

# **Junior League of Salt Lake City, Inc.**

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**Audited Financial Statements**

**May 31, 2019**

# Junior League of Salt Lake City, Inc.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Junior League of Salt Lake City, Inc.  
Salt Lake City, UT

### Report on the Financial Statements

We have audited the accompanying financial statements of Junior League of Salt Lake City, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

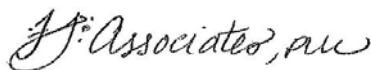
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Junior League of Salt Lake City, Inc. as of May 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



FJ & Associates, PLLC  
Kaysville, Utah  
October 25, 2019

**Junior League of Salt Lake City, Inc.**  
**Statement of Financial Position**  
**May 31, 2019**

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**Assets**

Current assets:

Cash and cash equivalents	\$ 149,073
Accounts and other receivables	16,629
Investments-unrestricted	216,633
Prepaid expenses	12,296
Total current assets	394,631

Restricted deposits:

Investments	901,563
Cash and cash equivalents	68,957
Total restricted deposits	970,520

Property and equipment:

Land	250,000
Buildings and improvements	725,410
Furniture and equipment	176,399
Total property and equipment	1,151,809
Less accumulated depreciation	(508,384)
Net property and equipment	643,425

**Total assets**

**\$ 2,008,576**

See accompanying notes to financial statements

**Junior League of Salt Lake City, Inc.**  
**Statement of Financial Position (continued)**  
**May 31, 2019**

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**Liabilities and Net Assets**

Current liabilities:

Accrued liabilities	\$ 12,872
Prepaid membership dues	22,334
Total current liabilities	<u>35,206</u>

Total liabilities	<u>35,206</u>
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Net assets:

Without Donor Restrictions	1,002,850
With Donor Restrictions	<u>970,520</u>

Total net assets	1,973,370
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<b>Total liabilities and net assets</b>	<b><u><u>\$ 2,008,576</u></u></b>
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See accompanying notes to financial statements

**Junior League of Salt Lake City, Inc.**  
**Statement of Activities**  
**Year Ended May 31, 2019**

**Changes in net assets without donor restrictions**

**Support, revenues, gains and losses**

Contributions	\$	35,396
In-kind donations		649,088
Membership dues		32,853
Special events		34,839
Investment return		14,568
Meetings, seminars, and program fees		11,356
Merchandise sales, net of cost of goods sold of \$2,120		652
<b>Total support, revenues, gains and losses</b>		<b>778,752</b>

Net assets released from restrictions

Satisfaction of restrictions		106,525
Total net assets released from restrictions		106,525

**Total support, revenues, gains and losses  
and satisfaction of restrictions**

**885,277**

**Expenses**

Program services		
CARE Fair		702,687
Women Helping Women and other		78,396
Support services		
Management and general		187,014
Fundraising		67,930
<b>Total operating expenses</b>		<b>1,036,027</b>

**Other Expenses**

Loss on Disposal of Inventory		61,187
<b>Total expenses</b>		<b>1,097,214</b>

**Total changes in net assets without donor restrictions**

**(211,937)**

**Changes in net assets with donor restrictions:**

Contributions		219,069
Investment return		1,508
Total revenues		220,577

Net assets released from restrictions

Satisfaction of restrictions		(106,525)
Total net assets released from restrictions		(106,525)

**Total changes in net assets with donor restrictions**

**114,052**

**Increase (decrease) in net assets**

(97,885)

Net assets, beginning of year		2,071,255
Net assets, end of year		\$ 1,973,370

See accompanying notes to financial statements

**Junior League of Salt Lake City, Inc.**  
**Statement of Functional Expenses**  
**Year Ended May 31, 2019**

	C.A.R.E Fair	Women Helping Women and other	Total program services	Management and general	Fundraising	Total support services	Totals
Accounting	\$ -	\$ -	\$ -	\$ 6,900	\$ -	\$ 6,900	\$ 6,900
Advertising	3,385	-	3,385	4,049	-	4,049	7,434
Clothing	-	55,844	55,844	-	-	-	55,844
Cost of books sold	-	-	-	-	2,120	2,120	2,120
Day care	2,723	-	2,723	-	-	-	2,723
Depreciation	10,400	13,371	23,771	1,189	4,754	5,943	29,714
Dues and subscriptions	-	-	-	218	-	218	218
Education and promotion	-	-	-	3,764	-	3,764	3,764
Facility expense	10,760	-	10,760	3,441	4,690	8,131	18,891
Food and beverages	7,068	-	7,068	14,213	15,246	29,459	36,527
Items given to clients	22,137	718	22,855	-	-	-	22,855
Medical and dental care	25,384	-	25,384	-	-	-	25,384
Membership outreach	-	-	-	3,256	-	3,256	3,256
Miscellaneous	-	-	-	62,277	11,469	73,746	73,746
Payroll and benefits	-	-	-	63,679	-	63,679	63,679
Postage	180	434	614	506	-	506	1,120
Printing	3,045	-	3,045	631	721	1,352	4,397
Professional fundraising	-	-	-	-	27,354	27,354	27,354
Professional services	590,786	-	590,786	-	-	-	590,786
Repairs and maintenance	3,623	2,902	6,525	366	-	366	6,891
Security	48	-	48	-	-	-	48
Software	-	-	-	99	-	99	99
Storage	2,327	-	2,327	-	-	-	2,327
Supplies	18,385	282	18,667	2,038	74	2,112	20,779
Telephone	686	1,372	2,058	343	1,029	1,372	3,430
Travel	-	-	-	18,148	-	18,148	18,148
Utilities	1,311	2,622	3,933	655	1,966	2,621	6,554
Website	439	851	1,290	1,242	627	1,869	3,159
Total expenses	<u>702,687</u>	<u>78,396</u>	<u>781,083</u>	<u>187,014</u>	<u>70,050</u>	<u>257,064</u>	<u>1,038,147</u>
Less expenses included with revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,120)</u>	<u>(2,120)</u>	<u>(2,120)</u>
Total expenses statement of activities	<u>\$ 702,687</u>	<u>\$ 78,396</u>	<u>\$ 781,083</u>	<u>\$ 187,014</u>	<u>\$ 67,930</u>	<u>\$ 254,944</u>	<u>\$ 1,036,027</u>

