

*HUMANE SOCIETY OF CHARLOTTE, INC.*

*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2017*

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

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**December 31, 2017**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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**PHILLIP G. WILSON**  
**TERRY W. LANCASTER**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Humane Society of Charlotte, Inc.  
Charlotte, North Carolina

We have audited the accompanying financial statements of Humane Society of Charlotte, Inc. (the "Society" - a nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Humane Society of Charlotte, Inc., as of December 31, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Society's 2016 financial statements, and our report dated May 12, 2017, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. DeWitt Foard & Company, P.A.*  
May 29, 2018

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Statement of Financial Position**

**December 31, 2017, with prior year comparative totals**

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<b><u>ASSETS</u></b>	<u>2017</u>	<u>2016</u>
Cash :		
Operating	\$ 976,134	\$ 711,595
Restricted for capital campaign	1,218,064	317,538
Receivables:		
Pledges, net	3,988,345	2,000,516
Accounts	50,567	58,213
Sales tax	12,630	17,820
Prepaid expenses	58,571	39,580
Deposits	1,400	76,400
Investments:		
Beneficial interest in assets held in trust by third party	37,935	34,116
Other	2,495,312	2,532,744
Property and equipment, net	2,465,957	528,820
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 11,304,915</i></b>	<b><i>\$ 6,317,342</i></b>

## **LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 301,023	\$ 304,284
Note payable	1,486,800	-
Total Liabilities	1,787,823	304,284
Net Assets:		
Unrestricted:		
Undesignated	4,218,339	3,583,140
Designated	905	-
Total Unrestricted Net Assets	4,219,244	3,583,140
Temporarily restricted	5,297,848	2,429,918
Total Net Assets	9,517,092	6,013,058
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 11,304,915</i></b>	<b><i>\$ 6,317,342</i></b>

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Statement of Activities**

**Year Ended December 31, 2017, with prior year comparative totals**

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	Unrestricted	Temporarily Restricted	Totals	
			2017	2016
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 1,966,645	\$ 3,828,074	\$ 5,794,719	\$ 4,953,051
Program service fees	1,293,530	-	1,293,530	1,192,243
Special events (net of \$89,248 direct benefit)	535,223	-	535,223	536,069
Investment earnings	282,162	-	282,162	163,273
Gain on sale of property	7,875	-	7,875	4,691
Miscellaneous	8,873	-	8,873	9,429
Total	4,094,308	3,828,074	7,922,382	6,858,756
Net assets released from restrictions:				
Satisfaction of time restrictions	26,208	(26,208)	-	-
Satisfaction of purpose restrictions	933,936	(933,936)	-	-
<b><i>TOTAL SUPPORT AND REVENUE</i></b>	<b><i>5,054,452</i></b>	<b><i>2,867,930</i></b>	<b><i>7,922,382</i></b>	<b><i>6,858,756</i></b>
<b><u>EXPENSES</u></b>				
Program services	3,235,688	-	3,235,688	3,359,192
Management and general	301,327	-	301,327	291,366
Fundraising	881,333	-	881,333	718,391
<b><i>TOTAL EXPENSES</i></b>	<b><i>4,418,348</i></b>	<b><i>-</i></b>	<b><i>4,418,348</i></b>	<b><i>4,368,949</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>636,104</i></b>	<b><i>2,867,930</i></b>	<b><i>3,504,034</i></b>	<b><i>2,489,807</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>3,583,140</i></b>	<b><i>2,429,918</i></b>	<b><i>6,013,058</i></b>	<b><i>3,523,251</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 4,219,244</i></b>	<b><i>\$ 5,297,848</i></b>	<b><i>\$ 9,517,092</i></b>	<b><i>\$ 6,013,058</i></b>

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Statement of Functional Expenses**

