

Skateistan Cambodia Association

Report of the management

and

Audited special purpose financial statements

as at 31 December 2019 and for the year then ended

Skateistan Cambodia Association

CONTENTS

	<i>Pages</i>
REPORT OF THE MANAGEMENT	1 - 2
AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS	
Independent auditor's report	3 - 4
Statement of income and expenses	5
Balance sheet	6
Notes to the special purpose financial statements	7 - 15

REPORT OF THE MANAGEMENT

Management of Skateistan Cambodia Association (“the Association”) is pleased to present its report and the Association’s audited special purpose financial statements as at 31 December 2019 and for the year then ended.

THE ASSOCIATION

The Association is registered with the Ministry of Interior of the Royal Government of Cambodia on 19 April 2012.

The Phnom Penh-based Association uses skateboarding and other creative activities to engage and empower youth. The Association works with youth aged 5 to 17 from diverse backgrounds, with a focus on disadvantaged and street working children. Through regular skateboarding lessons and events, the Association equips boys and girls with the confidence to lead their communities toward social change and development.

The Association’s registered office is at Factory #6 No. 1159, Street No.2, Sangkat Chak Angre Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

THE MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Oliver Percovich	Executive Director
Ms. Anne Fargeas	Finance Director
Mr. Cheatra Kheiu	General Manager (<i>resigned in July 2019</i>)
Ms. Chansangva Kov	General Manager (<i>appointed in August 2019</i>)

AUDITOR

Ernst & Young (Cambodia) Ltd., is the auditor of the Association.

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES IN RESPECT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Management is responsible for the special purpose financial statements which are prepared, in all material respects, to present the balance sheet of the Association as at 31 December 2019, and its income and expenses for the year then ended in accordance with the accounting policies described in Note 2 to the special purpose financial statements. In preparing these special purpose financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Association will continue operations in the foreseeable future; and
- set overall policies for the Association, ratify all decisions and actions that have a material effect on the operations and performance of the Association, and ensure they have been properly reflected in the special purpose financial statements.

REPORT OF THE MANAGEMENT (continued)

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the balance sheet of the Association and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that the Association has complied with the above requirements in preparing the accompanying special purpose financial statements.

APPROVAL OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

We hereby approve the accompanying special purpose financial statements which are prepared, in all material respects, to present the balance sheet of the Association as at 31 December 2019, and its income and expenses for the year then ended in accordance with the accounting policies described in Note 2 to the special purpose financial statements.

On behalf of the Management:



Chansangva Kov
General Manager

Phnom Penh, Kingdom of Cambodia

12 May 2020

Reference: 61116889/21337308

INDEPENDENT AUDITOR'S REPORT

To: The Management of Skateistan Cambodia Association

Opinion

We have audited the special purpose financial statements of Skateistan Cambodia Association ("the Association"), which comprise the balance sheet as at 31 December 2019, and the statement of income and expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the special purpose financial statements of the Association as at 31 December 2019 and for the year then ended are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Association in accordance with the sub-decree on the Code of Ethics for Professional Accountants and Auditors promulgated by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the special purpose financial statements which describes the basis of accounting. The special purpose financial statements are prepared to assist the management of the Association to comply with the financial reporting requirements of its donors. As a result, the special purpose financial statements may not be suitable for another purpose. Our auditor's report is intended solely for the information and use of the Association and should not be used by parties other than the specified parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Special Purpose Financial Statements

Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting policies described in Note 2 to the special purpose financial statements, and for such internal control as management determines necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Sinratana Lan
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

12 May 2020

Skateistan Cambodia Association

STATEMENT OF INCOME AND EXPENSES for the year then ended 31 December 2019

	<i>Notes</i>	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
INCOME			
Grants	3	315,794	185,000
Contributions	4	11,756	16,591
Other income		330	1,322
Gain on disposal of property and equipment		133	-
Donations		-	31,782
		328,013	234,695
EXPENSES			
Staff cost	5	199,562	147,743
Management fee	14	23,130	-
Depreciation	10	18,021	14,241
Transportation and travel		9,989	10,585
Professional fees		6,910	4,760
Rental	6	5,444	11,788
Supplies	7	3,218	16,473
Insurance		2,297	3,440
Utilities		1,695	1,739
Communication		972	1,278
Bank charges		869	790
Events		712	1,101
Fuel		684	2,078
Repairs and maintenance		366	925
Others		8,133	3,069
		282,002	220,010
EXCESS OF INCOME OVER EXPENSES		46,011	14,685

