

STANLEY SMITH HORTICULTURAL TRUST

FINANCIAL STATEMENTS

December 31, 2022 and 2021



STANLEY SMITH HORTICULTURAL TRUST

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INDEPENDENT AUDITORS' REPORT

To the Trustees of
Stanley Smith Horticultural Trust

Opinion

We have audited the financial statements of Stanley Smith Horticultural Trust, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stanley Smith Horticultural Trust 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 ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stanley Smith Horticultural Trust 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Stanley Smith Horticultural Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

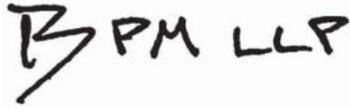
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance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

To the Trustees of
Stanley Smith Horticultural Trust

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stanley Smith Horticultural Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stanley Smith Horticultural Trust'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.

Handwritten signature in black ink that reads "BPM LLP". The "B" is stylized with a diagonal stroke.

Long Beach, California
October 3, 2023

STANLEY SMITH HORTICULTURAL TRUST

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 20,212	\$ 17,600
Investments, at fair value	15,325,623	19,546,064
Dividends, interest and capital gain receivable	15,508	10,555
Prepaid and other current assets	<u>25,328</u>	<u>531</u>
Total assets	<u>\$ 15,386,671</u>	<u>\$ 19,574,750</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expense	\$ 49,431	\$ 52,595
Federal excise and other taxes payable	-	12,875
Deferred federal excise tax liability	<u>-</u>	<u>39,178</u>
Total liabilities	49,431	104,648
Net assets without donor restrictions	<u>15,337,240</u>	<u>19,470,102</u>
Total liabilities and net assets	<u>\$ 15,386,671</u>	<u>\$ 19,574,750</u>

STANLEY SMITH HORTICULTURAL TRUST
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31, 2022 and 2021

	2022	2021
Net investment (loss) gain:		
Realized (loss) gain from the sale of investments, net	\$ (1,641,680)	\$ 1,191,768
Unrealized (loss) gain on investments held, net	(2,622,076)	827,781
Dividends, interest and other income (loss), net of investment expenses	966,095	(49,772)
Net investment (loss) gain before federal excise and other tax (benefit) expense	(3,297,661)	1,969,777
Federal excise and other tax (benefit) expense	(39,795)	68,768
Net investment (loss) gain	(3,257,866)	1,901,009
Expenses:		
Grants and grants management	786,522	741,521
General and administrative	88,474	64,976
Total expenses	874,996	806,497
Change in net assets	(4,132,862)	1,094,512
Net assets without donor restrictions, beginning of year	19,470,102	18,375,590
Net assets without donor restrictions, end of year	\$ 15,337,240	\$ 19,470,102

STANLEY SMITH HORTICULTURAL TRUST

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (4,132,862)	\$ 1,094,512
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gains) losses on investments	4,263,756	(2,019,549)
Deferred federal excise tax	(39,178)	15,285
Changes in operating assets and liabilities:		
Prepaid and other current assets	(24,797)	8,574
Dividends, interest, and capital gains receivable	(4,953)	6,929
Accounts payable and accrued expenses	(3,164)	16,944
Federal excise and other taxes payable	(12,875)	12,875
Net cash provided by (used in) operating activities	<u>45,927</u>	<u>(864,430)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	7,140,586	6,676,416
Purchase of investments	(7,183,901)	(5,835,134)
Net cash (used in) provided by investing activities	<u>(43,315)</u>	<u>841,282</u>
Change in cash	2,612	(23,148)
Cash, beginning of year	<u>17,600</u>	<u>40,748</u>
Cash, end of year	<u>\$ 20,212</u>	<u>\$ 17,600</u>
Supplemental disclosure of cash flow information:		
Federal excise and other taxes paid	<u>\$ 32,508</u>	<u>\$ 28,582</u>

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

1. Organization

Stanley Smith Horticultural Trust (the "Trust") was established in 1970 for the purpose of making grants to support research and education in ornamental horticulture, primarily in North and South America, Australia and New Zealand. The Trust has been classified by the Internal Revenue Service ("IRS") as a private foundation, as defined in Section 509(a) of the Internal Revenue Code ("IRC"). The Trust may distribute principal or income, or both, for the purposes defined in the Trust agreement. The Trust complied with the IRS requirement to spend or distribute for charitable purposes a minimum of five percent of the average fair market value of its investment assets for the preceding year for the years ended December 31, 2022 and 2021. The Trust is supported through investment income.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net Assets without Donor Restriction: Net assets without donor restrictions consist of the resources of the Trust, which have not been restricted by a donor for a restricted use or time.

