

LA CASA DE LAS MADRES

**FINANCIAL STATEMENTS
and
ADDITIONAL INFORMATION**

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
La Casa de Las Madres

Report on the Financial Statements

We have audited the accompanying financial statements of La Casa de Las Madres (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2018, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 above present fairly, in all material respects, the financial position of La Casa de Las Madres as of June 30, 2018, 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.

INDEPENDENT AUDITORS' REPORT

continued

Other Matter

Report on Summarized Comparative Information

We have previously audited La Casa de Las Madres' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of La Casa de Las Madres' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of La Casa de Las Madres' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Casa de Las Madres' internal control over financial reporting and compliance.

Harrington Group

Oakland, California
December 3, 2018

LA CASA DE LAS MADRES

STATEMENT OF FINANCIAL POSITION

June 30, 2018

With comparative totals at June 30, 2017

	Unrestricted	Temporarily Restricted	2018	2017
ASSETS				
Cash and cash equivalents (Note 2)	\$ 3,593,652	\$ 10,000	\$ 3,603,652	\$ 2,488,231
Cash - unemployment trust (Note 7)	24,336		24,336	23,032
Total cash	3,617,988	10,000	3,627,988	2,511,263
Accounts receivable	334,985		334,985	278,860
Pledges receivable (Note 3)	14,785		14,785	57,025
Prepaid expenses	84,438		84,438	84,466
Property and equipment (Note 5)	1,222,150		1,222,150	1,243,321
TOTAL ASSETS	\$ 5,274,346	\$ 10,000	\$ 5,284,346	\$ 4,174,935
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 24,449	\$ -	\$ 24,449	\$ 22,875
Accrued liabilities (Note 6)	120,374		120,374	105,070
Accrued unemployment liability (Note 7)	19,483		19,483	16,344
Line of credit (Note 8)			-	-
TOTAL LIABILITIES	164,306	-	164,306	144,289
NET ASSETS				
Unrestricted	5,110,040		5,110,040	3,985,646
Temporarily restricted (Note 10)		10,000	10,000	45,000
TOTAL NET ASSETS	5,110,040	10,000	5,120,040	4,030,646
TOTAL LIABILITIES AND NET ASSETS	\$ 5,274,346	\$ 10,000	\$ 5,284,346	\$ 4,174,935

The accompanying notes are an integral part of these financial statements.

LA CASA DE LAS MADRES

STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

With comparative totals for the year ended June 30, 2017

	Unrestricted	Temporarily Restricted	2018	2017
REVENUE				
Government contract revenues (Note 11)	\$ 2,073,956	\$ -	\$ 2,073,956	\$ 1,743,061
Contributions	1,402,672	290,000	1,692,672	1,041,691
Special event - net of expense \$22,143	138,088		138,088	92,309
In-kind donations	33,474		33,474	135,438
Interest income	19,987		19,987	6,933
Other	326		326	5,956
Net assets released from purpose restrictions	325,000	(325,000)	-	-
TOTAL REVENUE	<u>3,993,503</u>	<u>(35,000)</u>	<u>3,958,503</u>	<u>3,025,388</u>
EXPENSES				
Program services	2,569,997		2,569,997	2,373,277
Support services	299,112		299,112	344,833
TOTAL EXPENSES	<u>2,869,109</u>	<u>-</u>	<u>2,869,109</u>	<u>2,718,110</u>
CHANGE IN NET ASSETS	1,124,394	(35,000)	1,089,394	307,278
NET ASSETS, BEGINNING OF YEAR	<u>3,985,646</u>	<u>45,000</u>	<u>4,030,646</u>	<u>3,723,368</u>
NET ASSETS, END OF YEAR	<u>\$ 5,110,040</u>	<u>\$ 10,000</u>	<u>\$ 5,120,040</u>	<u>\$ 4,030,646</u>

The accompanying notes are an integral part of these financial statements.