**Year Ended December 31, 2017, with prior year comparative totals**

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	Program Services	Management and General	Fund Raising	Totals	
				2017	2016
<b><u>PERSONNEL</u></b>					
Salaries and wages	\$ 1,488,529	\$ 197,441	\$ 309,811	\$ 1,995,781	\$ 1,957,952
Other employee benefits	210,101	21,417	36,833	268,351	261,322
Payroll taxes	110,325	13,790	22,736	146,851	152,133
<b><i>Total</i></b>	<b><i>1,808,955</i></b>	<b><i>232,648</i></b>	<b><i>369,380</i></b>	<b><i>2,410,983</i></b>	<b><i>2,371,407</i></b>
<b><u>OTHER EXPENSES</u></b>					
Animal care and sheltering	864,930	-	-	864,930	929,071
Contracted services	81,223	20,363	28,998	130,584	112,221
Printing, publicity, and promotion	96,701	1,710	300,124	398,535	410,578
Occupancy	83,887	17,436	17,831	119,154	120,353
Capital campaign	-	-	190,959	190,959	105,228
Depreciation	77,481	5,541	9,327	92,349	91,768
Office expense and supplies	37,109	4,578	3,197	44,884	52,393
Postage	104	335	5,647	6,086	8,488
Insurance	40,264	1,751	4,286	46,301	58,425
Bank charges	13,916	2,012	25,063	40,991	39,610
Repairs and maintenance	36,098	939	898	37,935	64,035
Telephone	15,315	2,089	2,560	19,964	20,006
Miscellaneous	43,594	559	6,084	50,237	38,112
Dues and subscriptions	6,036	3,075	1,323	10,434	6,284
Recruitment fees	10,203	-	1,218	11,421	2,907
Taxes and licenses	1,040	83	254	1,377	2,043
Travel, meals and education	9,286	8,165	3,356	20,807	21,614
Auto expenses	9,546	43	76	9,665	11,825
<b><i>Total</i></b>	<b><i>1,426,733</i></b>	<b><i>68,679</i></b>	<b><i>601,201</i></b>	<b><i>2,096,613</i></b>	<b><i>2,094,961</i></b>
TOTAL EXPENSES	3,235,688	301,327	970,581	4,507,596	4,466,368
Less - Amounts deducted directly against support	-	-	89,248	89,248	97,419
<b><i>NET EXPENSES</i></b>	<b><i>\$ 3,235,688</i></b>	<b><i>\$ 301,327</i></b>	<b><i>\$ 881,333</i></b>	<b><i>\$ 4,418,348</i></b>	<b><i>\$ 4,368,949</i></b>

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Statement of Cash Flows**

**Year Ended December 31, 2017, with prior year comparative totals**

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### **OPERATING ACTIVITIES**

	2017	2016
Change in net assets	\$ 3,504,034	\$ 2,489,807
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	92,349	91,768
Realized and unrealized gain on investments	(207,523)	(114,237)
Contribution of property and equipment	(9,855)	(1,800)
Contributions restricted for capital expenditures	(3,499,612)	(2,317,954)
Gain on sale of property	(7,875)	(4,691)
Decrease (increase) in operating assets:		
Receivables	12,836	(7,337)
Prepaid expenses	(18,991)	(9,675)
Deposits	-	(1,400)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(3,261)	57,846
<b><i>Cash Flows From Operating Activities</i></b>	<b><i>(137,898)</i></b>	<b><i>182,327</i></b>

### **INVESTING ACTIVITIES**

Proceeds from sale of property	204	10,094
Purchase of property and equipment	(2,018,460)	(127,760)
Deposit for purchase of land	-	(75,000)
Purchase of investments	(1,345,903)	(1,489,199)
Proceeds from sale of investments	1,519,813	1,273,753
<b><i>Cash Flows From Investing Activities</i></b>	<b><i>(1,844,346)</i></b>	<b><i>(408,112)</i></b>

### **FINANCING ACTIVITIES**

Proceeds from note payable	1,486,800	-
Increase in capital campaign pledges receivable	(1,839,103)	(2,000,516)
Contributions restricted for capital expenditures	3,499,612	2,317,954
<b><i>Cash Flows From Financing Activities</i></b>	<b><i>3,147,309</i></b>	<b><i>317,438</i></b>
<b><i>CHANGE IN CASH</i></b>	<b><i>1,165,065</i></b>	<b><i>91,653</i></b>
<b><i>CASH, BEGINNING</i></b>	<b><i>1,029,133</i></b>	<b><i>937,480</i></b>
<b><i>CASH, ENDING</i></b>	<b><i>\$ 2,194,198</i></b>	<b><i>\$ 1,029,133</i></b>

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Nature of Activities

Humane Society of Charlotte, Inc. (the “Society”) was incorporated in North Carolina as a non-profit corporation in 1978. Its mission is to provide a community resource committed to improving the lives of companion animals through adoption, spay/neuter and education. The Society’s primary sources of funding are fees charged for services, and grants and contributions from other organizations and the general public. The following is a summary of programs provided by the Society:

Spay/Neuter Clinics: Operates clinics at two locations, which provides low-cost spay/neuter services for dogs, cats, and rabbits belonging to local residents and to Mecklenburg County’s Animal Care and Control Services.

Adoption Services: Program provides care and placement services for homeless animals.

