



**Financial Statements  
with  
Independent Accountants' Review Report**

**For the Years Ended  
June 30, 2023 and 2022**

**TRANSFORM MID-ATLANTIC**  
**June 30, 2023 and 2022**

**Table of Contents**

	<b>Page</b>
<b>Independent Accountants' Review Report .....</b>	<b>1</b>
<b>Financial Statements</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows .....	6
<b>Notes to the Financial Statements.....</b>	<b>7</b>



## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

### **Board of Directors of *Transform Mid-Atlantic* Frederick, Maryland**

We have reviewed the accompanying financial statements of ***Transform Mid-Atlantic*** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Transform Mid-Atlantic and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
September 25, 2023**

**TRANSFORM MID-ATLANTIC**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 607,617	\$ 605,371
Grants receivable	6,000	11,643
Pledges receivable	100,000	100,000
Employee retention credit receivable	33,836	-
Vista receivable	15,182	-
Prepaid expenses	-	841
Total Current Assets	762,635	717,855
<b>Other Assets</b>		
Long term investments	855,467	795,987
Total Other Assets	855,467	795,987
<b>Total Assets</b>	\$ 1,618,102	\$ 1,513,842
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued liabilities	\$ 61,908	\$ 48,712
Deferred revenue	193,027	214,292
Total Current Liabilities	254,935	263,004
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	863,167	750,838
Board designated	400,000	400,000
Total net assets without donor restrictions	1,263,167	1,150,838
With donor restrictions	100,000	100,000
Total Net Assets	1,363,167	1,250,838
<b>Total Liabilities and Net Assets</b>	\$ 1,618,102	\$ 1,513,842

**TRANSFORM MID-ATLANTIC**  
**Statements of Activities**  
**For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Support and Revenues Without Donor Restrictions</b>		
Contributions	\$ 4,168	\$ 3,529
VISTA grant	22,633	40,000
Administration fees	250,500	237,500
Membership dues	235,213	221,517
Investment income (loss), net	59,480	(93,059)
Paycheck protection program forgiveness	-	86,062
Employee retention credit	33,836	-
Other income	-	1,000
Conferences and meetings	<u>5,055</u>	<u>1,975</u>
Total Support and Revenues Without Donor Restrictions	610,885	498,524
Net assets released from restrictions	<u>115,573</u>	<u>110,000</u>
Total Support and Revenues Without Donor Restrictions and Reclassifications	726,458	608,524
<b>Expenses</b>		
Program services	411,859	372,395
Supporting Services:		
General and administrative	198,141	161,042
Fundraising	<u>4,129</u>	<u>3,920</u>
Total Expenses	<u>614,129</u>	<u>537,357</u>
Change in net assets without donor restrictions	112,329	71,167
<b>Net Assets With Donor Restrictions</b>		
Contributions	115,573	100,000
Net assets released from restrictions	<u>(115,573)</u>	<u>(110,000)</u>
Change in net assets with donor restrictions	<u>-</u>	<u>(10,000)</u>
<b>Change in net assets</b>	112,329	61,167
<b>Net assets - beginning of year</b>	<u>1,250,838</u>	<u>1,189,671</u>
<b>Net assets - end of year</b>	<u>\$ 1,363,167</u>	<u>\$ 1,250,838</u>

**TRANSFORM MID-ATLANTIC**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

<b>Expenses</b>	<b>Supporting Services</b>				<b>Total</b>
	<b>Program Activities</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	
Salaries & benefits	\$ 348,806	\$ 132,310	\$ 3,704	136,014	\$ 484,820
Conferences & meetings	12,472	-	-	-	12,472
Travel	7,457	-	-	-	7,457
Other program expenses	16,804	-	-	-	16,804
Contracted services	26,320	22,728	-	22,728	49,048
Insurance	-	3,378	-	3,378	3,378
Office expenses	-	37,847	-	37,847	37,847
Professional fees	-	1,458	-	1,458	1,458
Miscellaneous	-	420	425	845	845
<b>Total Expenses</b>	<b>\$ 411,859</b>	<b>\$ 198,141</b>	<b>\$ 4,129</b>	<b>\$ 202,270</b>	<b>\$ 614,129</b>

