Interest	269,706	-	269,706
Professional services - administration	-	16,924	16,924
Total expenses	$ 606,327	$ 59,459	$ 665,786

See accompanying notes to financial statements

FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (137,511)	$ 1,164,125
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	98,121
Amortization	-	5,306
Write off of construction in progress	-	4,180
Gain on sale of assets	-	(907,420)
Change in fair value of interest rate swap agreements	201,154	(164,087)
Increase (decrease) in cash due to changes in operating assets and liabilities:		
Accounts receivable	-	387,955
Prepaid expenses	5,082	(4,257)
Accounts payable	1,759	(112,770)
Accrued interest	(1,063)	114
Deferred revenue	-	(68,441)
Net cash provided by (used in) operating activities	69,421	402,826
Cash flows from investing activities:		
Repayments of lease receivable	114,948	44,289
Net cash provided by (used in) investing activities	114,948	44,289
Cash flows from financing activities:		
Repayments of long-term debt	(128,241)	(365,851)
Net cash provided by (used in) financing activities	(128,241)	(365,851)
Net increase (decrease) in cash, cash equivalents, and restricted cash	56,128	81,264
Cash, cash equivalents, and restricted cash - beginning of year	1,739,433	1,658,169
Cash, cash equivalents, and restricted cash - end of year	$ 1,795,561	$ 1,739,433

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FINGER LAKES REGIONAL TELECOMMUNICATIONS
DEVELOPMENT CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

	2019	2018
Reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the total of the same amounts shown in the statements of cash flows		
Cash and cash equivalents	$ 1,619,915	$ 1,561,434
Restricted cash	175,646	177,999
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	$ 1,795,561	$ 1,739,433
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 253,049	$ 269,592

See accompanying notes to financial statements

1. ORGANIZATION

Finger Lakes Regional Telecommunications Development Corp. (Organization) is a New York not-for-profit corporation that was formed to develop, operate, market and manage a municipal-based open access fiber optic network that runs primarily within in the County of Ontario in the State of New York (Ontario County). The Organization operates under the name Axcess Ontario, is managed by a local board of directors and contracts with the private sector for operating and administrative services.

Effective May 1, 2018, the Organization entered into a lease to purchase agreement with Empire Telephone Corporation (ETC). Under the terms of the agreement, the Organization will lease its fiber optic network and all other network related assets, and assign its contracts and the related liabilities to ETC for a period of five years.

The Organization has accounted for the lease to purchase agreement as a sales-type lease. Under this accounting method, the Organization retains title of the leased assets during the lease term, but the underlying leased assets and assumed liabilities are derecognized, and a lease receivable and a gain on sale of assets are recognized. Upon receipt of the final lease payment, the Organization will relinquish title of the leased assets. The transaction is summarized as follows:

Property and equipment, net	$ 4,562,362
Indefeasible right of use, net	266,789
Deferred revenue	(2,714,495)
Net book value of assets	2,114,656
Lease receivable	(3,022,076)
Gain on sale of assets	$ (907,420)

Prior to May 1, 2018, the Organization generated a significant portion of its operating revenues by providing access to its fiber optic network to two different customer types. These customer types are described below:

Carrier: These customers consist of nationally and regionally-known wireless providers and internet service providers.

Enterprise: These customers consist of hospitals, school districts, colleges and private businesses.

A continuing source of the Organization's revenue is derived from payments made by Empire State Pipeline (a joint venture) and Empire Pipeline, Inc. (collectively Empire Pipeline) as a result of a Host Community Benefit Agreement (Benefit Agreement) entered into between Empire Pipeline and the Organization on July 1, 2007. The Benefit Agreement is related to a separate payment-in-lieu-of-tax agreement entered into between Empire Pipeline and the Ontario County Industrial Development Agency. The Benefit Agreement stipulates that Empire Pipeline pay the Organization an annual benefit fee of $379,237 for twenty-five years. Payments are due in equal quarterly installments and are guaranteed by National Fuel Gas Company, a publicly-traded corporation and parent organization of Empire Pipeline. These payments provide a guaranteed revenue stream to the Organization and are recognized as revenue when the payments become due and payable.

The Organization has assigned its rights under the Benefit Agreement to Citizens Bank as security for the outstanding term loans and has directed Empire Pipeline to wire payments into a specific cash account that has been restricted for future payments of principal and interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Changes

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 requires that entities include restricted cash and restricted cash equivalents with cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the Statements of Cash Flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018. The changes made by this ASU are required to be applied retrospectively. As a result of the application of this ASU, the reclassification of restricted cash into a change in total cash resulted in an increase in net cash used in financing activities of $4,678 as of December 31, 2018.

