

**Audited Financial Statements**

**Social Justice Learning Institute**

**June 30, 2017 and 2016**

**Quigley & Miron**

**Social Justice Learning Institute**  
**Audited Financial Statements**  
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**June 30, 2017 and 2016**

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## Independent Auditor's Report

Board of Directors  
**Social Justice Learning Institute**  
Inglewood, California

We have audited the accompanying financial statements of Social Justice Learning Institute (SJLI), a nonprofit organization, which comprise the statements of financial position as of June 30, 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

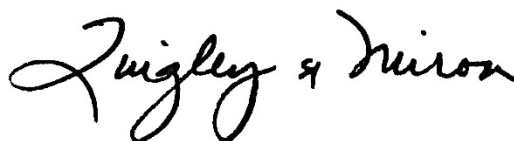
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Social Justice Learning Institute as of June 30, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Zigley & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California  
January 31, 2018

**Social Justice Learning Institute  
Statements of Financial Position  
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 432,331	\$ 4,927
Grants and contributions receivable	432,300	425,000
Government contracts receivable	129,684	20,893
Prepaid expenses	3,726	3,600
Property, net—Note 3	99,414	124,113
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b><u>\$ 1,097,455</u></b>	<b><u>\$ 578,533</u></b>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	63,001	\$ 61,926
Short-term note payable—Note 4	12,500	12,500
Note payable—Note 5	28,652	47,269
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b>104,153</b>	<b>121,695</b>
 <b>Net Assets</b>		
Unrestricted	18,875	(41,704)
Temporarily restricted—Note 7	974,427	498,542
	<u>                    </u>	<u>                    </u>
<b>Total Net Assets</b>	<b>993,302</b>	<b>456,838</b>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,097,455</u></b>	<b><u>\$ 578,533</u></b>

See notes to the financial statements.

**Social Justice Learning Institute  
Statements of Activities  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Unrestricted Net Assets</b>		
<b>Revenue, Support, and Other Income</b>		
Grants and contributions	\$ 428,694	\$ 428,781
Government contracts	329,915	192,613
Other income	17,506	6,316
Loss on disposal of property and equipment	(9,048)	
Net assets released from restrictions	570,337	159,177
	<u>1,337,404</u>	<u>786,887</u>
<b>Total Revenue, Support, and Other Income</b>	<b>1,337,404</b>	<b>786,887</b>
<b>Expenses</b>		
Program services	1,016,671	825,111
General and administrative	130,888	131,128
Fundraising	129,266	90,688
	<u>1,276,825</u>	<u>1,046,927</u>
<b>Total Expenses</b>	<b>1,276,825</b>	<b>1,046,927</b>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>60,579</b>	<b>(260,040)</b>
<b>Temporarily Restricted Net Assets</b>		
Grants and contributions	1,046,222	590,000
Net assets released from restrictions	(570,337)	(159,177)
	<u>475,885</u>	<u>430,823</u>
<b>Increase in Temporarily Restricted Net Assets</b>	<b>475,885</b>	<b>430,823</b>
<b>Change in Net Assets</b>	<b>536,464</b>	<b>170,783</b>
<b>Net Assets at Beginning of Year</b>	<u>456,838</u>	<u>286,055</u>
<b>Net Assets at End of Year</b>	<u><b>\$ 993,302</b></u>	<u><b>\$ 456,838</b></u>

See notes to financial statements.

**Social Justice Learning Institute  
Statement of Functional Expenses  
Year Ended June 30, 2017**

	<u>Program Services</u>	<u>General and Admin- istrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 372,481	\$ 83,534	\$ 69,176	\$ 525,191
Employee benefits	19,442	4,360	3,611	27,413
Payroll taxes	32,901	7,378	6,110	46,389
<b>Total Personnel Expenses</b>	<b>424,824</b>	<b>95,272</b>	<b>78,897</b>	<b>598,993</b>
Advertising and promotion	12,127	2,720	2,252	17,099
Awards and grants	2,025			2,025
Bank charges	5,913	1,326	1,098	8,337
Catering and meeting expense	45,866			45,866
Depreciation	11,101	2,489	2,061	15,651
Dues and subscriptions	1,634	366	303	2,303
Equipment rental and maintenance	4,622	1,036	858	6,516
Events and honoraria	57,798			57,798
Insurance	14,743	3,306	2,738	20,787
Interest	7,203	1,616	1,338	10,157
Internet and web hosting	1,354	304	251	1,909
Occupancy	32,754	7,345	6,083	46,182
Office expense	10,051	2,254	1,867	14,172
Postage	602	135	112	849
Printing	591	133	110	834
Professional fees	221,614	4,309	24,843	250,766
Program supplies	59,146			59,146
Public relations	1,500			1,500
Repairs and maintenance	19,101	4,284	3,547	26,932
Software and licensing	12,621			12,621
Taxes and licenses	1,469	329	273	2,071
Telephone	7,902	1,772	1,468	11,142
Travel	53,827	483		54,310
Utilities	6,283	1,409	1,167	8,859
<b>Total Expenses</b>	<b>\$ 1,016,671</b>	<b>\$ 130,888</b>	<b>\$ 129,266</b>	<b>\$ 1,276,825</b>

See notes to financial statements.