**TRANSFORM MID-ATLANTIC**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

<b>Expenses</b>	<u>Supporting Services</u>				<b>Total</b>
	<b>Program Activities</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	
Salaries & benefits	\$ 301,669	\$ 100,055	\$ 3,524	103,579	\$ 405,248
Conferences & meetings	4,101	-	-	-	4,101
Travel	3,125	-	-	-	3,125
Dues	20,430	-	-	-	20,430
Other program expenses	10,089	-	-	-	10,089
Contracted services	32,981	38,844	-	38,844	71,825
Insurance	-	1,883	-	1,883	1,883
Office expenses	-	17,850	-	17,850	17,850
Professional fees	-	2,352	-	2,352	2,352
Miscellaneous	-	58	396	454	454
<b>Total Expenses</b>	<u>\$ 372,395</u>	<u>\$ 161,042</u>	<u>\$ 3,920</u>	<u>\$ 164,962</u>	<u>\$ 537,357</u>

**TRANSFORM MID-ATLANTIC**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Reconciliation of change in net assets to net cash from operating activities</b>		
Change in net assets	\$ 112,329	\$ 61,167
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Paycheck protection program forgiveness	-	(86,062)
Realized and unrealized (gain) loss on investments	(41,258)	106,990
Changes in operating assets and liabilities:		
Grants receivable	5,643	(3,149)
Employee retention credit receivable	(33,836)	-
Vista receivable	(15,182)	-
Prepaid expenses	841	(841)
Accrued liabilities	13,196	3,016
Deferred revenue	(21,265)	57,556
Net cash provided by operating activities	20,468	138,677
<b>Cash flows from investing activities</b>		
Purchases of long term investments	(134,316)	(95,804)
Proceeds from sale of long term investments	116,094	81,873
Net cash used in investing activities	(18,222)	(13,931)
<b>Cash flows from financing activities</b>		
Repayment of loan payable	-	(4,538)
Net cash used in financing activities	-	(4,538)
Increase in cash and cash equivalents	2,246	120,208
Cash and cash equivalents, beginning of year	605,371	485,163
<b>Cash and cash equivalents, end of year</b>	\$ 607,617	\$ 605,371

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 1 - NATURE OF OPERATIONS**

Transform Mid-Atlantic (the Organization), formerly Campus Compact Mid-Atlantic, is a non-profit membership association of public, private, 2- and 4-year colleges and universities. The Organization provides leadership to colleges and universities in Maryland, Delaware and Washington, D.C., by advocating, supporting, and encouraging institutional participation in academic and co-curricular based public service and civic engagement programs. The Organization strengthens the capacity of member institutions to enhance student learning and to meaningfully engage with communities.

Campus Compact Mid-Atlantic changed its name to Transform Mid-Atlantic, effective August 2, 2022.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting principles followed are described below.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when they are incurred, without regard to receipt or payment of cash.

**Financial Statement Presentation**

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210, "Not-for-Profit Entities". Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* – net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

*Net Assets With Donor Restrictions* – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Cash and Cash Equivalents**

The Organization considers all short-term, highly liquid investments with a maturity date within 90 days of purchase as cash equivalents.

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Receivables**

Receivables are stated at the amount management expects to collect from balances outstanding at year end. Receivables are written off when deemed uncollectible. The Organization considers all receivables at June 30, 2023 and 2022 to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary.

**Property and Equipment**

The Organization has adopted a capitalization policy of \$5,000. To date, there have been no items acquired exceeding that threshold. Accordingly, all equipment purchased or acquired by donation has been recorded as office expense in the statements of activities.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investment balances are subject to market fluctuations and credit risks. Therefore, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value in subsequent periods.