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance." The Organization adopted the requirements of the new guidance as of January 1, 2019. Management evaluated the new guidance and determined that the Empire Pipeline Benefit Agreement falls outside the scope of Topic 606. This agreement was the Organization’s only source of revenue in 2019. The other sources of revenue recognized in 2018 ended mid-year and thus were properly recognized in full in 2018 and were not impacted by the new guidance. Therefore, the adoption of the new guidance did not have an impact on the 2018 and 2019 financial statements.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with the provisions of the FASB Accounting Standards Codification (ASC) regarding not-for-profit entities. Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets based upon the absence or presence of donor restrictions. When a donor restriction expires, the amount is reclassified from net assets with donor restrictions to net assets without donor restrictions. The Organization had no assets with donor restrictions at December 31, 2019 and 2018.

Method of Accounting

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Any expenditures not directly chargeable are allocated based on an analysis of personnel time and space utilized for the related activities.

Cash and Cash Equivalents

The Organization considers all cash on hand, cash in banks and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Lease Receivable

The Organization extended credit to Empire Telephone Corporation. The lease receivable is stated at the unamortized balance. Losses from uncollectible receivables are accrued when it is probable that a receivable is impaired and the amount of the loss can be reasonably estimated. As of the date of the financial statements, management believes that neither of these conditions exists with regards to its receivable and, as such, an allowance for doubtful accounts has not been established.

Property and Equipment

Property and equipment consisted primarily of costs to construct the fiber optic network and were recorded at cost. Depreciation was computed using the straight-line method over the estimated useful lives of the assets which range from three to twenty-five years.

Expenditures for renewals and betterments were capitalized while expenditures for repairs and maintenance were charged to operations as incurred.

The fiber optic network and all other network related assets were derecognized during 2018 as part of the lease to purchase agreement with Empire Telephone Corporation.

Indefeasible Right of Use

In December 2010, the Organization paid $360,000 for the indefeasible right of use (IRU) of 24 strands of existing dark fiber maintained by a third party to connect the Organization's fiber optic network in lieu of building fiber in the same area. The IRU was amortized using the straight-line method over the twenty-five year term of the agreement. This asset was derecognized during 2018 as part of the lease to purchase agreement with Empire Telephone Corporation.

The Organization obtained another IRU with a total cost of $15,171. This IRU was amortized using the straight-line method over the twenty year term of the agreement. This asset was also derecognized during 2018 as part of the lease to purchase agreement with Empire Telephone Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

In accordance with the provisions of the ASC pertaining to accounting for uncertainty in income taxes, the Organization evaluates tax positions taken for potential uncertainties. Management is not aware of any uncertain tax positions requiring measurement or disclosure in these financial statements.

Advertising Costs

The Organization expenses advertising costs as incurred.

Account Reclassification

Certain account balances at December 31, 2018 were reclassified to conform to account classifications used by the Organization at December 31, 2019. These changes had no effect on reported results of operations or financial position.

3. LEASE RECEIVABLE

Lease receivable consists of the following at December 31:

	2019	2018
Lease receivable from Empire Telephone Corporation requiring annual payments of \$240,000 in year one, \$300,000 in year two, \$360,000 in year three, \$420,000 in years four and five, and one final payment of \$2,000,000 in May 2023, including interest at 5.50%.	\$2,862,839	\$2,957,787
Less: Current portion of lease receivable	213,250	139,949
Lease receivable, net of current portion	\$2,649,589	\$2,837,838

4. TRANSACTIONS WITH ONTARIO COUNTY

Ontario County allows the Organization use of its meeting rooms, its website, the services of the Chief Information Officer to serve as the Chief Executive Officer of the Organization and the services of its other employees or officers to serve on the Organization’s Board of Directors or perform other duties as authorized by its Board of Supervisors. The value of these contributed services is immaterial. Therefore, no amounts have been recorded for Ontario County’s contributed services during the years ended December 31, 2019 and 2018 which would be offset by the applicable expense.

5. LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	2019	2018
Term loan payable to Citizens Bank in the amount of $4,393,331. The loan bears interest at LIBOR plus 2.50% (effective rate of 4.24% at December 31, 2019) and requires monthly interest payments and quarterly principal payments sufficient to amortize the principal balance over a twenty-four year period, beginning in January 2011. The maturity date of the loan is December 31, 2020. Under the terms of an interest rate swap agreement, which has a termination date of September 2034, the Organization pays a fixed interest rate of 4.50% and receives a rate of LIBOR on a notional amount, which was $3,504,811 at December 31, 2019. As a result, the combined effective interest rate on the loan is 7.00%. The loan is secured by substantially all assets of the Organization and the revenue provided by the Benefit Agreement.	$3,521,810	$3,650,051
Unsecured, non-interest bearing loan payable to Ontario County. The loan is due the earlier of the retirement of the Organization's bank debt or March 2033 and is subordinate to the term loan payable to Citizens Bank.	1,500,000	1,500,000
	5,021,810	5,150,051
Less: Current portion of long-term debt	3,521,810	128,241
Long-term debt, net of current portion	$1,500,000	$5,021,810

