



*Certified Public Accountants*

RONALD McDONALD HOUSE CHARITIES OF  
N.E. KANSAS, INC.

---

FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Ronald McDonald House Charities of N.E. Kansas, Inc.  
Topeka, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Ronald McDonald House Charities of N.E. Kansas, Inc. (the "Organization"), which comprise the statements of financial position, as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 from 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of N.E. Kansas, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*BT&Co, P.A.*

Topeka, Kansas  
October 1, 2021

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Statements of Financial Position

December 31,

Assets

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 153,678	\$ 159,705
Investments	2,197,499	2,003,954
Land, building and equipment, net	<u>372,015</u>	<u>277,084</u>
Total assets	<u>\$2,723,192</u>	<u>\$2,440,743</u>

Liabilities and Net Assets

Liabilities:		
Accrued sales and payroll taxes	\$ <u>4,412</u>	\$ <u>2,114</u>
Net assets:		
Without donor restrictions	2,039,697	1,764,086
With donor restrictions	<u>679,083</u>	<u>674,543</u>
Total net assets	<u>2,718,780</u>	<u>2,438,629</u>
Total liabilities and net assets	<u>\$2,723,192</u>	<u>\$2,440,743</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Statements of Activities

For the Years Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:						
Contributions:						
McDonald's co-op	\$ 27,795	\$ -	\$ 27,795	\$ 23,752	\$ -	\$ 23,752
Charitable organizations	3,059		3,059	5,884		5,884
Corporate donations	63,108		63,108	40,588		40,588
Individual donations	40,623	4,540	45,163	23,365	3,125	26,490
Donated services	52,923		52,923	55,462		55,462
Fundraisers	202,522		202,522	252,262		252,262
Grants	20,007		20,007	33,716		33,716
Major gifts/planned giving	700		700	13,354		13,354
Building and capital improvements fund	2,346		2,346	2,634		2,634
COVID grants	41,226		41,226			
Donated assets	<u>18,480</u>		<u>18,480</u>			
Total contributions	<u>472,789</u>	<u>4,540</u>	<u>477,329</u>	<u>451,017</u>	<u>3,125</u>	<u>454,142</u>
Other:						
Room rental	19,058		19,058	34,901		34,901
Investment income, net	47,551		47,551	49,028		49,028
PPP loan forgiveness	40,400		40,400			
Other	1,800		1,800	1,115		1,115
Realized and unrealized gains on investments	<u>136,806</u>		<u>136,806</u>	<u>242,792</u>		<u>242,792</u>
Total other	<u>245,615</u>		<u>245,615</u>	<u>327,836</u>		<u>327,836</u>
 Total revenue and other support	 <u>718,404</u>	 <u>4,540</u>	 <u>722,944</u>	 <u>778,853</u>	 <u>3,125</u>	 <u>781,978</u>
 Expenses:						
Functional expenses:						
Program services	323,263		323,263	320,180		320,180
General and administrative	69,535		69,535	59,749		59,749
Fundraising	<u>49,995</u>		<u>49,995</u>	<u>90,462</u>		<u>90,462</u>
Total functional expenses	<u>442,793</u>		<u>442,793</u>	<u>470,391</u>		<u>470,391</u>
 Change in net assets	 275,611	 4,540	 280,151	 308,462	 3,125	 311,587
Net assets at beginning of year	<u>1,764,086</u>	<u>674,543</u>	<u>2,438,629</u>	<u>1,455,624</u>	<u>671,418</u>	<u>2,127,042</u>
 Net assets at end of year	 <u>\$ 2,039,697</u>	 <u>\$ 679,083</u>	 <u>\$ 2,718,780</u>	 <u>\$ 1,764,086</u>	 <u>\$ 674,543</u>	 <u>\$ 2,438,629</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Statements of Functional Expenses  
For the Years Ended December 31,