The attached notes 1 to 16 form part of these special purpose financial statements

Skateistan Cambodia Association

BALANCE SHEET
as at 31 December 2019

	<i>Notes</i>	<u>2019</u> <i>US\$</i>	<u>2018</u> <i>US\$</i>
ASSETS			
Current assets			
Cash	8	12,124	10,963
Lease deposit		1,250	5,557
Prepayments		799	932
Other receivables	9	105,260	16,497
Other assets		16,029	12,423
		135,462	46,372
Non-current assets			
Property and equipment	10	65,873	74,567
TOTAL ASSETS		201,335	120,939
LIABILITIES AND FUND BALANCE			
Current liabilities			
Deferred income	11	75,860	39,062
Other payables	12	9,422	11,835
		85,282	50,897
Fund balance			
Beginning fund balance		70,042	55,357
Excess of income over expenses		46,011	14,685
	13	116,053	70,042
TOTAL LIABILITIES AND FUND BALANCE		201,335	120,939

The attached notes 1 to 16 form part of these special purpose financial statements

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. THE ASSOCIATION'S BACKGROUND

On 19 April 2012, Skateistan Cambodia Association (“the Association”) registered with the Ministry of Interior of the Royal Government of Cambodia as an association.

The Association uses skateboarding and other creative activities to engage and empower youth. The Association works with youth aged 5 to 17 from diverse backgrounds, with a focus on disadvantaged and street working children. Through regular skateboarding lessons and events, the Association equips boys and girls with the confidence to lead their communities toward social change and development.

The Association’s registered office is at Factory #6 No. 1159, Street No.2, Sangkat Chak Angre Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

The Association has 19 employees which is composed of 6 local and 13 international employees) as at 31 December 2019 (2018: 20 employees which is composed of 7 local and 13 international). Some functions in the Association, such as those relating to the programs, monitoring, evaluation and learning (MEL) and finance and management are handled by the Head Quarters of the Association in Germany. International staff members from Skateistan Head Quarters also provide support in program implementation, MEL and finance and management to Skateistan Cambodia.

As of the date of the report, the management is on discussion to change from an association status to a non-governmental organization status to focus not only to its members but also to one or several sectors for the public interest. The remaining assets and liabilities as at 31 December 2019 will be fully transferred to the new non-governmental organization once incorporated.

The special purpose financial statements were approved for issue by management on 12 May 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The special purpose financial statements of the Association, expressed in United States Dollar (“US\$”), have been prepared based on the historical cost convention under the accrual basis of accounting.

The accounting policies set out below have been consistently applied by the Association during the year.

Fiscal year

The Association’s fiscal year starts on 1 January and ends on 31 December.

Accounting currency

The Association maintains its accounting records in US\$. Monetary assets and liabilities in currencies other than US\$ are translated into US\$ at the rates of exchange ruling at the balance sheet date and transactions in currencies other than US\$ are translated into US\$ at the rates of exchange prevailing on the transaction date. Exchange differences are dealt with in the statement of income and expenses.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of revenue

The Association classifies its income into four main categories: grants, contributions, donations and other income.

Grants

This represents fund received from donors according to the respective grant agreement entered between the Association and the donors. Grant income is recognized in the period in which the performance conditions imposed by the grant are met.

Contributions

This represents in-kind contributions such as tools, supplies and equipment received from donors and used by the Association during the year.

Donations

This represents funds received from visitors, individuals or companies interested in supporting general and specific activities of the Association. Donations are recognized on a receipt basis.

Other income

This represents income generated from sale of goods to visitors who have visited the Association and other miscellaneous income from asset disposals. Income from such sale is recognized when the goods are delivered to the customer.

