

One To World, Inc.

Audited Financial Statements

June 30, 2023

One To World, Inc.

Audited Financial Statements

June 30, 2023

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Independent Auditor's Report

To the Board of Directors of
One To World, Inc.

Opinion

We have audited the financial statements of One To World, Inc. ("One To World"), which comprise the statement of financial position as of June 30, 2023, the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of One To World as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One To World and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about One To World's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of One to World as of and for the year ended June 30, 2022, were audited by other auditors whose report dated January 11, 2023, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and the year ended June 30, 2022, is consistent, in all material respects with the audited financial statements from which it was derived.

Sax CPAs LLP

New York, NY
March 22, 2024

One To World, Inc.

Statement of Financial Position

As of June 30, 2023
(With comparative totals as of June 30, 2022)

	June 30,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 286,237	\$ 517,706
Pledges receivable	23,465	85,519
Employee Retention Tax Credit receivable	81,575	122,988
Program income receivable	28,150	23,384
Prepaid expenses	20,351	34,346
Property and equipment, net	15,135	16,740
Security deposit	8,240	8,240
Operating lease right-of-use asset	141,795	-
TOTAL ASSETS	\$ 604,948	\$ 808,923
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 42,414	\$ 127,169
Deferred revenue	3,500	1,500
Conditional contribution	7,500	25,000
Deferred rent	-	3,100
Operating lease liability	146,032	-
Total liabilities	199,446	156,769
NET ASSETS		
Without donor restrictions	405,502	632,154
With donor restrictions	-	20,000
Total net assets	405,502	652,154
TOTAL LIABILITIES AND NET ASSETS	\$ 604,948	\$ 808,923

The attached notes and auditor's report are an integral part of these financial statements.

One To World, Inc.

Statement of Activities

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/23	Total 6/30/22
PUBLIC SUPPORT AND REVENUE				
Government grant - Paycheck Protection Program	\$ -	\$ -	\$ -	\$ 144,925
Government grant - Employee Retention Tax Credit	-	-	-	122,988
Other government grants	86,446	-	86,446	82,400
Foundation contributions	156,000	-	156,000	132,800
Individual contributions	91,002	-	91,002	128,335
In-kind contributions	103,782	-	103,782	33,329
Fundraising event income net	366,523	-	366,523	547,497
Membership income	65,320	-	65,320	59,595
Program income	132,229	-	132,229	63,003
Publication and sponsorship income	45,112	-	45,112	59,998
Other income	17,082	-	17,082	1,378
Net assets released from restriction	20,000	(20,000)	-	-
Total public support and revenue	1,083,496	(20,000)	1,063,496	1,376,248
EXPENSES				
Program services				
Enrichment programs	418,983	-	418,983	\$ 304,502
Fulbright programs	203,872	-	203,872	215,135
Global Classroom program	265,286	-	265,286	199,024
Total program services	888,141	-	888,141	718,661
Supporting services:				
Management and general	151,477	-	151,477	\$ 120,908
Fundraising	270,530	-	270,530	269,099
Total supporting services	422,007	-	422,007	390,007
Total expenses	1,310,148	-	1,310,148	1,108,668
Change in net assets	(226,652)	(20,000)	(246,652)	267,580
NET ASSETS, <i>beginning of year</i>	632,154	20,000	652,154	384,574
NET ASSETS, <i>end of year</i>	\$ 405,502	\$ -	\$ 405,502	\$ 652,154

The attached notes and auditor's report are an integral part of these financial statements.

One To World, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023

(With comparative totals for the year ended June 30, 2022)

	Program Services				Supporting Services			Total Expenses 6/30/23	Total Expenses 6/30/22
	Enrichment Programs	Fulbright Programs	Global Classroom Program	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries, payroll taxes and employee benefits	\$ 262,773	\$ 92,524	\$ 227,759	\$ 583,056	\$ 79,095	\$ 166,961	\$ 246,056	\$ 829,112	\$ 689,287
Outside professional services	38,696	3,789	11,233	53,718	51,580	5,874	57,454	111,172	110,001
Program activities (including in-kind)	76,779	98,129	1,174	176,082	-	-	-	176,082	92,520
Occupancy costs	18,998	6,712	16,522	42,232	5,737	12,114	17,851	60,083	56,198
Postage	-	-	-	-	53	2,469	2,522	2,522	1,319
Printing and publications	1,121	-	578	1,699	187	662	849	2,548	9,108
Advertising and marketing	-	-	-	-	4,202	-	4,202	4,202	-
Supplies and office expenses	3,052	-	245	3,297	3,452	3,720	7,172	10,469	11,093
Telephone	1,018	358	882	2,258	306	647	953	3,211	3,609
Insurance	1,261	443	1,092	2,796	379	799	1,178	3,974	16,333
Conference and meetings	7,418	-	715	8,133	3,939	310	4,249	12,382	13,828
Event expenses	-	-	-	-	-	173,903	173,903	173,903	231,237
Fees, dues and subscriptions	2,421	-	366	2,787	908	-	908	3,695	3,799
Depreciation	5,446	1,917	4,720	12,083	1,639	3,461	5,100	17,183	13,230
Total expenses	418,983	203,872	265,286	888,141	151,477	370,920	522,397	1,410,538	1,251,562
Less: direct special event expenses netted with revenue	-	-	-	-	-	(100,390)	(100,390)	(100,390)	(142,894)
Total expenses by function for statement of activities	<u>\$ 418,983</u>	<u>\$ 203,872</u>	<u>\$ 265,286</u>	<u>\$ 888,141</u>	<u>\$ 151,477</u>	<u>\$ 270,530</u>	<u>\$ 422,007</u>	<u>\$ 1,310,148</u>	<u>\$ 1,108,668</u>

The attached notes and auditor's report are an integral part of these financial statements.