	2020			
	Program Services	General and Administrative	Fundraising	Total
Salaries	\$158,556	\$ 33,355	\$ 24,199	\$ 216,110
Health and hospitalization	1,935	1,810	1,935	5,680
Payroll taxes	14,367	2,801	1,898	19,066
Auto expense and travel		614		614
Contract maintenance	4,766			4,766
Depreciation	13,384			13,384
Security	3,526			3,526
Bank charges			4,610	4,610
Internet and cable	2,413			2,413
House supplies	476			476
Insurance	18,334			18,334
Repairs and maintenance:				
House	8,016			8,016
Grounds	2,858			2,858
Office supplies	376	1,548		1,924
Postage		7		7
Fees:				
Accounting		24,050		24,050
Legal		2,345		2,345
Communication and marketing		525		525
Taxes and licenses				
Telephone		2,417		2,417
Travel - Nonlocal	615			615
Utilities	16,578			16,578
Operations in kind	52,923			52,923
Volunteer recognition		26		26
Miscellaneous	105	37		142
Direct fundraising expense			6,682	6,682
Fundraising - Pull a Plane				
Fundraising- Golf tournament			5,151	5,151
Annual event			5,270	5,270
COVID expenses	<u>24,035</u>	<u>          </u>	<u>250</u>	<u>24,285</u>
 Total expenses	 <u>\$323,263</u>	 <u>\$ 69,535</u>	 <u>\$49,995</u>	 <u>\$442,793</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements

2019			
Program Services	General and Administrative	Fundraising	Total
\$145,874	\$ 28,437	\$ 19,956	\$194,267
1,935	2,239	1,935	6,109
14,399	2,476	1,567	18,442
	200		200
16,539			16,539
38,251			38,251
910			910
		5,623	5,623
2,100			2,100
572			572
14,429			14,429
10,789			10,789
46			46
407	1,129		1,536
	17		17
	22,420		22,420
	280		280
	22		22
315			315
	2,485		2,485
284			284
17,781			17,781
55,462			55,462
	39		39
87	5	289	381
		2,656	2,656
		4,382	4,382
		8,504	8,504
		45,300	45,300
		250	250
<u>\$320,180</u>	<u>\$ 59,749</u>	<u>\$ 90,462</u>	<u>\$470,391</u>

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Statements of Cash Flows  
For the Years Ended December 31,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 280,151	\$ 311,587
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	13,384	38,251
Net realized and unrealized gain on investments	(136,806)	(242,792)
Change in:		
Accounts payable and accrued expenses	<u>2,298</u>	<u>563</u>
Net cash provided by operating activities	<u>159,027</u>	<u>107,609</u>
Cash flows from investing activities:		
Proceeds from sale of investments	116,444	138,748
Purchase of investments	(177,723)	(198,403)
Purchase of equipment	(108,315)	(12,500)
Net cash used in investing activities	<u>(169,594)</u>	<u>(72,155)</u>
Cash flows from financing activities:		
Permanently restricted contributions	<u>4,540</u>	<u>3,125</u>
Net cash provided by financing activities	<u>4,540</u>	<u>3,125</u>
Net change in cash and cash equivalents	(6,027)	38,579
Cash and cash equivalents, beginning of year	<u>159,705</u>	<u>121,126</u>
Cash and cash equivalents, end of year	<u>\$153,678</u>	<u>\$159,705</u>

The accompanying summary of significant accounting policies  
and notes are an integral part of these statements



## RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.

### Summary of Significant Accounting Policies

December 31, 2020 and 2019

#### **Organization**

The mission of Ronald McDonald House Charities of N.E. Kansas, Inc. (the Organization) is to provide a home away from home for families of seriously ill children staying at nearby hospitals. The Organization is supported primarily through contributions.

#### **Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Assets without donor restrictions represent amounts available for support of the Organization's operations.

Assets with donor restrictions are subject to donor and/or time restrictions.

#### **Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Fair Value Measurement**

Assets recorded at fair value are categorized based upon the level of observability associated with the inputs used to measure their fair value. Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The availability of observable inputs is affected by a variety of factors, including the type of asset and the transparency of market transactions. To the extent that fair value is based on inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The three-level hierarchy for fair value measurements is defined as follows:

- *Level 1* - Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.
- *Level 2* - Inputs are other than quoted prices in active markets that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active.
- *Level 3* - Inputs are unobservable and significant to the asset and include situations where there is little, if any, market activity.

## RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.

### Summary of Significant Accounting Policies

December 31, 2020 and 2019

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants used to make valuation decisions, including assumptions about risk. Inputs may include market price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. The classification of a financial asset within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by management. Management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of a fund within the hierarchy is based upon the pricing transparency of that fund and does not necessarily correspond to management's perceived risk of that fund.

Publicly-held investments that are traded on an active exchange are valued at the quoted market prices based on the last sale price on the measurement date. Quoted market prices in an active market are classified as a Level 1 input. If an active market does not exist for such publicly-held equity investments, alternate valuation models using Level 2 or Level 3 inputs may be used to determine fair value.

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, based on quoted market prices, with any realized or unrealized gains and losses included in the statement of activities.

### **Land, Buildings and Equipment**

Land, buildings, and equipment are stated at cost or estimated market value at the date of donation. Contributions of long-lived assets donated without donor-imposed restrictions are recorded as unrestricted support. Contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as temporarily restricted support; those restrictions expire when the long-lived assets are placed in service.

Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired.

For financial reporting purposes, depreciation is determined on the straight-line basis over the estimated useful lives of the related assets.

## RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.

### Summary of Significant Accounting Policies

December 31, 2020 and 2019

#### **Contributions**

The Organization accounts for contributions received as support with donor restrictions and without donor restrictions, depending on the existence or nature of any donor restrictions. When a restriction expires either due to time or because the purpose restriction is accomplished, 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.

Donated materials and services are recorded at the estimated fair value at the time received or when an unconditional promise to give has been made.

Many individuals volunteer their time and talents assisting the Organization in accomplishing its mission. Donated services are recognized in the financial statements when:

- The services received either create or enhance nonfinancial assets.
- The services received require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased if not provided by donation.

The Organization received revenue and had related expenses for donated materials and services totaling \$52,923 in 2020 and \$55,462 in 2019.

#### **Income Taxes**

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been classified as a private foundation. Income from unrelated activities is subject to income tax under the Internal Revenue Code. The Organization reported no income tax liability for 2020 or 2019.

The Organization files income tax returns in the U.S. federal and Kansas jurisdictions. There are currently no examinations of the Organization's income tax returns in progress.

#### **Statement of Cash Flows**

For purposes of the statement of cash flows, cash and interest-bearing deposits with commercial banks, purchased with initial maturity dates of three months or less, are considered to be cash equivalents.

## RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.

### Summary of Significant Accounting Policies

December 31, 2020 and 2019

#### **Expense Recognition and Allocations**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, including management estimates and employee estimates. The Organization allocates costs across programs for payroll using an allocation of time spent for each employee that works in multiple expense categories. The basis on which costs are allocated are evaluated periodically as needed.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

#### **Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

##### Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purpose specified in its corporate documents and its applications for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations. As of December 31, 2020 and 2019, the Board of Directors had designated \$31,965 and \$112,753, respectively, of net assets without donor restrictions to provide for future building improvements needed to support the mission of the Organization. Since those amounts result from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

##### Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restrictions is satisfied, either by using the resources in the manner specific by the donor or by passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides specific directions about the period of its use (see Note 3.)

# RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.

## Notes to Financial Statements December 31, 2020 and 2019

### **Revenue Recognition**

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. This includes McDonald's co-op and fundraising revenues as well. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At December 31, 2020 and 2019, there were no conditional contributions.

All goods and services are transferred at a point in time. Payment terms for services are not deemed to include any significant financing component as payment is received at the time, or shortly after, the services are provided. Consideration paid for services is not variable.

The Organization's customers consist of private customers, primarily located within the state of Kansas. As it relates to private customers, credit risk is mitigated because payment is received before, shortly after or at the time the goods or services are provided. For those program services provided before payment is received, continuing services will be terminated for non-payment, limiting future credit risk.

### **1. Investments**

The fair values of investments are based on the estimate of the amount expected to be realized if investments are sold or otherwise disposed of in an orderly transaction within a reasonable period of time. Fair value is determined using various levels of "inputs." When available, quoted market prices in the active market for identical assets (Level 1 inputs) are used to determine fair value. If quoted market prices are not available, the Organization uses valuation techniques that place greater reliance on other observable factors (Level 2 inputs) and unobservable factors (Level 3 inputs). All actively traded investments are valued using Level 1 inputs.

