



CHRISTOPHER J. CLAIR, CPA, P.A.

ASSOCIATION OF COLLEGE AND UNIVERSITY AUDITORS, INC.

**INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS**

December 31, 2022 and 2021

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CHRISTOPHER J. CLAIR, CPA, P.A.

INDEPENDENT AUDITORS' REPORT
March 20, 2023

To the Board of Directors
Association of College and University Auditors, Inc.

Opinion

We have audited the accompanying financial statements of the Association of College and University Auditors, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 the Association of College and University Auditors, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Association of College and University Auditors, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Association of College and University Auditors, Inc.'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, including omissions, 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:

- a) Exercise professional judgment and maintain professional skepticism throughout the audit.
- b) 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.
- c) 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 the Association of College and University Auditors, Inc.'s internal control. Accordingly, no such opinion is expressed.
- d) 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.
- e) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association of College and University Auditors, Inc.'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.



**Christopher J. Clair, CPA, P.A.
Shawnee, KS**

Association of College and University Auditors, Inc.
Statements of Financial Position
December 31, 2022 and 2021

ASSETS

| Current Assets: | <u>2022</u> | <u>2021</u> |
|----------------------------------------------------------------------------------------|------------------------------|--------------------------------|
| Cash and cash equivalents | \$ 41,354 | \$ 344,636 |
| Accounts receivable - general | 9,750 | 6,944 |
| Investments | 591,861 | 683,455 |
| Prepaid software/website license fees | 5,834 | 5,834 |
| Prepaid insurance | 1,334 | --- |
| Prepaid conference expenses | <u>37,041</u> | <u>1,141</u> |
| Total Current Assets | 687,174 | 1,042,010 |
| Other Assets: | | |
| Website development costs, net of accumulated amortization of \$62,000 and \$53,389 | <u>---</u> | <u>8,611</u> |
| Total Assets | <u>\$ 687,174</u> | <u>\$ 1,050,621</u> |

LIABILITIES AND NET ASSETS

| Current Liabilities: | <u>2022</u> | <u>2021</u> |
|---------------------------------------------------|------------------------------|--------------------------------|
| Accounts payable | \$ 80,125 | \$ 88,639 |
| Deferred revenue - dues | <u>110,632</u> | <u>154,088</u> |
| Total Current Liabilities | 190,757 | 242,727 |
| Net Assets, Without Donor Restrictions | <u>496,417</u> | <u>807,894</u> |
| Total Liabilities and Net Assets | <u>\$ 687,174</u> | <u>\$ 1,050,621</u> |

(See Independent Auditors' Report and Accompanying Notes)

Association of College and University Auditors, Inc.
Statements of Activities
Years Ended December 31, 2022 and 2021

| Revenues: | <u>2022</u> | <u>2021</u> |
|------------------------------------------------------------------|--------------------------|--------------------------|
| Program services | | |
| Conferences and seminars | | |
| Annual/AuditCon | \$ 429,391 | \$ 241,969 |
| Midyear/Audit Interactive | <u>104,970</u> | <u>100,006</u> |
| | 534,361 | 341,975 |
| Supporting activities | | |
| Membership dues | 233,587 | 223,888 |
| Interest and dividend income (net of fees) | 6,208 | 5,021 |
| Unrealized gain (loss) on investments | (100,224) | 3,996 |
| Realized gain on investments | 2,423 | 55,545 |
| Strategic partnership fees | 60,000 | 27,500 |
| Electronic and print media | 7,037 | 5,573 |
| Other revenue | <u>1,167</u> | <u>---</u> |
| | 210,198 | 321,523 |
| | | |
| Total Revenues | 744,559 | 663,498 |
| | | |
| Expenses: | | |
| Program services | 673,402 | 421,629 |
| Supporting services - management and general | <u>382,634</u> | <u>266,752</u> |
| | | |
| Total Expenses | <u>1,056,036</u> | <u>688,381</u> |
| | | |
| Decrease in Net Assets Without Donor Restrictions | (311,477) | (24,883) |
| | | |
| Net Assets, Without Donor Restrictions, Beginning of Year | <u>807,894</u> | <u>832,777</u> |
| | | |
| Net Assets, Without Donor Restrictions, End of Year | <u>\$ 496,417</u> | <u>\$ 807,894</u> |