Gain on disposal of property and equipment

This represents gain arising from the disposal of an item of property and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized in the statement of income and expenses on the date of retirement or disposal.

Recognition of expenditure

All expenditures are accounted for on an accrual basis. Under this basis, all expenditures are recognized when incurred rather than when paid.

Cash

Cash consists of cash on hand and in banks that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Lease deposits

Lease deposits represent amounts deposited for future services such as office rental.

Prepayments

Prepayments represent monthly insurance which are amortized over the period of benefit.

Other receivables

Other receivables represent amounts collectable from related parties, third-parties and others.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other assets

Other assets represent skateboarding tools and equipment received as donation from Skateistan Head Quarter in Germany. Donated goods are recognized on the date of receipt based on reliable source of information such as supplier invoices, agreements or available market value determined by both parties.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The initial cost of an item of property and equipment comprises its purchase price or available market value determined by both parties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The capitalization threshold used by the Association is US\$ 50 and above.

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable for operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that it is classified as held-for-sale) and the date the asset is derecognized.

Depreciation is charged to all items of property and equipment so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

Subsequent expenditure relating to an item of property and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Association. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	<i>No. of years</i>
Leasehold improvements	5
IT and multimedia equipment	2
Sports equipment	5
Motor vehicles	4
Furniture and fixtures	4

Other payables

Other payables are amounts to be paid in the future for goods and services received, whether or not billed to the Association.

Deferred income

Deferred income represents the portion of contribution received from a donor that will be used to pay operational expenses in the next coming year. Included also in the balance of this account is the equivalent carrying value of donated fixed assets and skateboarding equipment which will be realized as income from contributions at the same amount of depreciation recognized for these donated assets at each reporting period.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingencies

Contingent liabilities are not recognized in the special purpose financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the special purpose financial statements but are disclosed in the notes when inflows of economic benefits are probable.

Events after the end of the reporting period

Post year-end events that provide additional information about the Association's position at the reporting period (adjusting events) are reflected in the special purpose financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the special purpose financial statements when material.

3. GRANTS

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Skateistan gGmbH (Note 14)	210,000	170,000
Skateistan USA (Note 14)	65,000	-
Sport, Opportunity and Lives ("SOL") Foundation	40,794	-
Australian Embassy	-	15,000
	<u>315,794</u>	<u>185,000</u>

4. CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Skateboarding tools and equipment	8,950	7,000
Information technology equipment	2,806	9,591
	<u>11,756</u>	<u>16,591</u>

5. STAFF COST

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Salaries	194,831	145,239
Staff training	4,731	2,504
	<u>199,562</u>	<u>147,743</u>

6. RENTAL

Rental represents payments for skate facility and office rental in Cambodia.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. SUPPLIES

Supplies represent skateboarding tools, learning materials and office stationery used during the year.

8. CASH

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Cash in bank	12,090	10,883
Cash on hand	34	80
	<u>12,124</u>	<u>10,963</u>

9. OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Receivable from related party (Note 14)	105,260	15,420
Others	-	1,077
	<u>105,260</u>	<u>16,497</u>

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. PROPERTY AND EQUIPMENT

	2019					
	<i>Leasehold improvements</i>	<i>IT and multimedia equipment</i>	<i>Sports equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost						
As at 1 January 2019	82,925	11,860	4,558	5,278	5,687	110,308
Additions	1,100	8,188	-	-	689	9,977
Write-off	(653)	-	-	-	-	(653)
Disposal	-	-	-	(988)	-	(988)
As at 31 December 2019	83,372	20,048	4,558	4,290	6,376	118,644
Less: Accumulated depreciation						
As at 1 January 2019	(14,090)	(9,535)	(4,286)	(4,809)	(3,021)	(35,741)
Depreciation	(11,633)	(4,734)	(94)	(459)	(1,101)	(18,021)
Write-off	70	-	-	-	-	70
Disposal	-	-	-	921	-	921
As at 31 December 2019	(25,653)	(14,269)	(4,380)	(4,347)	(4,122)	(52,771)
Net book value	57,719	5,779	178	(57)	2,254	65,873