#### Basis of Presentation

The Society is required under U.S. generally accepted accounting principles (GAAP) to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Unrestricted net assets are those currently available for use in the day-to-day operation of the Society and those resources invested in property and equipment. Also included in unrestricted net assets are funds designated for employee appreciation by the Society’s Board of Directors.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Society and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by an organization. During the year, the Society had no permanently restricted net assets.

#### Contributions

The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted contributions are reported as increases in unrestricted net assets if the restrictions are accomplished in the reporting period in which the contributions are recognized. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions recorded include both capital campaign contributions and those received for operations.

#### Accounts Receivable

Purchased spay/neuter services provided to Mecklenburg County and cost reimbursements are recognized as a receivable and revenue when the services have been performed or reimbursable costs have been incurred. All accounts receivable are expected to be collected within one year. Management has determined that no allowance for bad debt is necessary. Management’s assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions.

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

#### Pledges Receivable

Unconditional pledges receivable are recognized as support in the period the pledge is received. Conditional promises receivable are recognized when the conditions on which they depend are substantially met.

#### Property and Equipment

Purchased fixed assets are carried at cost and donated fixed assets are recorded at their fair value at the date of the gift. Depreciation is provided using the straight-line method over the estimated useful lives. Maintenance, repair costs, minor replacements, and all expenditures for property and equipment less than \$500 are charged to expense as incurred. When assets are retired or otherwise disposed of, the costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in current operations. During the year, the Society received donated property valued at \$9,855.

#### Donated Services and Materials

Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated materials, if significant, are included in support at fair value. During the year, the Society recorded \$201,385 of contributed goods and \$15,340 of donated services.

In addition, the Society receives a substantial amount of donated services from unpaid volunteers in carrying out its program activities. No amounts have been reflected in the financial statements for these services since they do not meet the criteria for recognition under U.S. generally accepted accounting principles.

#### Donated Facilities

Donated facilities are recorded as contributions at the estimated fair rental value. During the year, the fair value of this donated rent has been calculated at \$60,348, with a like amount included in occupancy expense.

#### Use of Estimates

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

#### Functional Allocation of Expenses

Expenses are allocated to program services, management and general, and fund raising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

#### Statement of Cash Flows

The Statement of Cash Flows includes, in Cash Flows From Operating Activities, \$637,466 of expenses related to the Organization's capital campaign.

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

#### Income Tax Status

The Society is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Society is exempt from state franchise and income tax under Sections 105-125 and 105-130.11(3), respectively, of the General Statutes of North Carolina.

#### Prior-Year Comparative Totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Society's 2016 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to current-year presentation.

### **NOTE B - INVESTMENTS**

Investments at year-end are composed of the following:

Beneficial interest in assets held in trust by third party:

Foundation For The Carolinas	\$ 37,935
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Assets at the Foundation at year-end are held in an investment pool with a fund type of *Quasi-Endowed Designated* and an investment strategy of *Income & Growth*

Other:

Wells Fargo Advisors:

Various equity mutual funds	\$ 1,574,109
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Publicly traded certificates of deposit with various financial institutions with maturities ranging from February 28, 2018 to November 1, 2018, and interest rates ranging from 0.9% to 1.45%	921,203
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	\$ 2,495,312
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Investment earnings for the year are comprised of the following:

Interest and dividends	\$ 85,611
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Realized and unrealized gains	207,523
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	293,134
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Less – fees	10,972
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	\$ 282,162
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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE C - FAIR VALUE MEASUREMENTS**

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of year-end, the Society's investments held at Wells Fargo Advisors totaling \$2,495,312 are classified as Level 1. The Society's beneficial interest in assets held at Foundation for the Carolinas are classified as Level 3. Values of these investments are determined by the Foundation based on the fair value of the underlying assets, some of which are publicly traded and some of which are not publicly traded.

The following table sets forth a summary of changes in the fair value of the Society's level 3 assets during the year.

Balance, beginning of year	\$ 34,116
Net investment income	<u>3,819</u>
Balance, end of year	<u>\$ 37,935</u>

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE D - PLEDGES RECEIVABLE**

Pledges receivable as of year-end are expected to be collected as follows:

Year ended December 31:

2018	\$ 961,820
2019	779,324
2020	783,984
2021	576,128
2022	256,482
Thereafter	1,101,750
	<hr/> 4,459,488
Less allowance for doubtful pledges receivable	275,867
Less present value discount	195,276
	<hr/> <hr/> \$ 3,988,345

Pledges receivable are presented net of a discount for present value computed using an interest rate of 1.93 percent for pledges received in 2016 and 2.2 percent for pledges received in 2017, based on the five year Treasury rate at year-end, and net of an allowance for doubtful pledges receivable of five percent of the gross pledges receivable balance, which is based on historical experience and current and anticipated economic conditions.