(See Independent Auditors' Report and Accompanying Notes)

Association of College and University Auditors, Inc.
Statements of Functional Expenses
Years Ended December 31, 2022 and 2021

| | <u>2022</u> | | <u>2021</u> | |
|--------------------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|
| | <u>Program Services</u> | <u>Management and General</u> | <u>Program Services</u> | <u>Management and General</u> |
| Annual/AuditCon conference | \$452,596 | \$0 | \$249,332 | \$0 |
| Midyear/Audit Interactive conference | 87,473 | 0 | 23,940 | 0 |
| Distance learning/webinars | 4,512 | 0 | 3,550 | 0 |
| Board expenses - travel & meetings | 0 | 48,015 | 0 | 16,761 |
| Program committees | 1,668 | 0 | 2,785 | 0 |
| External outreach | 2,067 | 0 | 535 | 0 |
| Management services | 98,211 | 213,988 | 114,420 | 212,497 |
| Legal and professional fees | 0 | 15,447 | 0 | 7,250 |
| Transition fees | 0 | 45,000 | 0 | 0 |
| NASBA fees | 0 | 0 | 0 | 995 |
| Insurance | 0 | 3,350 | 0 | 2,619 |
| Communications | 0 | 2,382 | 0 | 0 |
| Member services - marketing/printing | 0 | 14,055 | 0 | 1,891 |
| Website admin & maintenance | 8,264 | 0 | 2,234 | 2,179 |
| Website amortization | 8,611 | 0 | 20,667 | 0 |
| Website software/license fees | 10,000 | 0 | 4,166 | 0 |
| NCAA manual update | 0 | 8,250 | 0 | 8,450 |
| Electronic and print media | 0 | 5,373 | 0 | 0 |
| Connect ACUA | 0 | 7,488 | 0 | 1,800 |
| Credit card processing/bank fees | 0 | 9,769 | 0 | 9,495 |
| Office expense | 0 | 9,352 | 0 | 2,650 |
| Annual report | <u>0</u> | <u>165</u> | <u>0</u> | <u>165</u> |
| Total Expenses | <u>\$673,402</u> | <u>\$382,634</u> | <u>\$421,629</u> | <u>\$266,752</u> |

(See Independent Auditors' Report and Accompanying Notes)

Association of College and University Auditors, Inc.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

| Cash flows from operating activities: | <u>2022</u> | <u>2021</u> |
|----------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------|
| Decrease in net assets | \$ (311,477) | \$ (24,883) |
| Adjustments to reconcile net decrease in net assets to net cash provided by (used in) operating activities: | | |
| Unrealized (gain) loss on investments | 100,224 | (3,996) |
| Realized gain on investments | (2,423) | (55,545) |
| Amortization | 8,611 | 20,667 |
| Changes in assets and liabilities: | | |
| Increase in accounts receivable | (2,806) | (6,044) |
| Increase in prepaid conference expenses | (35,900) | (10) |
| Increase in prepaid software/website license fees | --- | (5,834) |
| Increase in prepaid insurance | (1,334) | --- |
| Increase (decrease) in accounts payable | (8,514) | 70,063 |
| (Decrease) increase in deferred revenue - dues | <u>(43,456)</u> | <u>37,988</u> |
| Net cash provided by (used in) operating activities | <u>(297,075)</u> | <u>32,406</u> |
| Cash flows from investing activities: | | |
| Proceeds from sales of investments | 37,105 | 116,868 |
| Purchases of investments | <u>(43,312)</u> | <u>(121,890)</u> |
| Net cash used in investing activities | <u>(6,207)</u> | <u>(5,022)</u> |
| Net increase (decrease) in cash and cash equivalents | (303,282) | 27,384 |
| Cash and cash equivalents, beginning of year | <u>344,636</u> | <u>317,252</u> |
| Cash and cash equivalents, end of year | <u>\$ 41,354</u> | <u>\$ 344,636</u> |

