

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

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DECEMBER 31, 2017 AND 2016

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Independent Auditor's Report

To the Board of Directors
Miles of Hope Breast Cancer Foundation, Inc.
LaGrangeville, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Miles of Hope Breast Cancer Foundation, Inc. which comprise the statements of financial position as of December 31, 2017 and 2016, 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.

Auditor's 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 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 above present fairly, in all material respects, the financial position of Miles of Hope Breast Cancer, Inc. as of December 31, 2017 and 2016, and the changes in the net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Judelson, Giordano & Siegel, CPA, PC

August 24, 2018

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MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS:	<u>2017</u>	<u>2016</u>
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	155,097	123,163
Promises to Give	2,680	0
Accounts Receivable	2,000	0
Prepaid Expenses	1,172	1,280
Prepaid Insurance	389	602
Total Current Assets	<u>161,338</u>	<u>125,045</u>
<u>INVESTMENTS:</u>		
Investments at Community Foundation (at market value)	1,889,054	1,688,313
<u>FIXED ASSETS - NET:</u>		
	<u>53</u>	<u>159</u>
TOTAL ASSETS	<u><u>2,050,445</u></u>	<u><u>1,813,517</u></u>
 LIABILITIES AND NET ASSETS:		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	1,326	8,391
Deferred Revenue	1,000	0
Total Current Liabilities	<u>2,326</u>	<u>8,391</u>
<u>NET ASSETS:</u>		
Unrestricted	<u>2,048,119</u>	<u>1,805,126</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>2,050,445</u></u>	<u><u>1,813,517</u></u>

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

<u>UNRESTRICTED NET ASSETS:</u>	<u>2017</u>	<u>2016</u>
Revenue and Support:		
Fundraising and Events	377,931	380,438
Donated Items	46,268	33,396
Contributed Services	51,240	62,380
Contributions	94,350	67,316
Investment Income	39,628	36,406
Unrealized Gain in Fair Market Value of Investments	189,457	116,309
Total Unrestricted Revenue and Support	<u>798,874</u>	<u>696,245</u>
Net Assets Released from Restrictions	40,398	117,325
TOTAL UNRESTRICTED SUPPORT	<u>839,272</u>	<u>813,570</u>
 <u>EXPENSES:</u>		
Program Expenses	284,230	288,135
Administrative Expenses	99,265	93,248
Fundraising Expenses	212,784	224,846
Total Expenses	<u>596,279</u>	<u>606,229</u>
 INCREASE IN UNRESTRICTED NET ASSETS	242,993	207,341
 <u>TEMPORARILY RESTRICTED NET ASSETS:</u>		
Grants	40,398	117,325
Net Assets Released From Restrictions	(40,398)	(117,325)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>0</u>	<u>0</u>
 INCREASE IN NET ASSETS	<u>242,993</u>	<u>207,341</u>
 <u>CHANGES IN NET ASSETS:</u>		
Unrestricted Net Assets		
Beginning balance, January 1,	1,805,126	1,597,785
Increase for Year	242,993	207,341
Ending balance, December 31,	<u>2,048,119</u>	<u>1,805,126</u>

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Expenses</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2016 Total</u>
Event Expenses	9,458	0	63,480	72,938	79,810
Donated Items	0	0	46,268	46,268	33,396
Contributed Services	6,000	0	45,240	51,240	62,380
Medical Gap Care Programs	180,000	0	0	180,000	185,000
Complimentary Medicine	5,125	0	0	5,125	9,500
Peer to Peer Program	15,000	0	0	15,000	15,000
Scholarships Program	15,000	0	0	15,000	11,700
Other Grant Expense	0	0	0	0	10,000
Salary Expense	24,720	59,538	42,504	126,762	120,300
Payroll Taxes	1,999	4,813	3,436	10,248	9,875
Professional Fees	0	9,717	47	9,764	9,750
Investment Fees	14,218	0	0	14,218	13,042
Insurance	0	11,674	0	11,674	9,493
Advertising	3,146	0	1,423	4,569	6,687
Conferences & Meetings	0	0	0	0	118
Travel Expense	2,402	2,402	2,402	7,206	7,200
Website Expense	3,310	7,723	0	11,033	9,990
Office Expense	3,852	3,292	7,984	15,128	12,579
Depreciation Expense	0	106	0	106	409
Total Expenses	284,230	99,265	212,784	596,279	606,229
Functional Expenses % of Total	48%	17%	36%	100%	
Functional Expenses Without Non-Cash Items	278,230	99,265	121,276	498,771	
Functional Expenses % Without Non-Cash Items	56%	20%	24%	100%	