**Deferred Revenue**

Deferred revenue represents membership dues collected in advance from members for the next fiscal year and administrative fees collected in advance from the participating institutions for the next fiscal year's VISTA program. The totals are as follows as of June 30:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Membership dues	\$ 47,027	\$ 71,292
Administrative fees	<u>146,000</u>	<u>143,000</u>
Total	<u>\$ 193,027</u>	<u>\$ 214,292</u>

*This space intentionally left blank.*

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Support and Revenue**

Contributions are recorded as revenue when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose or future periods are recorded as net assets with donor restrictions until funds have been expended by the Organization for the purposes specified or when the stipulated time restriction ends. Upon satisfaction of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Membership dues are recorded as revenue in the fiscal year for which they are assessed. Dues paid in advance are reflected as deferred revenue.

The VISTA grant is a cost-reimbursement grant for the AmeriCorps VISTA program. Revenue is recognized in the period during which the costs are incurred.

All other revenues are recognized in the period earned.

Various economic factors affect revenues and cash flows.

**Functional Allocation of Expenses**

The costs of providing various program services and supporting activities have been reported on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated based on actual work hours reported on employee time sheets.

**Advertising Expense**

Advertising costs are expensed as incurred.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*This space intentionally left blank.*

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 3 - CONCENTRATIONS, RISK AND UNCERTAINTIES**

**Credit Risk**

The Organization maintains cash balances at two local financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

As of June 30, 2023 and 2022, there were uninsured deposits of \$230,064 and \$211,537, respectively.

The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

**Grants Receivable**

At June 30, 2023 and 2022 grants were due from one grantor for the VISTA program.

**Sources of Revenues**

For the years ended June 30, 2023 and 2022, contributions from one donor totaled \$115,573 and \$100,000, respectively, and represented 17% and 16% of total revenues, respectively.

**NOTE 4 - PLEDGES RECEIVABLE**

At June 30, 2023 and 2022, the Organization has a \$100,000 pledge receivable due from one donor, to be collected within the next year and to be used for fiscal year 2024 and 2023, respectively.

*This space intentionally left blank.*

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 5 - INVESTMENTS**

The following is a summary of the investments at June 30, 2023:

	<b>Cost</b>	<b>Fair Market Value</b>	<b>Unrealized Gain/(Loss)</b>
Cash and Equivalents	\$ 18,929	\$ 18,929	\$ -
Taxable Bond Funds	204,613	185,175	(19,438)
Treasury Inflation			
Protected Securities	48,304	43,166	(5,138)
International Bonds	45,062	38,230	(6,832)
U.S. Equities	135,932	190,184	54,252
International Equities	98,917	113,493	14,576
Other	231,795	266,290	34,495
	<u>\$ 783,552</u>	<u>\$ 855,467</u>	<u>\$ 71,915</u>

The following is a summary of the investments at June 30, 2022:

	<b>Cost</b>	<b>Fair Market Value</b>	<b>Unrealized Gain/(Loss)</b>
Cash and Equivalents	\$ 16,882	\$ 16,882	\$ -
Taxable Bond Funds	161,036	147,842	(13,194)
Treasury Inflation			
Protected Securities	45,289	43,949	(1,340)
International Bonds	43,913	38,302	(5,611)
U.S. Equities	161,949	206,882	44,933
International Equities	88,245	89,359	1,114
Other	220,066	252,771	32,705
	<u>\$ 737,380</u>	<u>\$ 795,987</u>	<u>\$ 58,607</u>

The following is a summary of investment income for the year ended June 30:

	<b>2023</b>	<b>2022</b>
Interest and dividends	\$ 24,360	\$ 20,613
Realized gain	25,198	41,631
Unrealized gain (loss)	16,060	(148,621)
Less: Investment management fees	<u>(6,138)</u>	<u>(6,682)</u>
Investment income (loss), net	<u>\$ 59,480</u>	<u>\$ (93,059)</u>

*This space intentionally left blank.*

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 6 - FAIR VALUES**

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value 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 input levels used for valuing the assets and liabilities are not necessarily an indication of risk