**Social Justice Learning Institute  
Statement of Functional Expenses  
Year Ended June 30, 2016**

	<b>Program Services</b>	<b>General and Admin- istrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 278,689	\$ 75,141	\$ 42,736	\$ 396,566
Employee benefits	19,998	5,392	3,067	28,457
Payroll taxes	25,315	6,826	3,882	36,023
<b>Total Personnel Expenses</b>	<b>324,002</b>	<b>87,359</b>	<b>49,685</b>	<b>461,046</b>
Advertising and promotion	5,092	1,373	781	7,246
Bank charges		10,532		10,532
Catering and meeting expense	43,059			43,059
Depreciation	13,910	3,751	2,133	19,794
Dues and subscriptions	2,574	694	395	3,663
Equipment rental and maintenance	820	221	126	1,167
Events and honoraria	44,658			44,658
Insurance	11,144	3,005	1,709	15,858
Interest	601	162	92	855
Internet and web hosting	1,412	381	217	2,010
Occupancy	23,486	6,332	3,602	33,420
Office expense	6,504	1,754	997	9,255
Postage	1,263	341	194	1,798
Printing	1,290	348	198	1,836
Professional fees	186,365	4,309	24,843	215,517
Program Supplies	44,196			44,196
Repairs and maintenance	16,864	4,547	2,586	23,997
Software and licensing	16,334			16,334
Tax and Licenses	12,218	3,294	1,874	17,386
Telephone	3,495	942	536	4,973
Travel	61,127	516		61,643
Utilites	4,697	1,267	720	6,684
<b>Total Expenses</b>	<b>\$ 825,111</b>	<b>\$ 131,128</b>	<b>\$ 90,688</b>	<b>\$ 1,046,927</b>

See notes to financial statements.



**Social Justice Learning Institute**  
**Statements of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 536,464	\$ 170,783
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,651	19,794
Loss on disposal of property and equipment	9,048	
Increase in operating assets:		
Grants and contributions receivable	(7,300)	(285,000)
Government contracts receivable	(108,791)	(20,893)
Prepaid expenses	(126)	(3,600)
Increase in operating liabilities:		
Accounts payable and accrued expenses	1,075	61,926
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>446,021</b>	<b>(56,990)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property		(19,334)
<b>Net Cash Used in Investing Activities</b>		<b>(19,334)</b>
<b>Cash Flow from Financing Activities</b>		
Principal payments on short-term notes payable		(17,500)
Advance on note payable	50,000	50,000
Principal payments on note payable	(68,617)	(2,731)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(18,617)</b>	<b>29,769</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>427,404</b>	<b>(46,555)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>4,927</b>	<b>51,482</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 432,331</b>	<b>\$ 4,927</b>
<b>Supplemental Disclosures</b>		
Income taxes paid	\$	\$
Interest paid	\$ 800	\$ 855

See notes to financial statements.

**Social Justice Learning Institute**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

**Note 1—Organization**

Social Justice Learning Institute (SJLI) is a California not-for-profit public benefit corporation dedicated to improving the education, health, and well-being of youth and communities of color. By empowering communities to enact social change through research training and community mobilization, SJLI works toward its vision of communities where individuals use their agency to improve each other's lives.

Established in Inglewood, California in 2008, SJLI works with youth, residents, schools and school districts, and local officials to advance academic, food and environmental justice through the following core areas:

*Empowering Youth Through Education*—SJLI uses education as a tool to empower youth of color to succeed as scholars, express themselves creatively and unlock their ability to transform their world. We provide culturally relevant teaching, curriculum development and academic support through a social justice lens. We provide tools and skills for youth to express themselves creatively and to take control of telling their own stories. We create pipelines for young men of color to pursue careers in the Allied Health and Medical fields. We teach youth to advocate for themselves and their communities.

*Creating Thriving Communities*—SJLI works to transform neighborhood conditions by improving access to affordable, healthy food and empowering residents with knowledge to create the changes that they want to see in their communities. We provide residents with knowledge to improve health outcomes for themselves and their community. We grow and distribute high-quality produce in areas that lack access to affordable, healthy food. We introduced and continue to manage the first farmers' market in the city of Inglewood. We teach residents to grow their own food and work with them to maintain our growing network of over 100 home, school and community gardens.