Estimated principal payments of long-term debt at December 31, 2019 are scheduled as follows:

2020	$3,521,810
2021	-
2022	-
2023	-
2024	-
Thereafter	1,500,000
	$5,021,810

The Organization is required to meet a certain financial covenant as stated in the bank term loan agreement. At December 31, 2019, the Organization was in compliance with this covenant.

As disclosed above, the Organization's loan payable to Citizens Bank matures on December 31, 2020. The Organization is currently in discussions to extend the maturity date of the loan with Citizens Bank, who has previously extended the maturity date of this loan as the repayment of the loan is aligned with the payments the Organization receives from the Empire Pipeline revenue. As such, the Organization anticipates that Citizens Bank will extend the maturity date of the loan before December 31, 2020. If the maturity date of the loan is not extended, the Organization would not be able to satisfy the obligation in full based on the liquid assets available.

6. INTEREST RATE SWAP AGREEMENT

The Organization accounts for its interest rate swap agreement in accordance with the ASC regarding derivative investments and hedging activities. This standard requires that derivative investments be recognized at fair value. The Organization entered into its interest rate swap agreement in order to fix the Organization's effective interest rate on its long-term debt. As a result of accounting for this derivative instrument, net assets decreased by $201,154 during the year ended December 31, 2019 and net assets increased by $164,087 during the year ended December 31, 2018. The interest rate swap agreement has been valued by the Swap Dealer utilizing proprietary models and estimates relevant to future market conditions.

7. FAIR VALUE MEASUREMENTS

The Organization accounts for its interest rate swap agreement in accordance with the ASC regarding fair value measurements and disclosures. This standard defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by the standard, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement and include situations where there is little, if any, market activity for the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

7. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Organization's fair value hierarchy for its interest rate swap agreement measured at fair value on a recurring basis as of December 31:

	2019	2018
Level 1	$ -	$ -
Level 2	773,061	571,907
Level 3	-	-
Total	$ 773,061	$ 571,907

8. CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash and the lease receivable. The Organization maintains its cash and cash equivalents and restricted cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash. The Organization also routinely assesses the financial strength of its customers and, as a consequence, believes that its lease receivable credit risk exposure is limited.

The Organization had one customer that accounted for 100% of the lease receivable balance at December 31, 2019.

The Organization had two customers that accounted for 49% of the total operating revenue for the year ended December 31, 2018 and one customer that accounted for 100% of the lease receivable balance at December 31, 2018.

9. COMMITMENTS

The Organization entered into a real property lease agreement with the Village of Naples during 2014. Under the terms of this agreement, the Organization was required to make two hundred and forty monthly payments of $500. As part of the lease to purchase agreement, this lease agreement was transferred to Empire Telephone Corporation. Lease expense, which is included in network operations expense, totaled $-0- and $2,000 for the years ended December 31, 2019 and 2018, respectively.

The Organization entered into a dark fiber lease agreement for two dark optical fiber strands in a closed ring to six locations. Under the terms of this agreement, the Organization was required to make monthly access payments of $2,100 and monthly lease payments of $525 per location for a period of one hundred and twenty months, beginning on the acceptance date of the leased fiber. As part of the lease to purchase agreement, this lease agreement was transferred to Empire Telephone Corporation

The Organization also leased dark fiber under three month-to-month lease agreements. Leased fiber expense, which is included in network operations expense, totaled $-0- and $28,815 for the years ended December 31, 2019 and 2018, respectively.

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2019	2018
Cash and cash equivalents	$1,619,915	$1,561,434
Current portion of lease receivable	213,250	139,949
Restricted cash	175,646	177,999
Total financial assets	2,008,811	1,879,382
Less: Assets unavailable for general expenditures within one year	175,646	177,999
Financial assets available to meet cash needs for general expenditures within one year	$1,833,165	$1,701,383

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

In early 2020, the COVID-19 health crisis was elevated to "pandemic" status. It is anticipated that the impact of this crisis will continue for some time. The extent of the future impact on the Organization's operational and financial performance is not known as of the date of the independent auditors' report.

Flaherty Salmin CPAs

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2300 Buffalo Road, Building 200
Rochester, NY 14624-1365
585 279-0120
fs-cpa.com