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

*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;
- 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.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual funds, Treasury Securities and Federal Agencies* – identical assets valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 6 - FAIR VALUES** (Continued)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2023, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Cash and Equivalents	\$ 18,929	\$ 18,929
Taxable Bond Funds	185,175	185,175
Treasury Inflation		
Protected Securities	43,166	43,166
International Bonds	38,230	38,230
U.S. Equities	190,184	190,184
International Equities	113,493	113,493
Other mutual funds	<u>266,290</u>	<u>266,290</u>
	<u>\$ 855,467</u>	<u>\$ 855,467</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2022, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Cash and Equivalents	\$ 16,882	\$ 16,882
Taxable Bond Funds	147,842	147,842
Treasury Inflation		
Protected Securities	43,949	43,949
International Bonds	38,302	38,302
U.S. Equities	206,882	206,882
International Equities	89,359	89,359
Other mutual funds	<u>252,771</u>	<u>252,771</u>
	<u>\$ 795,987</u>	<u>\$ 795,987</u>

**NOTE 7 - LOAN PAYABLE**

On May 15, 2020, the Organization entered into a loan agreement with PNC Bank in the amount of \$90,600 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

On August 6, 2021, the Small Business Administration approved forgiveness of their Paycheck Protection Program loan in the amount of \$86,062 and interest in the amount of \$1,061. The remaining loan amount of \$4,538 plus interest was paid in fiscal year ending June 30, 2022.

*This space intentionally left blank.*

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 8 - RETIREMENT PLAN**

The Organization maintains a SEP IRA plan for its employees and contributes up to 15% of gross wages into each eligible employee's account, depending on how much money is available in the budget. Contributions are made every six months as funds are available. Total contributions for the years ended June 30, 2023 and 2022 were \$28,443 and \$19,772, respectively.

**NOTE 9 - INCOME TAXES**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Code. As such, it is exempt from income taxes on all but unrelated business income. The Organization has not received any notices from the Internal Revenue Service which would affect its status as an exempt, charitable organization. There was no unrelated business income for the years ended June 30, 2023 and 2022.

The Organization considers the possibility of uncertain tax positions and their impact on the financial position of the Organization. The most significant tax positions of the Organization are its tax-exempt status and the determination of unrelated business taxable income. As of June 30, 2023 and 2022, management did not identify any uncertain tax positions.

The Organization accrues interest and penalties (if applicable) in income taxes payable on the Statement of Financial Position and records any expense in the provision for income taxes in the Statement of Activities and Changes in Net Assets. The Organization had no penalties or income taxes for the years ended June 30, 2023 and 2022. Pursuant to Internal Revenue Service rules for the statute of limitations, the Organization believes it is no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2020.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

The Organization collects membership dues for the National Campus Compact (NCC) together with its member dues. All the dues collected are recorded as revenue, and the NCC portion is then recorded as expense. The total expense for NCC dues was \$0 and \$20,430 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 11 - NET ASSETS**

As of June 30, 2023 and 2022, the board has designated \$400,000 as an operating reserve for future periods.

As of June 30, 2023 and 2022, net assets with donor restrictions consist of \$100,000 and \$100,000, respectively, a pledge made in the current fiscal year to be used in the following fiscal year.

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 12 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following table reflects the Organization’s financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or because the governing board has set aside the funds for a specific purpose.

	<u>2023</u>	<u>2022</u>
<b>Financial assets at year-end</b>		
Cash and cash equivalents	\$ 607,617	\$ 605,371
Investments	855,467	795,987
Grants receivable	6,000	11,643
VISTA receivable	15,182	-
Employee retention credit receivable	33,836	-
Pledges receivable	<u>100,000</u>	<u>100,000</u>
Total financial assets	\$ 1,618,102	\$ 1,513,001
<b>Less amounts not available to be used within one year:</b>		
Funds earmarked for future operating reserves	<u>400,000</u>	<u>400,000</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 1,218,102</u>	<u>\$ 1,113,001</u>

The Organization’s goal is generally to maintain financial assets to meet six months of operating expenses. The Organization has policies to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The \$400,000 balance in Funds earmarked for future operating reserves can be accessed, with Board approval, for both organization growth and to meet short term liquidity needs that may arise from unexpected events.

**NOTE 13 - SUBSEQUENT EVENTS**

The Organization performed an evaluation as of September 25, 2023, the date the financial statements were available to be issued. There were no events or transactions requiring recognition or disclosure in the financial statements.