### **NOTE E - PROPERTY AND EQUIPMENT**

Property and equipment as of year-end, is composed of the following:

Leasehold improvements	\$ 666,535
Land	1,708,193
Building (new shelter)	329,482
Automobiles and trucks	130,971
Furniture, fixtures, and equipment	223,803
Computers, software and website development	184,373
	<hr/> 3,243,357
Less - accumulated depreciation	777,400
	<hr/> <hr/> \$ 2,465,957

Depreciation is computed using the straight-line method over the following estimated useful lives:

Leasehold improvements	12-40 years
Furniture, fixtures, and equipment	5-7 years
Automobiles and trucks	5 years
Computers, software and website development	5 years

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE F - LEASE OBLIGATIONS**

The Society leases office equipment under various non-cancelable lease agreements expiring through 2020. Lease payments made during the year totaled \$29,077. Future minimum lease commitments under these arrangements are as follows:

2018	\$	14,982
2019		13,794
2020		1,150
	\$	<u>29,926</u>

### **NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

The Society's temporarily restricted net assets as of year-end are to be used for the following programs and purposes:

Program-restricted:

Have a Heart	\$	16,448
Community Cat Coordinator		11,902
Medical Incentives (ASPCA)		6,127
Pets for Life		33,993
Capital Campaign		1,218,064
iBuild		11,745
Best Friends TNR		8,190
Grey Muzzle Medical Incentive		5,337
Various activities (less than \$5,000 each)		23,905

Time-restricted:

Capital campaign pledges receivable in future years		<u>3,962,137</u>
	\$	<u>5,297,848</u>

### **NOTE H – NOTE PAYABLE**

On March 13, 2017, the Society entered into a note agreement with a local bank for \$1,486,800 to partially fund its purchase of land for future expansion. This is a term loan scheduled to mature on March 13, 2020. Monthly interest-only payments are required from April 13, 2017 through February 13, 2020, then one principal and interest payment will be due on March 13, 2020. Interest is at a variable interest rate based on the Lender's Prime Rate less 0.50 percentage points. The interest rate at year-end was 4 percent. Collateral on the note payable is the Society's investments.

During the year, the Society paid interest of \$41,259.

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE I - RELATED PARTY TRANSACTIONS**

During the year, the Society paid \$18,325 to a vendor owned by a member of its Board of Directors. This vendor also provided in-kind donated services valued at \$15,340.

### **NOTE J - RETIREMENT PLAN**

The Society has adopted a defined contribution retirement savings plan qualified under Internal Revenue Code Section 401(k). Under this plan, eligible employees may elect to defer a portion of their compensation, up to limits established by the Code, for income tax purposes. The Society may choose to make discretionary contributions to the Plan. During the year, the Society made contributions equal to 3 percent of eligible participants' qualified pay to this plan. The Society's contribution to the plan for the year totaled \$80,528.

### **NOTE K – COMMITMENTS**

During the prior year, the Society began a capital campaign to fund the acquisition of land and construction of a new facility for operations. The campaign's goal is to raise a total of \$15 million. At year-end, the Society had incurred costs of \$291,000 of a \$970,000 architectural contract for the design and construction oversight of the facility. The Society also had signed a contract for pre-construction services related to the construction of the new facility; however, as of the date of this report the guaranteed maximum cost had not yet been determined.

### **NOTE L - CONCENTRATIONS OF RISK**

#### Cash and Certificates of Deposit

Cash in bank accounts and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Society at year-end, includes \$1,515,948 in excess of insured limits covered by the FDIC.

#### Investments

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SPIC); however, this insurance does not cover the loss of value of the underlying assets. As disclosed in Note B above, the Society maintains a variety of investments which are subject to fluctuations in market values and expose the Society to a certain degree of investment risk.

#### Support and Revenue

The Society operates and receives funding within a limited geographical area.

Three donors contributed 42 percent of cash contributions during the year. Also, 67 percent of the Society's pledges receivable at year-end were from 3 donors. These contributions and pledges receivable pertain to the Society's ongoing capital campaign.

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# ***HUMANE SOCIETY OF CHARLOTTE, INC.***

## **Notes to Financial Statements**

**December 31, 2017**

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### **NOTE M - UNDISTRIBUTED WILLS AND BEQUESTS**

As of year-end the Society is named as beneficiary in the wills of certain decedents, the estates of which are in various degrees of settlement. It is not practical to estimate the net realizable value of the settlements or the periods in which such settlements will occur.

### **NOTE N - SUBSEQUENT EVENTS**

The Society has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.