(See Independent Auditors' Report and Accompanying Notes)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note A - Nature of Organization

The Association of College and University Auditors, Inc. (the Association) is a non-profit membership organization incorporated in 1958 under the Alabama Non-Profit Corporation Act. The Association's mission is to advance the practice of internal auditing and promote the recognition of internal auditing in higher education.

The Association's major sources of revenue are derived from the Annual/AuditCon conference, membership dues and the Midyear/Audit Interactive conference.

Note B - Summary of Significant Accounting Policies

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Cash and cash equivalents at December 31, 2022 and 2021 consisted of demand deposits held in bank accounts. There are no restrictions on cash.

Accounts Receivable

The Association uses the reserve method in accounting for bad debts. Under this method, all uncollectible accounts are charged to the allowance account and bad debt expense is determined by adjusting the balance in the allowance account to a reserve considered reasonable by management. Management believes that substantially all accounts receivable are collectible, and therefore has not established an allowance for doubtful accounts.

Investments

The Association holds investment funds in various fixed income and equity mutual funds invested by professional investment advisors. In accordance with the Not-For-Profit Entities subtopic of the FASB Accounting Standards Codification, these investments are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

In accordance with *Accounting Standards Update (ASU) No. 2016-14*, the Association is required to report 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. The Association has no net assets with donor restrictions as of December 31, 2022 and 2021.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Revenue Recognition and Deferred Revenue

The Association recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. The core principle of the new revenue recognition model is that an entity recognize revenue that represents the transfer of promised goods or services to customer in an amount reflective of the price the entity expects to be entitled to in exchange for those goods or services. This transfer of distinct goods or services is defined as a performance obligation. The transfer of a promised good or service to a customer in satisfaction of performance obligations results in revenue recognition.

Contract assets and liabilities may be created with contracts with customers that contain certain rights and obligations. *Contract assets*, referred to as unbilled receivables and progress payments to be billed, are an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. These assets arise when goods or services have been transferred to a customer but customer payment is contingent on a future event. *Contract liabilities*, referred to as deferred revenue and unearned revenue, is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

The Association's revenues from membership dues and conference registration fees are exchange transactions and fall within the scope of ASC 606. Contribution revenues do not fall into the scope of ASC 606.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Deferred Revenue (Continued)

Membership dues are collected annually from members at rates which vary with the type of membership. The membership dues period is on a calendar year basis, which coincides with the financial reporting period. The value of membership benefits made available to members in exchange for their dues is deemed to equal or exceed the dues paid. Therefore, there is no contribution component included in the dues payments. The Association considers the membership benefits that a member receives to be earned evenly and over time throughout the annual period of membership. Therefore, the Association has concluded that the performance obligation related to member benefits is satisfied throughout the membership period as member benefits are received and consumed simultaneously during the membership period. Thus, the membership dues revenue is fully recognized during the course of the annual calendar year reporting period. Membership dues payments received prior to year-end for the following year dues membership period is recorded as a contract liability as deferred and unearned revenue.

Annual/AuditCon and Midyear/Audit Interactive conference registration fees are received at various points of time prior to the conference taking place. Upon receipt of the fees, the Association will record a contract liability as deferred and unearned revenue. The performance obligation is considered satisfied upon the conclusion of the conference and the revenue is recognized at that point in time.

Income Taxes

The Association is a not-for-profit organization exempt from Federal and State income tax under Section 501(c)(3) of the Internal Revenue Code and similar state statutes. However, any advertising income received by the Association is potentially partially taxable under the Internal Revenue Code. During 2022 and 2021, the Association paid no unrelated business income taxes.