Net Assets with Donor Restriction: Net assets with donor restrictions represent contributions whose use by the Trust is limited in accordance with the restrictions imposed by donors. These restrictions may expire when the stipulated time has passed or may be satisfied by the actions of the Trust according to the stipulations made by the donors.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

The Trust considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. The Trust had no cash equivalents as of December 31, 2022 and 2021.

Concentration of Credit Risk

The Trust maintains cash balances with multiple banks, both directly and under a bank deposit program. Those cash balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per insured bank. The Trust also may hold cash in a brokerage account, where it is insured by the Securities Investor Protection Corporation up to \$500,000 and by Lloyd's of London up to an additional \$900,000. Cash balances may at times exceed these limits. To date, the Trust has not experienced any losses in these accounts.

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Investments

Investments are stated at quoted market prices or estimated fair values. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses that result from sales or maturities of investments are calculated on an adjusted cost basis. Dividend and interest income are accrued when earned. Indirect investment expenses of \$8,963 and \$8,914 are included in dividends, interest and other income (loss), net of investment expenses on the statements of activities and changes in net assets for the years ended December 31, 2022 and 2021, respectively.

Fair Value Measurements

The Trust carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. In addition, the Trust reports certain investments using the Net Asset Value ("NAV") per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Receivables and liabilities are measured at carrying value which approximates fair value due to their short maturity.

U.S. GAAP establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following is a brief description of these three levels:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets, quoted prices for identical or similar assets in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset.

Level 1 investments have been valued at the closing price on the active market on which the securities are traded as of December 31, 2022 and 2021.

Covered Calls

The use of call options is a part of the Trust's investment strategy. Covered calls are recorded at fair value and generally expire within one to three months from the original dates. Cash flows from covered calls are classified as an investing activity on the statements of cash flows.

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

2. Summary of Significant Accounting Policies, continued

Grants

Grants are expensed when the unconditional promise to give is approved by the Board of Trustees or management in certain cases. There were no conditional or multi-year promises to give during the years ended December 31, 2022 and 2021.

Income Taxes

The Trust is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the IRC and from the California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Trust maintains its accounts and files its tax returns using the accrual method of accounting.

In December 2019, the Consolidated Appropriations Act (the “2020 Act”) was enacted. The 2020 Act includes a number of changes to existing U.S. tax laws that impact the Trust, most notably a flat excise tax of 1.39% will be applied to net investment income for tax years beginning after December 31, 2019. The Trust paid the 1.39% rate for the years ended December 31, 2022 and 2021.

Risks and Uncertainties

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment values reported in the statements of financial position.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. The new guidance requires lessees to recognize a right-to-use asset and a lease liability for virtually all leases (other than leases that meet the definition of a short term lease). In November 2019, the FASB issued ASU 2019-10, *Financial Instruments-Credit Losses (Topic 326)*, *Derivatives and Hedging (Topic 815)*, and *Leases (Topic 842)*, which delayed the effective date of ASU 2016-02 by one year. In May 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)*, and *Leases (Topic 842): Effective Dates for Certain Entities*, which delayed the effective date for an additional year. The new guidance is now effective for fiscal years beginning after December 15, 2021. The Trust determined that the impact of the adoption of this accounting guidance on its financial statements is considered immaterial.

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

3. Fair Value Measurements and Investments

The following table presents the Trust's investments measured at fair value on a recurring basis as of December 31, 2022:

December 31, 2022	Quoted Prices in Active Markets (Level 1)	Total
U.S. common stocks:		
Consumer discretionary	\$ 210,380	\$ 210,380
Financials	399,996	399,996
Industrials	294,630	294,630
Information technology	379,819	379,819
Total U.S. common stocks	1,284,825	1,284,825
U.S. equity funds:		
Exchange traded funds	4,189,034	4,189,034
Mutual funds	1,589,898	1,589,898
Total U.S. equity funds	5,778,932	5,778,932
International equity funds:		
Exchange traded funds	1,080,057	1,080,057
Mutual funds	516,361	516,361
Total international equity funds	1,596,418	1,596,418
Marketable alternatives	196,655	196,655
Money market funds	838,505	838,505
U.S. fixed income mutual funds	2,732,932	2,732,932
Total investments by fair value level	\$ 12,428,267	12,428,267
Investments measured at the net asset value ("NAV"):		
Real estate funds		1,101,361
Hedge fund		1,795,995
Total investments		\$ 15,325,623