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Expenses	Management & General	Fundraising	Total
Event Expenses	1,334	0	78,476	79,810
Donated Items	0	0	33,396	33,396
Contributed Services	6,000	0	56,380	62,380
Medical Gap Care Programs	185,000	0	0	185,000
Complimentary Medicine	9,500	0	0	9,500
Peer to Peer Program	15,000	0	0	15,000
Scholarships Program	11,700	0	0	11,700
Other Grant Expense	10,000	0	0	10,000
Salary Expense	24,000	56,380	39,920	120,300
Payroll Taxes	1,970	4,628	3,277	9,875
Professional Fees	0	9,750	0	9,750
Investment Fees	13,042	0	0	13,042
Insurance	0	9,493	0	9,493
Advertising	1,003	0	5,684	6,687
Conferences & Meetings	38	51	30	118
Travel Expense	2,400	2,400	2,400	7,200
Website Expense	2,997	6,993	0	9,990
Office Expense	4,151	3,145	5,283	12,579
Depreciation Expense	0	409	0	409
Total Expenses	288,135	93,248	224,846	606,229
Functional Expenses % of Total	48%	15%	37%	100%
Functional Expenses Without Non-Cash Items	282,135	93,248	135,070	510,453
Functional Expenses % Without Non-Cash Items	55%	18%	26%	100%

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	242,993	207,341
<u>Adjustments to Reconcile Change in Net Assets</u>		
<u>to Net Cash Provided By Operating Activities:</u>		
Unrealized Gain in Fair Market Value of Investments	(189,457)	(116,309)
Depreciation	106	409
<u>Changes in Assets and Liabilities:</u>		
Promises to Give	(2,680)	500
Accounts Receivable	(2,000)	0
Prepaid Expense	108	(76)
Prepaid Insurance	213	(372)
Accounts Payable	(7,065)	2,792
Deferred Revenue	1,000	0
Total Adjustments	(199,775)	(113,056)
Net Cash Provided By Operating Activities	43,218	94,285
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Increase in Investment Funds, net	(11,284)	(91,109)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	0	0
NET INCREASE IN CASH	31,934	3,176
CASH & CASH EQUIVALENTS - BEGINNING	123,163	119,987
CASH & CASH EQUIVALENTS - ENDING	155,097	123,163
SUPPLEMENTARY DISCLOSURES:		
Cash Paid For:		
Interest	0	0
Income Taxes	0	0

The notes are an integral part of the financial statements.

MILES OF HOPE BREAST CANCER FOUNDATION, INC.
LAGRANGEVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Miles of Hope Breast Cancer Foundation, Inc. (the "Foundation") is a New York not-for-profit corporation that was formed on May 28, 2004. It provides funding to non-profit organizations for support services and outreach for people affected by breast cancer in the Hudson Valley, New York area. The Foundation is supported mainly through fundraising events and contributions.

Income Taxes

The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code

Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Unrestricted Net Assets

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Foundation and/or the passage of time. The Foundation did not have any temporarily restricted net assets as of December 31, 2017 and 2016.

Permanently Restricted Net Assets

Permanently restricted net assets are net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use the income earned on the related investments for specific purposes. The Foundation did not have any permanently restricted net assets as of December 31, 2017 and 2016.

Revenue Recognition

All contributions and grants received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. The Foundation has not received any support that would be classified as permanently restricted.

All donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose 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.

Cash and Cash Equivalents

For purposes of the statement of cash flow, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Promises to give for the years ended December 31, 2017 and 2016 were \$2,680 and \$0, respectively.

The Foundation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at December 31, 2017 and 2016.

Property and Equipment

Property and equipment are stated at cost. Expenditures for repairs and maintenance are charged to expense, and renewals and replacements are capitalized. Depreciation for financial reporting purposes is provided on the estimated useful lives of the assets using straight-line and declining balance methods whose results approximate those required for accounting principles generally accepted in the United States of America.

Investments

The Foundation has adopted FASB ASC 958-320-50 which requires entities to report investments in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities and changes in net assets.

Donated Materials, Services, and Facilities

During the years ended December 31, 2017 and 2016, the value of contributed materials, services, and facilities meeting the requirements for recognition in the financial statements was \$97,508 and \$95,776, respectively. The donated services were valued at \$20 per volunteer hour, and are included in contributions.

Concentration of Credit Risk

The Foundation maintains demand deposits with financial institutions. From time to time, cash balances in these accounts may exceed federally insured limits. At December 31, 2017 and 2016 there were no cash balances over the FDIC limit.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Fair Value of Financial Instruments

The Foundation has a number of financial instruments, none of which are held for trading purposes. The Foundation estimates that the fair value of all financial instruments at December 31, 2017 and 2016 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange.

Advertising Costs

The Foundation expenses the costs of advertising and promotions over the period the advertising is in effect. Advertising expenses for the years ended December 31, 2017 and 2016 was \$4,569 and \$6,687, respectively.

Functional Expenses

Functional expenses include direct expenses incurred by programs. All other expenses are deemed to be for administrative or fundraising purposes.

Programs

For the years ended December 31, 2017 and 2016 the Foundation's major programs consisted of the following:

- Scholarships for area high school seniors whose lives have been affected by breast cancer.
- Medical Gap Care Fund for individuals who are faced with life emergencies and/or costs not covered by health insurance while they are undergoing treatment for breast cancer.
- Peer to Peer is a program uniting recently diagnosed breast cancer patients with trained survivors.

Reclassifications

Certain prior period financial statement amounts have been reclassified to conform to the current period presentation.

Subsequent Events

These financial statements have evaluated subsequent events through August 24, 2018, the date the financial statements were available to be issued.