Expense Allocation

Directly identifiable expenses are allocated to program services. Typically, expenses related to more than one function are allocated utilizing management's estimate. Management and general expenses include those expenses that are not identifiable with any other specific function but provide for the overall support and direction of the Association.

Website Development Costs

Total website redesign and development costs are \$62,000 and amortization of these costs began in June 2019, which was the start-up date for the website. The costs are being amortized over 36 months utilizing the straight-line method. These costs are fully amortized as of December 31, 2022.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note C - Management Services Agreement

During 2021 and through October 31, 2022, the Association contracted with Kellen Company to provide management services. The contract fee payment terms consisted of a fixed annual management fee paid to Kellen and fees for reimbursement for support services, travel, printing, and other out-of-pocket costs incurred by Kellen on behalf of the Association.

Fixed annual management fees paid to Kellen were \$280,866 and \$326,917 for 2022 and 2021, respectively.

The Association transitioned to a new management company in 2022. Effective November 1, 2022, the Association entered into a management agreement with Bostrom. This agreement is for a 36-month term ending on October 31, 2025. The fee payment terms consist of a fixed monthly base management fee and a monthly activity fee for staff support services. Either party may terminate this agreement, without cause, by giving the other party at least one hundred eighty (180) days written notice to the other party.

The fixed annual base management fee is \$188,000. The fee is subject to a maximum increase of three percent (3%) year over year if the scope of services does not change. The monthly activity fee for staff support services is charged based on time actually spent on Association activities and therefore would vary each month.

Fixed base management fees earned by Bostrom were \$31,333 for 2022. Activity fees for staff support services totaled \$41,666 for 2022.

The agreement with Bostrom provided for a one-time transition fee of \$15,000 and a one-time technology fee of \$30,000 for 2022. Beginning November 1, 2023, the Association shall pay Bostrom a monthly technology fee of \$600.

Note D - Tax Positions

As a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, the Association is required to file a Form 990 annually. The information in these returns is used by the IRS to substantiate the Association's continuing tax exempt status. These returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, returns for the tax years 2019, 2020 and 2021 remain open and potentially subject to IRS examination. The Association has no material uncertain tax positions to be accounted for in the financial statements under ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*. Any assessments by taxing authorities could result in potential penalties and interest being assessed.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note E - Subsequent Events

Subsequent events were considered through March 20, 2023, which is the date the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

Note F - Investments and Fair Value Measurements

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Association uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Association measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

As of December 31, 2022, and 2021, investments are stated at fair value and consist of the following:

| | 2022 | | | 2021 | | |
|--------------|-------------------|-------------------|------------------------|-------------------|-------------------|------------------------|
| | (Level 1) | | | (Level 1) | | |
| | Cost | Fair Value | Unrealized Gain (Loss) | Cost | Fair Value | Unrealized Gain (Loss) |
| Equity Funds | \$ 243,318 | \$ 359,896 | \$ 116,578 | \$ 240,196 | \$ 423,208 | \$ 183,012 |
| Cash Funds | 14,390 | 14,390 | --- | 14,002 | 14,002 | --- |
| Fixed Income | 241,818 | 217,575 | (24,243) | 236,698 | 246,245 | 9,547 |
| | <u>\$ 499,526</u> | <u>\$ 591,861</u> | <u>\$ 92,335</u> | <u>\$ 490,896</u> | <u>\$ 683,455</u> | <u>\$ 192,559</u> |

Fixed income funds represent investments in certain treasury and corporate bond mutual funds. Equity funds represent investments in certain closed-end funds and exchange-traded growth and capital market mutual funds. These investments are classified as Level 1 as they are traded in an active market for which daily closing prices are available.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note G - Other Commitments

The Association has signed hotel agreements for the September 2023 Annual/AuditCon conference and the March 2023 Midyear/Audit Interactive conference. The Association is subject to certain potential commitments and obligations within the structure of these agreements. Each of these agreements has a liquidated damage provision in the event that the Association would cancel without cause. In addition, there is also a provision that the Association agrees to provide the hotel with a minimum in food and beverage revenue. Cancellation insurance has been purchased by the Association to provide coverage for any potential liabilities arising out of or resulting from the respective obligations pursuant to these agreements.