*Changing Systems*—SJLI builds capacity for community members to identify and rectify injustice and to advocate for their needs at the city, county and state level. We build youth leaders and support them in efforts to address issues impacting their communities. We convene a group of local community advocates to identify solutions for environmental and health disparities in Inglewood. We anchor a coalition of residents, businesses, community and faith organizations advocating for housing justice for Inglewood. We privilege the voice of community members, who inform and lead our research and advocacy efforts.

Program accomplishments during the year ended June 30, 2017 include the following:

*Empowering Youth Through Education*

*Urban Scholars*—The Urban Scholars program supports youth of color by providing them with the tools needed to achieve academic success and transform conditions in their communities. Programming includes individualized academic planning; Youth Participatory Action Research projects; college and career tours; and retreats. During the 2016-2017 school year, SJLI served students at the following program sites throughout Los Angeles County: Theodore Roosevelt High School, Long Beach Jordan High School, Jordan Plus High School, and Augustus F. Hawkins High School. SJLI served its largest senior class to date - 52 students - and achieved a

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 1—Organization—Continued**

100% graduation rate. SJLI also increased efforts to support Urban Scholars alumni on their journeys in college and the workforce by connecting them to resources related to academic success, tuition, and housing.

*Urban Health Fellowship*—SJLI's 2016 Urban Health Fellowship (UHF) supported its fourth cohort of Black and Latino male high school students interested in pursuing Allied Health and Medical Careers. SJLI partnered with Charles R. Drew University of Medicine and Science, Long Beach Community College, American Career College, California State University - Los Angeles, UCLA, West LA College, and Select Physical Therapy.

*Educational Partnerships*—SJLI continued to serve as an organizational program partner for two initiatives focused on improving educational outcomes for young men of color: California Community Foundation's Building a Lifetime of Options and Opportunities for Men (BLOOM) Initiative, which redirects the lives of young system-involved Black males; and JPMorgan Chase's The Fellowship Initiative, which supports Black and Latino young men's academic success.

*Creating Thriving Communities*

*Healthy Eating Active Living*—SJLI taught 161 Healthy Eating Active Living classes during the fiscal year, educating a total of 2,001 participants about healthy lifestyle habits, nutrition, physical fitness, and gardening. SJLI's Healthy Lifestyle Class was also featured on LA46, LA County's public access channel.

*Community-Supported Agriculture*—During the fiscal year, SJLI began donating more produce from the organization's own gardens to the Community-Supported Agriculture share. SJLI also began developing a Marketing and Outreach Plan for the Community-Supported Agriculture program to enhance the produce box and increase the number of subscribers.

*Inglewood Farmers' Market*—In the fall of 2016, the Inglewood Farmers' Market increased its frequency from monthly to twice a month on Market Street in Downtown Inglewood.

*100 Seeds of Change*—In November 2016, SJLI completed its original goal building a local level food system through the creation of 100 community, school and home gardens throughout Inglewood and surrounding communities. SJLI continues to support home gardeners, as well as maintain and harvest from community and school gardens.

*Changing Systems*

*Boys and Men of Color Advocacy*—As a member of the Brothers, Sons, Selves (BSS) Coalition, which advocates for alternatives to suspensions and the decriminalization of youth and communities of color, SJLI engaged youth leaders in skills-building in advocacy and organizing. Youth leaders spoke in Sacramento on behalf of SB 607, which would end willful defiance in schools.

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 1—Organization—Continued**

*Public Health and Environmental Justice*—In partnership with the American Heart Association, SJLI is engaged in educating community members about the proposed Sugar-Sweetened Beverages Tax. As part of this work, SJLI planned and hosted a successful Community Health Town Hall: Making the Healthy Choice the Easy Choice with Assemblywoman Autumn Burke. With the Healthy and Sustainable Inglewood Collaborative, SJLI also completed the Inglewood & Lennox Greening Plan, which provides community-driven strategies around green spaces, transportation, land use, air quality and water.

*Housing Justice*—SJLI became the anchor organization for the Uplift Inglewood Coalition, a community-led effort which seeks to address gentrification, displacement and housing insecurity in the City.

SJLI's principal funding sources are government contracts, foundation grants, and individual and corporate contributions.

**Note 2—Summary of Significant Accounting Policies**

Financial Statement Presentation—The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. SJLI recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of SJLI and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of SJLI.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of SJLI and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets that are restricted by the donors for investment in perpetuity. The investment income generated from these funds is available for general support of SJLI's programs and operations. There were no permanently restricted net assets as of June 30, 2017 and 2016.