One To World, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (246,652)	\$ 267,580
Adjustments to reconcile changes in net assets to net cash (used for)/provided by operating activities:		
Depreciation	17,183	13,230
Change in operating lease right-of-use asset and liability	4,237	-
Forgiveness of Paycheck Protection Program loan	-	(144,925)
Changes in assets and liabilities:		
Pledges receivable	62,054	(69,646)
Employee Retention Tax Credit receivable	41,413	(122,988)
Program income receivable	(4,766)	12,387
Prepaid expenses	13,995	116,308
Accounts payable and accrued expenses	(84,755)	(10,158)
Deferred revenue	2,000	-
Conditional contribution	(17,500)	25,000
Deferred rent	(3,100)	2,600
Total adjustments	30,761	(178,192)
Net cash flows (used for)/provided by operating activities	(215,891)	89,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(15,578)	-
Net cash flows used for investing activities	(15,578)	-
Net (decrease)/increase in cash and cash equivalents	(231,469)	89,388
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	517,706	428,318
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 286,237	\$ 517,706
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for taxes	\$ -	\$ -
Cash paid during the year for interest	\$ -	\$ -

The attached notes and auditor's report are an integral part of these financial statements.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 1 - Organization

One To World, Inc. ("One To World") provides programs and services to make the culture and people of metropolitan New York City and the tri-state area more accessible to the international students living and studying in the tri-state area.

One to World fulfills its mission through the following programs:

Enrichment Programs - Each year, One to World works with international students and Fulbright grantees from over 140 countries through programs that enrich their experience in the New York area and broaden their understanding of contemporary life in the United States.

Fulbright Programs - One to World serves as the officially-designated coordinator of enrichment programs for visiting Fulbright grantees in the greater New York metropolitan area and is an internationally recognized leader in providing substantive, innovative, and successful educational programming. One To World creates opportunities for Fulbright grantees to meet New Yorkers, explore "behind the scenes" in American institutions and local neighborhoods, and learn about aspects of U.S culture and society they might not otherwise encounter.

Global Classroom Program - Annually, this program works with over 500 K-12 students throughout the New York area to create global citizens through interactive workshops that engage students through meaningful intercultural exchange.

One To World's primary sources of income are benefit income, contributions, and program income.

One To World has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

b. Recently Adopted Accounting Standard

Effective July 1, 2022, One to World adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. One to World elected transition relief that allows entities, in the period of adoption, to present the current period under FASB's Accounting Standards Codification ("ASC") 842 and the comparative period under FASB ASC 840. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing FASB ASU No. 2016-02, One to World recognized right-of-use ("ROU") assets of \$185,200 and lease liabilities totaling \$188,300 in its statement of financial position as of the July 1, 2022 commencement date of their lease for space.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

c. Basis of Presentation

The financial statements are presented in accordance with the provisions of FASB ASC 958: *Presentation of Financial Statements of Not-For Profit Entities*. FASB ASC 958 requires the organization to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets without Donor Restrictions* - represents all activity without donor-imposed restrictions.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors for a specific purpose or the passage of time.

d. Revenue Recognition

One To World follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized when they are considered unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under FASB ASC 958-605. In addition, government grants meet the criteria of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of the conditions being met are treated as liabilities.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

One To World follows FASB ASC 606 for recognizing revenue from contracts with customers. One To World receives program income for providing workshops, membership fees, and publication income for its student guide which fall under FASB ASC 606 and are included in the statement of activities. Revenue from workshops is recognized at the point in time that the service is provided, and the performance obligation is complete. Publication income is recognized at the point in time that the student guide is provided. Membership fees are recorded as revenue over the period that the services are provided. Fees that have been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition - Continued

Management assesses the collectability of all outstanding receivables based upon past experience, historical trends, and specific knowledge of each donor. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists, as of June 30, 2023. All receivables at June 30, 2023 are expected to be collected within one year.

e. Cash and Cash Equivalents

All liquid investments purchased with an initial maturity of three months or less are considered to be cash and cash equivalents.

f. Concentration of Credit Risk

Financial instruments that potentially subject One To World to a concentration of credit risk consist of cash accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end and at certain times throughout the year, there were uninsured balances; however, no losses were suffered due to the failure of any of these institutions.

g. Property and Equipment

Property and equipment that exceed \$1,000 and have a useful life of greater than one year are capitalized at cost and are depreciated using the straight-line method over the estimated life of the asset, as follows:

Furniture and equipment	3 - 5 years
Website development	3 years
Leasehold improvements	Life of lease

h. Donated Goods and Services

Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist One To World. In addition, services of volunteers were used to provide a wide range of services that include coordinating student activities and providing clerical and administrative support. These services have not been recognized because they do not meet the criteria outlined above.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of One To World.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

i. Functional Allocation of Expenses - Continued

Salaries were allocated using time and effort as the basis. The following costs were allocated using salary as the basis:

- Payroll taxes and employee benefits
- Occupancy costs
- Telephone
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

j. Leases

One to World determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease right-of-use asset and liability on the statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term. One to World does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that One to World will exercise that option.

k. Advertising Costs

Advertising costs are expensed as incurred.

l. Management Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

m. Summarized Comparative Financial Information

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. Such information should be read in conjunction with One To World's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

n. Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Property and Equipment

Property and equipment consist of the following:

	June 30,	
	2023	2022
Furniture and equipment - 3 - 5 year useful life	\$ 94,203	\$ 78,625
Website development - 3 year useful life	34,560	34,560
Leasehold improvements - life of lease	<u>131,222</u>	<u>131,222</u>
	259,985	244,407
Less: accumulated depreciation	<u>(244,850)</u>	<u>(227,667)</u>
Net property and equipment	<u>\$ 15,135</u>	<u>\$ 16,740</u>

Note 4 - Operating Lease Right-of-Use Asset and Operating Lease Liability

One to World leases office space in New York, NY under a non-cancelable lease, which expires on April 30, 2026 and has been determined to be an operating lease. The lease term does not include any extension options.

The ROU asset represents One to World's right to use the underlying asset for the lease term, and the lease liabilities represent One to World's obligation to make lease payments arising from this lease. The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease terms. As of June 30, 2023, the weighted-average remaining lease term for One to World's operating leases was 2.84 years. One to World has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2023 was 2.875%.

For the year ended June 30, 2023, total operating lease cost was \$52,235. Cash paid for operating leases for the year ended June 30, 2023 was \$47,998. There were no noncash investing and financing transactions related to leasing other than the ROU asset obtained in exchange for the lease liability recorded at the date of commencement.

Future minimum lease payments are as follows:

June 30, 2024	\$ 52,436
June 30, 2025	53,878
June 30, 2026	<u>45,922</u>
Total lease payments	152,236
Less: present value discount	<u>(6,204)</u>
Total present value of lease liabilities	<u>\$ 146,032</u>

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 5 - Paycheck Protection Program Loan

During the year ended June 30, 2021, One to World obtained a loan of \$144,925 from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. One to World accounted for the PPP loan as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness on this loan were met during the year ended June 30, 2022, and the full amount was recognized as revenue in 2022.

Note 6 - Employee Retention Tax Credit

During the year ended June 30, 2022, One to World claimed the Employee Retention Credit (“ERTC”) in the amount of \$122,988. The ERTC was established by the Coronavirus Relief Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filing for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must have incurred payroll costs to retain employees and had been adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

One to World accounted for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. The conditions for eligibility outlined above were met during the year ended June 30, 2022, and the full amount was recognized as revenue in 2022.

Note 7 - In-Kind Contributions

One To World recognized donated goods and services for program activities in the amounts of \$103,782 and \$33,329 for June 30, 2023 and 2022, respectively. This valuation is based on fair market value on the basis of recent comparable prices for retaining similar services or purchasing similar goods in the New York City Metropolitan area. In-kind services have been charged to program service expenses. There are no associated donor restrictions.

Note 8 - Fundraising Event

One To World holds an annual, in-person fundraising event. Special event proceeds are summarized as follows:

	June 30,	
	2023	2022
Gross revenue	\$ 466,913	\$ 690,391
Less: expenses with a direct benefit to donors	(100,390)	(142,894)
Net special event income	366,523	547,497
Less: other event expenses	(73,513)	(88,343)
Total	\$ 293,010	\$ 459,154

For the years ended June 30, 2023 and 2022, approximately 34% and 40% of One To World’s total public support and revenue, respectively, was derived from benefit income.

One To World, Inc.

Notes to Financial Statements

June 30, 2023

Note 9 - Employee Benefit Plan

One To World has a tax deferred annuity plan in accordance with the Internal Revenue Service Code Section 403(b). The plan allows employees to voluntarily contribute a portion of their salary (limited by statutory rates) to the plan to be used for retirement. The company provides a match of 1.5% to employees who have 2 years of service and 3% to those with 5 years of service. One To World contributed \$5,390 and \$5,917 to the plan during the years ended June 30, 2023 and 2022, respectively.

Note 10 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditures within one year of the statement of financial position date are as follows:

Cash and cash equivalents	\$	286,237
Pledges receivable		23,465
Employee Retention Tax Credit receivable		81,575
Program income receivable		28,150
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>419,427</u>

As part of its liquidity management, One To World operates its programs within a board approved budget and relies on contributions, grants, and earned income to fund its operations and program activities.

Note 11 - Subsequent Events

Subsequent events have been evaluated through March 22, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.