Note H - Liquidity and Availability of Financial Assets

In accordance with *Accounting Standards Update (ASU) 2016-14*, the Association is required to disclose qualitative and quantitative information about how it manages its liquid resources to meet cash needs for general expenditures within one year of the date of the statement of financial position and whether its financial assets are available to meet those cash needs. The following reflects the Association's financial assets as of the balance sheet date, reduced by amounts not available for general use because of potential donor-imposed restrictions or from Board designated restrictions.

| | <u>2022</u> | <u>2021</u> |
|----------------------------------------------------------------------------------------|-------------------|---------------------|
| Financial assets at year-end | \$ 642,965 | \$ 1,035,035 |
| Less those unavailable for general expenditures within one year: | | |
| With donor restrictions | --- | --- |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 642,965</u> | <u>\$ 1,035,035</u> |

As part of the Association's liquidity management, it invests cash in excess of daily requirements in bank held money market accounts and equity and fixed income exchange-traded and closed-end mutual fund investments, which are immediately liquid.

(See Independent Auditors' Report)

Association of College and University Auditors, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note I - Strategic Partnership Agreements

The Association has entered into Strategic Partnership Agreements with various companies (“Partners”). The main focus of these agreements is to establish a strategic partnership centered on promoting the relationship between the parties. Each of the respective parties are considered an independent contractor and nothing in the agreement is deemed to create an agency, partnership, franchise or joint venture relationship. The parties may, for marketing purposes, from time to time, use the terms “partner” and “partnership” purely in the marketing sense to suggest a close working relationship. By using such terms, the parties understand and agree that this is not a legal partnership, which would involve the sharing of profits and liabilities between the parties.

With these agreements, the Association receives a financial commitment from the Partners in exchange for providing certain benefits to the Partners, depending on the level of Partner status, whether Platinum, Silver or Bronze. The benefits received typically consist of the following for Platinum Partners: hosted webinars, website ads, social media mention, Annual/AuditCon conference booths and discounts, corporate access to various resources, member data report, journal ads and various other benefits. A lower volume of benefits is provided to the Silver and Bronze Partners due to a smaller financial commitment.

During 2022, the Association had Strategic Partnership Agreements with the following companies: Baker Tilly Virchow Krause, LLP, Fort Hill Associates, LLC, Deloitte and BDO USA. Total partner payments received were \$60,000 for 2022.

During 2021, the Association had Strategic Partnership Agreements with the following companies: AuditBoard, Inc, Baker Tilly Virchow Krause, LLP, Audimation, Fort Hill Associates, LLC and ACL Services, Ltd. (dba Galvanize). Total partner payments received were \$27,500 for 2021.

Note J - COVID-19 Pandemic Impact

The Association’s operations were impacted by the COVID-19 pandemic during both 2022 and 2021. The Midyear/Audit Interactive in-person conference for March 2021 was cancelled and conducted as a virtual event and the Annual/AuditCon conference for September 2021 was conducted as a “hybrid” event. The March 2022 Midyear conference was an in-person event and the September 2022 AuditCon was again conducted as a “hybrid” event. These cancellations and variations resulted in significant decreases for conference revenues in both 2022 and 2021 and the overall financial impact on the Association’s operations and cash flows have been significantly impacted by the pandemic. At this time, management is unable to predict the pandemic’s ultimate impact on the Association’s future revenues, financial position, results of operations and cash flows.

(See Independent Auditors' Report)