LA CASA DE LAS MADRES

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2018

With comparative totals for the year ended June 30, 2017

	Program Services		Community Education	Total Program Services	Support Services		Total Support Services	Total Expenses	
	Residential Services	Non-Residential Services			Management and General	Fundraising		2018	2017
Salaries	\$ 530,073	\$ 968,871	\$ 112,614	\$ 1,611,558	\$ 25,774	\$ 144,830	\$ 170,604	\$ 1,782,162	\$ 1,621,566
Payroll taxes and fringe benefits	151,834	188,443	20,029	360,306	6,941	27,192	34,133	394,439	329,739
Total personnel costs	681,907	1,157,314	132,643	1,971,864	32,715	172,022	204,737	2,176,601	1,951,305
Rent and other occupancy	116,522	81,299	7,302	205,123	14,604	12,170	26,774	231,897	222,833
Professional fees and services	47,012	83,552	3,861	134,425	7,723	6,436	14,159	148,584	198,439
Other operating expenses	39,068	24,941	15,224	79,233	17,831	23,371	41,202	120,435	157,104
Supplies	17,843	36,397	32,368	86,608	1,572	2,515	4,087	90,695	91,306
Depreciation	39,749	4,072	368	39,749	3,422	613	3,422	43,171	43,992
Repair and maintenance	28,760	10,671	870	33,200	735	1,450	1,348	34,548	30,712
Insurance	8,254			19,795	1,740		3,190	22,985	22,267
Interest expense				-	193		193	193	152
TOTAL 2018 FUNCTIONAL EXPENSES	\$ 979,115	\$ 1,398,246	\$ 192,636	\$ 2,569,997	\$ 80,535	\$ 218,577	\$ 299,112	\$ 2,869,109	\$ 2,718,110
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 891,137	\$ 1,271,188	\$ 210,952	\$ 2,373,277	\$ 99,163	\$ 245,670	\$ 344,833	\$ 2,718,110	\$ 2,718,110

The accompanying notes are an integral part of these financial statements.

LA CASA DE LAS MADRES

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

With comparative totals for the year ended June 30, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,089,394	\$ 307,278
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,171	43,992
(Increase) decrease in operating assets:		
Accounts receivable	(56,125)	(17,149)
Pledges receivable	42,240	126,507
Prepaid expenses	28	(16,482)
Increase (decrease) in operating liabilities:		
Accounts payable	1,574	1,917
Accrued liabilities	15,304	18,113
Unemployment liability	3,139	1,179
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,138,725	465,355
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(22,000)	-
NET CASH (USED) BY INVESTING ACTIVITIES	(22,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,116,725	465,355
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,511,263	2,045,908
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,627,988	\$ 2,511,263
SUPPLEMENTAL DISCLOSURE:		
Operating activities reflect interest paid of:	\$ 193	\$ 152

The accompanying notes are an integral part of these financial statements.

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

1. Organization

La Casa de Las Madres (“La Casa”) is a California not-for-profit corporation established in 1976. The mission of La Casa de las Madres is to respond calls for help from domestic violence victims, of all ages, 24 hours a day, 365 days a year. We give survivors the tools to transform their lives. We seek to prevent future violence by educating the community and by redefining public perceptions about domestic violence.

La Casa accomplishes its mission by engaging nearly 27,000 women, teens, men, older adults, and children each year through a continuum of expert intervention and prevention services. Envisioning a community where domestic violence is not tolerated and equal access to asset building opportunities is freely available, La Casa utilizes trauma-informed, strength-based empowerment models to resource victims, survivors, and those at-risk of abuse to affect change and break the cycles of violence in their lives.

Measurably, La Casa seeks to improve safety, reduce isolation, build knowledge about the dynamics of domestic violence, strengthen agency, and encourage stability and independence. In fiscal year ending June 30, 2018, La Casa averaged 92% success rate across these outcomes. 4,873 adult, teen, and child domestic violence survivors benefited from direct interventions; 434 individuals found safety, refuge and a place to heal at La Casa’s Emergency Shelter; La Casa responded to 8,914 crisis line callers; and they conducted 236 educational workshops informing 3,555 professionals, teens, and adults while an additional 9,980 community members were engaged with information during 360 events. Program offerings are free of charge, confidential, culturally inclusive, and multilingual, at minimum with 24-hour English and Spanish capacity. They include:

- Two (2) statewide, toll-free *Hotlines*, for adults and teens, respectively, that offer immediate 24-hour crisis counseling, shelter access, and information about community resources and services, in addition to a text-line. Anytime day or night callers are greeted by a live and knowledgeable support person.
- A community-based Drop-in-Counseling Center that serves as a hub for all of La Casa’s programming. At this centralized location, La Casa meets the initial and ongoing needs of domestic violence victims in a community setting. For survivors who are not seeking physical refuge and for families who have left the La Casa shelter, the Drop-in-Counseling Center offers peer and clinical counseling, economic empowerment, advocacy, support groups and needs-based case management.
 - La Casa’s *Teen Program* is housed at the Drop-in-Counseling Center and provides age-appropriate interventions to youth experiencing dating or domestic violence. The *Ending Abuse in Later Life Project* ensures older adults have ready access to needed domestic violence interventions and is also housed at the Drop-in-Counseling Center.
- A La Casa advocate co-located at Zuckerberg San Francisco General Hospital to receive warm-handoffs from medical professionals, supporting domestic violence survivors in one of five family or women-focused clinics. The on-site advocate provides safety planning, peer counseling and a connection to La Casa’s broader suite of services.

continued

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

1. Organization, continued

- An advocate at the San Francisco Police Department, in the Special Victims Unit, who calls all victims of domestic violence following a police response to their abuse.
- Services in the Bayview Neighborhood, where La Casa works with the police department to provide shelter and support to victims who screen in as at high risk of lethal domestic violence following a police response to their abuse.
- Safe and Supportive Housing Projects that co-locate advocates at the San Francisco Housing Authority, the Mary Elizabeth Inn and the Verona Hotel. Advocates provide on-site case management, advocacy and supportive services to survivors of domestic violence, daily.
- La Casa advocates stationed at the San Francisco Human Services Agency provide support to CalWORKS recipients who receive a domestic violence waiver.
- An eight (8) week Emergency Shelter Program offers 24-hour access to safe shelter, food, clothing, and comprehensive support services to up to 35 survivors each night. Round the clock staff provide counseling and therapeutic interventions tailored to women, children, and families, strengthen independent living skills, and work with each resident to address critical safety, legal, housing, financial, and medical needs.
- The Community Education and Outreach Program which seeks to prevent domestic violence among teens and adults, give voice to silenced victims, and motivate social change through public awareness and education.

La Casa receives its funding from private contributions and from county and state government agencies, with certain portions of its funding originating from the federal government.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of La Casa are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

continued

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Unrestricted. These generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted. La Casa reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 purpose restrictions.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit La Casa to expend all of the income (or other economic benefits) derived from the donated assets. La Casa had no permanently restricted net assets at June 30, 2018.

Cash and Cash Equivalents

La Casa has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of six months or less.

Accounts Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Investments

La Casa values its investments at fair value. Unrealized gains and losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits or certificates of deposit that are not used for operations are treated as investments.

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

La Casa is required to measure pledged contributions and non-cash contributions at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

Concentration of Credit Risks

La Casa places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. La Casa has not incurred losses related to these investments or cash equivalents and transfers funds to other institutions on a regular basis to manage this risk.

The primary receivable balance outstanding at June 30, 2018 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of La Casa's receivables consist of earned fees from contract programs granted by governmental agencies.

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received (see Note 4).

A number of unpaid volunteers have made significant contributions of their time to La Casa. However, the value of these services is not reflected in these financial statements because the criteria for recognition have not been satisfied.

continued

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Income Taxes

La Casa is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by La Casa in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. La Casa's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing La Casa's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. La Casa uses full-time employee equivalents to allocate indirect costs.