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

3. Fair Value Measurements and Investments, continued

The following table presents the Trust's investments measured at fair value on a recurring basis as of December 31, 2021:

December 31, 2021	Quoted Prices in Active Markets (Level 1)	Total
U.S. common stocks:		
Consumer discretionary	\$ 539,655	\$ 539,655
Financials	717,759	717,759
Materials	127,244	127,244
Industrials	257,838	257,838
Information technology	1,627,754	1,627,754
Total U.S. common stocks	3,270,250	3,270,250
U.S. equity funds:		
ETF	3,063,492	3,063,492
Mutual funds	2,843,478	2,843,478
Total U.S. equity funds	5,906,970	5,906,970
International equity funds:		
ETF	766,019	766,019
Mutual funds	1,223,528	1,223,528
Total international equity funds	1,989,547	1,989,547
Marketable alternatives	825,988	825,988
Money market funds	690,644	690,644
U.S. fixed income mutual funds	3,971,631	3,971,631
Liabilities:		
Covered calls	(1,012)	(1,012)
Total investments by fair value level	\$ 16,654,018	16,654,018
Investments measured at the net asset value ("NAV"):		
Real estate funds		1,157,792
Hedge fund		1,734,254
Total investments		\$ 19,546,064

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

3. Fair Value Measurements and Investments, continued

The Trust uses the NAV to determine the fair value of all the underlying investments which do not have readily determinable fair values and prepare their financial statements consistent with the measurement principles of an investment company, or have attributes of an investment company.

The following tables list the investment in the real estate and hedge funds as of December 31, 2022 and 2021:

December 31, 2022					
Investment	Strategy	NAV in Fund	Number of Funds	Remaining Life	Unfunded Commitments
Real estate funds	Domestic real estate related assets	\$ 1,101,361	3	2-3	\$ 1,207,072
Hedge fund	U.S. exchange listed equity securities	1,758,114	1	N/A	-
		<u>\$ 2,859,475</u>			<u>\$ 1,207,072</u>
December 31, 2021					
Investment	Strategy	NAV in Fund	Number of Funds	Remaining Life	Unfunded Commitments
Real estate funds	Domestic real estate related assets	\$ 1,157,792	2	3-4	\$ 472,072
Hedge fund	U.S. exchange listed equity securities	1,734,254	1	N/A	-
		<u>\$ 2,892,046</u>			<u>\$ 472,072</u>

The Trust is a limited partner in SFF Realty Fund IV, L.P. and agrees to contribute \$750,000 as capital commitment and the term of Partnership lasts until October 2030. SFF Realty Fund IV, L.P. can make capital calls as determined by the General Partner for investment costs or partnership expenses. Capital call commitments of \$15,000 and \$0 were funded for the years ended December 31, 2022 and 2021, respectively. SFF Realty Fund IV, L.P. made a \$23,625 capital call in April 2023.

The Trust is a limited partner in SFF Realty Fund III, L.P. and agrees to contribute \$294,275 as capital commitment and the term of Partnership lasts until February 2026. SFF Realty Fund III, L.P. can make capital calls as determined by the General Partner for investment costs or partnership expenses. SFF Realty Fund III, L.P. made a \$29,084 capital call in September 2023.

As a limited partner in these closed-end real estate funds, the Trust may not withdraw from either real estate fund prior to the fund's dissolution. The hedge fund permits monthly withdrawals with 45 days prior notice.

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

4. Covered Calls

The Trust has written covered calls as part of its investment strategy. Included in equity securities as of December 31, 2022 and 2021 were short calls on various securities. The short calls constituted covered calls and entitled the holder to acquire 0 and 4,800 shares at various set prices per share for the years ended December 31, 2022 and 2021, respectively. The 2021 calls expired on January 21, 2022.

The notional and fair value of the calls as of December 31, 2022 and 2021 are as follows:

	2022		2021	
	Notional Value	Fair Value	Notional Value	Fair Value
Covered calls	\$ -	\$ -	\$ (280,000)	\$ (1,012)

5. Net Assets

Net assets on the statements of financial position are comprised of capital contributed to the Trust and the increase in value through investment activity. Net assets are all without donor restrictions and are comprised of the following since inception through December 31, 2022 and 2021:

	2022	2021
Contributed capital	\$ 1,600,300	\$ 1,600,300
Contributions	5,479,274	5,479,274
Grants paid and payable, net of returned grants	(23,545,843)	(22,884,756)
Increase in value since inception of the Trust, net of operating expenses	31,803,509	35,275,284
Total net assets	\$ 15,337,240	\$ 19,470,102

6. Functional Expense Allocation

The indirect costs associated with certain expenses have been allocated on a functional basis in the statements of activities and changes in net assets. Certain expenses are not directly identifiable with one specific function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include the administrative fees, salaries, professional and consultant fees, trustee fees, and other expenses, all of which are allocated on the basis of estimates of time and use.