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. PROPERTY AND EQUIPMENT (continued)

	2018					
	<i>Leasehold improvements</i>	<i>IT and multimedia equipment</i>	<i>Sports equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost						
As at 1 January 2018	80,527	9,465	4,558	5,278	2,677	102,505
Additions	2,398	2,395	-	-	3,010	7,803
As at 31 December 2018	82,925	11,860	4,558	5,278	5,687	110,308
Less: Accumulated depreciation						
As at 1 January 2018	(2,504)	(8,432)	(4,167)	(4,271)	(2,126)	(21,500)
Depreciation	(11,586)	(1,103)	(119)	(538)	(895)	(14,241)
As at 31 December 2018	(14,090)	(9,535)	(4,286)	(4,809)	(3,021)	(35,741)
Net book value	68,835	2,325	272	469	2,666	74,567

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. DEFERRED INCOME

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Beginning balance	39,062	45,497
Addition:		
SOL Foundation	41,304	-
Skate supplies	600	565
Less: Contribution	<u>(5,106)</u>	<u>(7,000)</u>
	<u>75,860</u>	<u>39,062</u>

12. OTHER PAYABLES

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Accrued professional fee	4,290	3,850
Provision for employee benefits	2,490	5,218
Accrued withholding taxes	2,108	1,326
Others	<u>534</u>	<u>1,441</u>
	<u>9,422</u>	<u>11,835</u>

13. FUND BALANCES

	<i>Unaudited beginning fund balance</i>	<i>Unaudited income</i>	<i>Unaudited expenses**</i>	<i>Unaudited ending fund balance</i>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Free reserves	28,689	12,219	-	40,908
Capex reserves	29,221	-	(18,021)	11,200
<i>Grants</i>				
Skateistan gGmbH*				
Jochnick Foundation	-	150,000	(150,000)	-
Google Grant	-	50,000	(50,000)	-
Laureus Grant	13	10,000	(10,000)	13
Skateistan USA	-	65,000	(1,625)	63,375
SOL Foundation	-	40,794	(40,794)	-
Australian Embassy	<u>12,119</u>	<u>-</u>	<u>(11,562)</u>	<u>557</u>
	<u>70,042</u>	<u>328,013</u>	<u>(282,002)</u>	<u>116,053</u>

*The grants from Skateistan gGmbH is based on the allocation of the Head Office from various donors.

**The allocation of expenses, except for depreciation, among donors is based on the program costs that the Association reports on a semi-annual and annual basis to the donors which were not audited. Depreciation is included in capex reserves of the Association.

Skateistan Cambodia Association

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. RELATED PARTY DISCLOSURES

Related parties include Skateistan gGmbH and Skateistan USA by virtue of common directorship.

Transactions and balances with related parties during and as at year end are as follows:

	<i>Related party</i>	<i>Relationship</i>	<u>2019</u>	<u>2018</u>
			<i>US\$</i>	<i>US\$</i>
<i>Balance sheet</i>				
Other receivables (Note 9)	Skateistan gGmbH	Head Office	105,260	15,420
<i>Statement of income and expenses</i>				
Grant received (Note 3)	Skateistan gGmbH	Head Office	210,000	170,000
	Skateistan USA	Affiliate	65,000	-
Management fee	Skateistan gGmbH	Head Office	23,130	-

The management fee represents the payment of the Association to Skateistan Headquarter for the administrative support.

15. TAX CONTINGENCY

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Association could be significant.

16. EVENTS AFTER THE REPORTING PERIOD

The Association considers the events surrounding the COVID-19 outbreak as non-adjusting subsequent events, which do not impact its balance sheet and statement of income and expenses as of and for the year ended 31 December 2019. However, the outbreak could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Association cannot determine at this time the impact to its balance sheet and statement of income and expenses. The Association will continue to monitor the situation.

Except for the above events which were disclosed elsewhere in the notes to the special purpose financial statements, there have been no significant events occurring after the end of the reporting period and the date of authorization of these financial statements, which would require adjustments or disclosures to be made in the special purpose financial statements.