Use of 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with La Casa's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

3. Pledges Receivable

Pledges receivable are recorded as support when pledged unless designated otherwise. All pledges are valued at the estimated fair present value at June 30, 2018 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2018. Total amount of pledges receivable at June 30, 2018, of \$14,785, is expected to be collected within one year.

continued

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

4. Fair Market Value Measurement

The table below present transactions measured at fair value on a non-recurring basis during the year ended June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contribution - new	\$ -	\$ -	\$189,424	\$189,424
Contributed legal services		29,885		29,885
Contributed materials		<u>3,589</u>		<u>3,589</u>
	<u>\$ -</u>	<u>\$33,474</u>	<u>\$189,424</u>	<u>\$222,898</u>

The fair value of contributed services and materials has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The fair value of current year new pledges is measured on a non-recurring basis by estimating future cash flows, based on pledge commitments and previous experience and discounting the carrying amount to present value (Level 3 inputs).

5. Property and Equipment

Property and equipment at June 30, 2018 consist of the following:

Land	\$ 423,705
Building	786,880
Building improvements	479,550
Furniture and equipment	266,791
Leasehold improvements	<u>26,280</u>
	1,983,206
Less: accumulated depreciation	<u>(761,056)</u>
	<u>\$1,222,150</u>

For the year ended June 30, 2018 depreciation expense was \$43,171.

6. Accrued Liabilities

Accrued liabilities at June 30, 2018 consist of the following:

Accrued vacation	\$ 82,464
Accrued wages	<u>37,910</u>
	<u>\$120,374</u>

continued

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

7. **Accrued Unemployment Liability**

La Casa has elected to be self-insured for the purposes of California State Unemployment Insurance. Accrued unemployment liability at June 30, 2018, of \$19,483, represents estimated future claims arising from payroll paid to June 30, 2018. Unemployment expense for the year ended June 30, 2018 was \$23,815. La Casa utilizes the services of an unemployment trust to handle its claims. The cash amount of \$24,336, held by the trust as a reserve for future claims, is reflected as a separate cash line item in the Statement of Financial Position. Quarterly cash contributions to the trust, in the subsequent period, were increased to replenish the funds that are to be available for future claims.

8. **Line of Credit**

La Casa has an unsecured line of credit in the amount of \$150,000 from a bank, at an interest rate of Wall Street Journal West Coast Edition prime rate plus 2.00%, due December 26, 2018. No amount was outstanding at June 30, 2018.

9. **Commitments and Contingencies**

Contracts

La Casa's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, La Casa has no provisions for the possible disallowance of program costs on its financial statements.

10. **Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2018 consist of the following:

Emergency shelter	<u>\$10,000</u>
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For the year ended June 30, 2018, net assets released from purpose restrictions were \$325,000.

LA CASA DE LAS MADRES

NOTES TO FINANCIAL STATEMENTS

11. Government Contract Revenues

Government contract revenues for the year ended June 30, 2018 consist of the following:

City and County of San Francisco:	
Department on the Status of Women	\$ 776,560
Department of Human Services	303,483
Department of Human Services	291,592
Emergency Shelter Grant Program	150,000
U.S. Department of Justice	
Office on Violence Against Women	25,120
State of California:	
Office of Emergency Services ("OES")	450,213
Child and Adult Care Food Program	32,735
Department of Homeland Security:	
Emergency Food and Shelter Program	17,000
University of California:	
ARISE	<u>27,253</u>
	<u>\$2,073,956</u>

12. Domestic Violence Shelter Program – CalOES

Costs incurred for the Domestic Violence Shelter Program relating to the CalOES funding are included in program services on the Statement of Functional Expenses. These costs for the year ended June 30, 2018 consist of the following:

	Grant#
Category	<u>DVI7301262</u>
Salaries	\$316,983
Operating expenses	<u>94,506</u>
Total	<u>\$411,489</u>
Matching	<u>\$20,198</u>

13. Subsequent Events

Subsequent to year end, La Casa purchased a building on November 30, 2018 in the amount of \$6,550,000. The lender is First Republic Bank, under the loan terms, the loan will be cross collateralized using the equity in the purchased building along with La Casa's confidentially located shelter facility. The financial statements as of June 30, 2018, do not include any adjustments resulting from this transaction.

Management has evaluated subsequent events through December 3, 2018, the date which the financial statements were available for issue. Except as noted above, no events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.