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

6. Functional Expense Allocation, continued

The expenses were allocated for the years ended December 31, 2022 and 2021 as follows:

	2022			2021		
	Grants and Grants Management	General and Administrative	Total	Grants and Grants Management	General and Administrative	Total
Grants	\$ 661,087	\$ -	\$ 661,087	\$ 642,920	\$ -	\$ 642,920
Administrative fees	22,753	7,801	30,554	22,250	7,417	29,667
Salaries	81,188	-	81,188	66,000	-	66,000
Professional and consultants	3,642	69,689	73,331	1,504	56,780	58,284
Legal fees	-	10,205	10,205	-	-	-
Trustee fees	7,208	779	7,987	7,208	779	7,987
Travel and meetings	6,049	-	6,049	-	-	-
Other	4,595	-	4,595	1,639	-	1,639
	<u>\$ 786,522</u>	<u>\$ 88,474</u>	<u>\$ 874,996</u>	<u>\$ 741,521</u>	<u>\$ 64,976</u>	<u>\$ 806,497</u>

7. Payout Requirement

The IRC requires private foundations to annually disburse approximately 5% of the market value of investment assets, less the federal excise tax, for the current year by the end of next year. This payout requirement may be satisfied by payments for grants, program-related investments, direct conduct of charitable activities, and certain administrative expenses. The Trust has met the required minimum distributions, but has undistributed income amounts that must be distributed before the end of the next fiscal year of approximately \$498,000 and \$488,000 as of December 31, 2022 and 2021, respectively.

8. Federal Excise and Other Tax (Benefit) Expense

Federal excise and other tax (benefit) expense was calculated at a rate of 1.39% in 2022 and 2021, and is included in the statements of activities and changes in net assets for the years ended December 31, 2022 and 2021 as follows:

	2022	2021
Federal excise and other tax (benefit) expense:		
Current federal excise	\$ (2,979)	\$ 30,800
Deferred federal excise	(39,178)	15,285
UBIT	(2,903)	19,206
Foreign tax	5,265	3,477
Total federal excise and other tax (benefit) expense	<u>\$ (39,795)</u>	<u>\$ 68,768</u>

STANLEY SMITH HORTICULTURAL TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

9. Liquidity

The Trust has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet one year of normal operating expenses, which are, on average, approximately \$1,000,000. The Trust has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Trust invests cash in excess of daily requirements in various short-term investments, including short-term treasury instruments. Certain investments, including private equity investments, are subject to contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Trust has the following financial assets available to meet cash needs for general expenditures within one year as of December 31, 2022 and 2021:

	2022	2021
Cash	\$ 20,212	\$ 17,600
Investments, at fair value	15,325,623	19,546,064
Dividends, interest, and capital gains receivable	15,508	10,555
Total financial assets	15,361,343	19,574,219
Less:		
Investments in real estate funds	(1,101,361)	(1,157,792)
Financial assets available to meet cash needs for general expenditures within one year	\$ 14,259,982	\$ 18,416,427

10. Related Parties

The Trust permits the hiring of a trustee in a professional capacity and the payment of reasonable compensation for those services. A trustee of the Trust is an owner of the company that provides investment management services to the Trust. The investment management company was paid investment advisor fees of \$101,320 and \$118,271 for the years ended December 31, 2022 and 2021, respectively.

At the end of 2019, the Trust entered into an agreement to receive administrative services from another related party trust which shares one trustee with the Trust. The Trust recognized \$32,504 and \$31,566 of expenses under this agreement for the years ended December 31, 2022 and 2021, respectively.

A trustee provided services as a grants director for the Trust through March 31, 2022. Fees to the grants director were \$16,500 and \$66,000 for the years ended December 31, 2022 and 2021, respectively.

The trustees were paid trustee fees totaling \$15,000 in each of the years ended December 31, 2022 and 2021, which are allocated between grants management, general and administrative, and investment-related expenses on the statements of activities and changes in net assets.

11. Subsequent Events

Other than the events described in Note 3, the Trust has evaluated all events and transactions that occurred after December 31, 2022 up through October 3, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred outside the normal course of operations which would require additional disclosure or adjustment.