NOTE 2 - ENDOWMENT FUNDS

General Details

The Foundation's endowment consists of three Board-designated individual funds established generally to support the Foundation's stated missions and various programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2017 and 2016, the Foundation did not have any donor-restricted endowment funds. As such, the Board-designated endowment funds are classified as unrestricted net assets.

NOTE 2 - ENDOWMENT FUNDS - CONT'D

Endowment Funds are comprised as follows:	<u>2017</u>	<u>2016</u>
Miles of Hope Breast Cancer Foundation Fund	1,621,262	1,452,918
Miles of Hope Robin's Fund	33,679	34,317
Betty Howard Fund	28,504	25,256
Grant Fund	143,705	150,627
Dana Efron Scholarship	36,344	0
Michael Benecke Scholarship Fund	13,337	13,092
Betty Benecke Fund	11,669	12,103
Scholarship Fund	554	0
Total Endowment Funds	<u>1,889,054</u>	<u>1,688,313</u>
Changes in Endowment Funds are as follows:	<u>2017</u>	<u>2016</u>
Endowment Net Assets, Beginning of Year:	1,688,313	1,480,895
Investment Return:		
Investment Income	39,560	36,338
Net Unrealized Gain	<u>189,457</u>	<u>116,309</u>
Total Net Investment Return:	229,017	152,647
Transfers to Endowment Fund	245,050	293,500
Appropriation of Endowment Assets for Expenditure:	<u>(273,326)</u>	<u>(238,729)</u>
Endowment Net Assets, End of Year:	<u>1,889,054</u>	<u>1,688,313</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are held by third parties who invest the assets in a manner that is intended to produce results that exceed the price and yield results of respective industry benchmarks while assuming a moderate level of investment risk. The Foundation has no formal expectations for its endowment funds' performance, but it is anticipated to achieve a stable and healthy rate of return from year to year.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital gain appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objective within prudent risk constraints. Specifically, the Foundation utilizes an overall portfolio diversification of approximately 70% equity and 30% fixed income securities comprising the endowment funds.

NOTE 2 - ENDOWMENT FUNDS - CONT'D

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has no formal spending policy; however, the Foundation generally expends all investment earnings and realized gains it receives on program activities. Because the endowment funds are not comprised of any donor-restricted assets, the principal and all earnings are classified as unrestricted net assets. Therefore the entirety of the endowment funds are available for the broad purpose of the Foundation's mission. Distributions are made at the discretion of the Board of Directors when determining the annual budget which makes considerations for the long-term expected returns. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to continue to grow annually while satisfying the needs of the community at large. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment returns.

NOTE 3 - FAIR VALUE MEASUREMENT

Select categories of the Foundation's assets are classified by Fair Value Measurements which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

1. Level 1 inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
2. Level 2 inputs to the valuation methodology include:
 - i. Quoted prices for similar assets or liabilities in active markets;
 - ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
 - iii. Inputs other than quoted market prices that are observable for the asset or liability;
 - iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

3. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Endowment Funds: Valued at the net asset value ("NAV") of shares held by the Foundation at year end.

NOTE 3 - FAIR VALUE MEASUREMENT CONT'D

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic Equity Investments	875,730	0	0	875,730
International Equity Investments	492,197	0	0	492,197
Income Investments	220	0	0	220
Dimensional Money Market	520,907	0	0	520,907
Total Investments	<u>1,889,054</u>	<u>0</u>	<u>0</u>	<u>1,889,054</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016:

	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic Equity Investments	812,338	0	0	812,338
International Equity Investments	406,697	0	0	406,697
Income Investments	5,512	0	0	5,512
Dimensional Money Market	463,766	0	0	463,766
Total Investments	<u>1,688,313</u>	<u>0</u>	<u>0</u>	<u>1,688,313</u>

NOTE 4 - RESTRICTED NET ASSETS

As of December 31, 2017 and 2016 permanently and temporarily restricted net assets were \$0.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors as follows:

	<u>2017</u>	<u>2016</u>
Bonnie's Boxes	848	825
Millbrook Tribute Garden	15,000	15,000
C2G Environmental Consultants	0	6,000
Wills & Estates	0	50,000
Restricted Income	<u>24,550</u>	<u>45,500</u>
Total Net Assets Released From Restrictions	<u>40,398</u>	<u>117,325</u>

NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than twelve months on its balance sheet. This update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2019, with earlier application permitted. This update will be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Miles of Hope Breast Cancer Foundation is in the process of evaluating the impact of this guidance on its financial statements.

In August of 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements for Not-for-Profit Entities*. ASU 2016-14 establishes a new financial reporting framework for not-for-profit entities. This will result in changes to the presentation of the statements of financial position, activities, and cash flows. The guidance reduces the classification of net assets to two categories: (1) net assets without donor restrictions and (2) net assets with donor restriction. ASU 2016-14 also requires disclosure of quantitative and qualitative liquidity information, including how the Organization manages liquidity risk. ASU 2016-14 is effective for the fiscal years beginning after December 15, 2017. Early adoption is permitted. Management is evaluating the impact this guidance will have on the Organization's financial reporting.