Income Taxes—SJLI is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, SJLI is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

liability is not necessary at June 30, 2017 and 2016. Generally, SJLI's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash Equivalents—SJLI considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Furniture and Equipment—Furniture and equipment are capitalized if there is a useful life greater than one year and the cost is above a minimum threshold established by management of \$1,000. Furniture and equipment are valued at cost or the fair market at the date of donation. SJLI provides for depreciation and amortization of furniture and equipment on a straight-line basis over the estimated useful lives of five years.

Concentrations of Credit Risk—Financial instruments which potentially subject SJLI to concentrations of credit risk consist of cash and cash equivalents and grants and contributions receivable. SJLI places its cash, money market funds and certificates of deposit with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash and cash equivalent balances may be in excess of the FDIC insurance limits, however, it is the intention of SJLI to ensure that these balances do not exceed FDIC-guaranteed levels. Management regularly reviews the financial stability of its cash depositories and deems the risk of credit loss due to these concentrations to be minimal.

Grants and Contributions Receivable—Grants and contributions receivable consist of balances from local foundations. SJLI has determined that no allowance for potential losses due to uncollectible receivables is necessary at June 30, 2017 and 2016.

Government Contracts Receivable—Government contracts receivable consist of balances from government agencies, and consist of balances earned as contract revenue yet not settled in cash. SJLI has determined that no allowance for potential losses due to uncollectible receivables is necessary at June 30, 2017 and 2016.

Contributions—Temporarily restricted and unrestricted contributions are recorded in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Government Contracts—Government contract revenue is recognized in the applicable period in which the program is performed.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fiscal Sponsorship Agreement—Prior to the year ended June 30, 2016, SJLI was under a fiscal sponsorship agreement with Community Partners (CP), whereby CP assisted SJLI with administrative

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

support and various other activities. During the year ended June 30, 2016, SJLI began transitioning its operations away from CP; effective February 2016, the agreement was amicably terminated, and all inter-organizational transactions were cleared.

**Note 3—Property, Net**

Net property at June 30, 2017 and 2016 consists of the following:

	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ 115,071	\$ 115,071
Equipment	8,779	19,334
Vehicles	19,069	19,069
	<u>Gross</u>	<u>153,474</u>
Less accumulated depreciation and amortization	(43,505)	(29,361)
	<u>Net</u>	<u>\$ 124,113</u>

Depreciation and amortization expense amounted to \$15,651 and \$19,794 for the years ended June 30, 2017 and 2016, respectively.

**Note 4—Short-Term Note Payable**

The short-term note payable consists of an interest-free loan from a donor, due on demand. At June 30, 2017 and 2016, the balance of the short-term note payable was \$12,500.

**Note 5—Note Payable**

In June 2016, SJLI obtained a note payable for \$50,000 from a private lender. The note payable was to be paid off by 260 payments of \$217.33 due each business day, ending in February 2017. At June 30, 2016, the balance of the note payable was \$47,269.

In January 2017, SJLI obtained another note payable for \$50,000 from a private lender. The note payable shall be paid off by 260 payments of \$217.33 due each business day, ending in October 2017. At June 30, 2017, the balance of the note payable was \$28,652.

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 6—Commitments and Contingencies**

In September 2015, SJLI entered into a one-year operating lease for its headquarter facility. An addendum was agreed to which runs through August 2020, and provides for annual cost of living increases with each respective year. Rent expense related to the leased headquarter facility amounted to \$46,182 and \$33,420 for the years ended June 30, 2017 and 2016, respectively. The future minimum annual lease commitment is as follows:

<u>Year Ending June 30,</u>		
2018	\$	46,012
2019		47,622
2020		49,292
2021		8,262
	<b>Total</b>	<b>\$ 151,188</b>

**Note 7—Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2017 were available for the following purposes:

	<u>2017</u>	<u>2016</u>
Educational Equity	\$ 843,273	\$ 376,667
Health Equity		71,875
Core operating support	85,000	50,000
School garden	46,154	
	<b>Total</b>	<b>\$ 498,542</b>

**Note 8—Recent Accounting Pronouncements**

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for SJLI in 2020; early adoption is permitted. SJLI is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Net Assets Presentation—In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU

**Social Justice Learning Institute**  
**Notes to Financial Statements—Continued**

**Note 8—Recent Accounting Pronouncements—Continued**

No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for SJLI for the year ending June 30, 2018. Early adoption is permitted. SJLI is currently evaluating the impact that the adoption of ASU 2016-14 will have on its financial statements.

**Note 9—Subsequent Events**

Subsequent events were evaluated by management through January 31, 2018, which is the date the financial statements were available to be issued, and it was concluded that no additional subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.