Actively traded funds and stocks are valued at the daily closing price as reported on the active market/fund on which the actively traded fund/stock is traded. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. The funds are required to publish their daily net asset value and to transact at that price.

The Organization invests in the Greater Manhattan Community Foundation (GMCF) which is classified as Investments at Net Asset Value based on the net asset valuations provided to the Organization. The net asset valuations are determined based on the underlying investments held by GMCF in the pooled funds. These investments include private equity funds, fixed income and other alternative investments. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the audited financial statements provided by the manager of the investment funds. Some investments have redemption restrictions which may limit the liquidity of the investment portfolio.

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

Investments held at December 31 are summarized as follows by investment type:

	<u>2020</u>	<u>2019</u>
Investments – Actively Traded		
Money market funds	\$ 61,322	\$ 120,413
Mutual funds	1,267,625	1,077,953
Stocks	<u>839,621</u>	<u>784,682</u>
Total actively traded	2,168,568	1,983,048
Investments at NAV		
Manhattan Community Foundation	<u>28,931</u>	<u>20,906</u>
Total investments at fair value	<u>\$2,197,499</u>	<u>\$2,003,954</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no significant transfers into or out of Levels 1, 2 or 3.

**2. Land, Buildings and Equipment**

Land, buildings, and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 150,211	\$ 150,211
House - 825 Buchanan	261,232	261,232
Remodeling and construction costs	891,441	808,308
Equipment and furniture	<u>227,708</u>	<u>224,033</u>
	1,530,593	1,443,784
Less accumulated depreciation	<u>1,158,577</u>	<u>1,166,700</u>
Land, buildings and equipment, net	<u>\$ 372,015</u>	<u>\$ 277,084</u>

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Notes to Financial Statements  
December 31, 2020 and 2019

**3. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as follows at December 31:

	<u>2020</u>	<u>2019</u>
Subject to time restrictions:		
Investments in perpetuity	<u>\$ 679,083</u>	<u>\$ 674,543</u>

**4. Cash and Equivalents**

The Organization maintains cash and interest-bearing deposits in various high-quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation; however, balances may occasionally exceed federally insured limits.

**5. Liquidity and Availability of Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 153,678	\$ 159,705
Investments	<u>2,197,499</u>	<u>2,003,954</u>
Total financial assets	<u>2,351,177</u>	<u>2,163,659</u>
Less amounts not available to be used within one year:		
Donor restricted cash and investments	(711,048)	(674,543)
Board designated for building/other	<u>(31,965)</u>	<u>(112,753)</u>
Total amounts not available to be used	<u>(743,013)</u>	<u>(787,296)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$1,608,164</u>	<u>\$1,376,363</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in various money market and mutual funds.

Other assets include fixed assets which are not easily converted to cash and were not added to the above table. In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting revenue to cover a majority of the general expenditures. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

**RONALD McDONALD HOUSE CHARITIES OF N.E. KANSAS, INC.**

Notes to Financial Statements  
December 31, 2020 and 2019

**6. Operating Leases**

The Organization leases a copier under an operating lease expiring in June 2021, with required monthly payments of \$203. Minimum future rental payments under this non-cancelable operating lease as of December 31, 2020 is as follows:

2021	\$ <u>1,215</u>
------	-----------------

Total lease expense recognized under all operating leases was \$2,703 and \$2,901 for the years ending December 31, 2020 and 2019, respectively.

**7. Related Party**

Ronald McDonald House Charities National (National) is a related party to the Organization. The Organization receives revenues from National for McDonald's co-op income. Total revenues from National were \$5,933 and \$1 for the years ended December 31, 2020 and 2019, respectively.

**8. Risks and Uncertainties**

As a result of the significant disruption in business from the outbreak of the COVID-19 coronavirus in the United States, management believes future operations could be negatively impacted. While the disruption is currently expected to be temporary, there is considerable uncertainty regarding the length and financial impact of the disruption, and the effects cannot be reasonably estimated at this time.

**9. Subsequent Events**

The Organization has evaluated subsequent events through the date of the independent auditors' report, which is the date that the financial statements were available to be issued.