See accompanying notes to the financial statements

**Junior League of Salt Lake City, Inc.**  
**Statement of Cash Flows**  
**Year Ended May 31, 2019**

<b>Cash flows from operating activities:</b>	
Increase (decrease) in net assets	\$ (97,885)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:	
Depreciation	29,714
Realized and unrealized gains and losses on investments	119,315
Loss on disposal of inventory	61,187
Decrease (increase) in:	
Accounts receivable	3,024
Inventory	3,786
Prepaid expenses	(1,440)
Increase (decrease) in:	
Accrued liabilities	5,606
Membership dues	(3,470)
Net cash provided by (used in) operating activities	119,837
<b>Cash flows from investing activities:</b>	
Purchase of investments	(129,354)
Proceeds from sale of investments	1,809
Net cash provided by (used in) investing activities	(127,545)
<b>Cash flows from financing activities:</b>	
Net cash provided by (used in) financing activities	-
Net increase (decrease) in cash and equivalents	(7,708)
Cash and equivalents at beginning of year	225,738
<b>Cash and equivalents at end of year</b>	<b>\$ 218,030</b>
<b>Supplemental information</b>	
Cash paid for interest	\$ -
Cash paid for income taxes	\$ -

See accompanying notes to financial statements



**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

**1. Organization and Summary of Significant Accounting Policies**

Organization

Junior League of Salt Lake City, Inc. (the Organization) is a non-profit corporation organized in the State of Utah for the purpose of promoting volunteerism, developing the potential of women, and improving communities through the effective action of leadership of trained volunteers. A significant Organization's program is the CARE Fair, an annual two day event for families needing routine medical services and community assistance information. Another significant Organization program is Women Helping Women, a project which Organization volunteers collect, prepare, and distribute donated professional women's clothing to women entering the workforce who are in transition toward self-sufficiency. The Organization's purpose is exclusively educational and charitable.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit entities, Presentation of Financial Statements, and Accounting Standards Update ("ASU") 2016-14. Under the standards, the Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions based upon the following criteria:

**WITHOUT DONOR RESTRICTIONS**

The net assets without donor restrictions represent expendable funds available for operations which are not otherwise limited by external donor restrictions.

**WITH DONOR RESTRICTIONS**

The net assets with donor restrictions which is comprised of temporarily restricted net assets and permanent restricted net assets. Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized at cost. Contributions of property and equipment are capitalized and recorded at estimated fair market value as unrestricted support, unless time or purpose restrictions are stipulated by the donor, in which case they are recorded as temporarily or permanently restricted net assets. Depreciation and amortization is computed over the following estimated useful lives using the straight-line method over the estimated lives as follows.

<u>Major Groupings</u>	<u>Useful Lives (years)</u>
Building	15-39
Building improvements	7-39
Furniture and equipment	3-7

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

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**1. Organization and Summary of Significant Accounting Policies (continued)**

Property and Equipment (continued)

The Organization periodically evaluates its property and equipment for other-than-temporary impairment and considers a write down to fair value if it does not exceed carrying value. As of May 31, 2019, the Organization had not recorded any impairment loss on its long-lived assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expense during the reporting period. Actual results could differ from those estimates. Significant estimates that may change in the near term include fair value of long-lived assets and related impairment, if any.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for federal or state income tax. The Organization remains subject to income taxes on net income that is derived from a trade or business, regularly carried on, and not for the exempt purpose for which the Organization was granted exemption status. In the opinion of management, the Organization does not have any unrelated business income subject to taxation.

ASC Topic 740, Income Taxes, provides guidance on how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation by management of tax positions taken or expected to be taken in preparation of the Organization's tax returns to determine if the positions are more-likely-than-not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. Tax years that remain subject to examination are 2016 and forward.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Endowment and Investment Policies and Objectives

The endowment of the Organization includes two components. Endowment funds which have been designated by the Board of Directors are classified as unrestricted board designated, and endowment funds restricted by external donors are classified as permanently restricted. The Organization has a formal investment policy which sets out performance criteria and investment guidelines. Spending policies, including distributions, are set by the Board of Directors. The earnings and contributions are restricted and reinvested until the principal balance has reached a specified amount yet to be determined by the Board of Directors.

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

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**1. Organization and Summary of Significant Accounting Policies (continued)**

Endowment and Investment Policies and Objectives (continued)

The funds are held in cash and cash equivalents and a variety of investments. The objectives of the investment program are to ensure the safety and preservation of the invested funds and to provide liquidity of investments sufficient to meet the needs of the Organization.

Accounts Receivable and Pledges Receivable

Accounts and pledges receivable are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted. Pledges receivable due later than one year are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using imputed interest rates applicable to the years in which pledges are received. Discounts on pledges to give that are measured at present value are amortized between the date the pledge is initially recognized and the date the cash or other contributed assets are received.

Investments

The Organization records the investments at fair value on the date of purchase or donation and recognizes the unrealized gain or loss resulting from the difference between cost and market value in the statement of activities.

Recently Issued Accounting Pronouncements

The Organization has reviewed the recently issued FASB Codification Updates (ASU's) for the year ended May 31, 2019, and have determined that none of the recently issued accounting updates will have a material effect on the fair presentation of these financial statements.

Inventory

The Organization publishes and sells a cookbook as a program activity. The inventory of books is carried at the lower of cost or fair market value. The Organization assessed the fair market value to be \$0 of all inventory and therefore wrote off the balance of \$61,187.

Contributions

Contributions are recognized when the donor makes a promise to give that is unconditional and are considered to be available for unrestricted use unless restricted by the donor. Amounts that are restricted for future periods or restricted for specific purposes are reported as temporarily restricted or permanently restricted support. When a time restriction expires or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Membership Dues

Membership dues are deferred when received and recognized over the period that membership benefits are provided.

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

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**1. Organization and Summary of Significant Accounting Policies (continued)**

In-kind Contributions

Donated property, marketable securities, and other noncash donations are recorded as contributions at their estimated fair value as of the date of the donation. The Organization receives contributions of clothing and accessories and donates the goods to women in need of such items. The estimated fair value of the clothing and accessories donated each year to third parties is recorded as in-kind contributions with an off-setting program expense. In-kind contributions and expenses related to this program totaled \$37,423 for the year ended May, 31, 2019.

Donated services are recognized as contributions and recorded at their estimated fair market value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills; are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recorded donated services meeting the above criteria totaling \$611,665 for the year ended May 31, 2019. These donated services primarily include medical and dental professionals who donate their service for C.A.R.E Fair.

In addition, many individuals have donated significant amounts of their time in governance, program services, and resource development efforts. No amounts have been reflected in the financial statements for these volunteer services since they did not meet the criteria for recognition.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense was approximately \$7,434 for the year ended May 31, 2019.

Functional Allocation of Expense

The costs of programs and supporting services has been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

Fair Value of Financial Instruments

The Organization has adopted the provisions of Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements. ASC Topic 820 provides a fair value framework that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable input (Level III). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

**1. Organization and Summary of Significant Accounting Policies (continued)**

Fair Value of Financial Instruments (continued)

FASB ASC 820 Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Accordingly, when market observable data is not readily available, the Organization's own assumptions are set to reflect those that market participants would be presumed to use in pricing the asset or liability at the measurement date. Financial assets and financial liabilities recorded in the balance sheet at fair value are categorized based on the reliability of inputs to the valuation techniques as follows:

**Level I-** Financial assets and financial liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization can access. Examples include prices derived from NYSE, NASDAQ, Chicago Board of Trade, and Pink Sheets.

**Level II-** Financial assets and financial liabilities whose values are based on (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in non-active markets, or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability. Examples include Matrix pricing, market corroborated pricing, and inputs such as yield curves and indices.

**Level III-** Financial assets and financial liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial liabilities. Examples include Investment Manager Pricing for Private Placements, Private Equities, Hedge Funds, etc.

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

Concentration of Credit and Market Risk

The Organization maintains its cash and cash equivalent balances at a financial institution located in Salt Lake City, Utah. The deposits may exceed their federally insured limit of \$250,000 established by the FDIC. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

The Organization also maintains accounts with a brokerage firm. The accounts contain cash and securities. The balances are insured by the Securities Investors Protection Corporation up to \$500,000 with a \$250,000 limit for cash claims. Due to the level of risk associated with investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

**1. Organization and Summary of Significant Accounting Policies (continued)**

Concentration of Credit and Market Risk (continued)

Primarily all revenues and receivables are from members and donors located in Salt Lake County, Utah.

**2. Investments and Fair Value**

As of May 31, 2019, investments consisted of money market and cash equivalents, mutual funds, equity securities, and certificates of deposits as follows:

Cash & Cash alternatives	\$ 100,439
Fixed income	367,253
Equity securities	719,461
Total	<u>\$ 1,187,153</u>

Unrestricted investment return for the year ended May 31, 2019 is as follows:

Investment return, unrestricted:

Interest and dividends	\$ 58,616
Broker fees	(10,313)
Net realized and unrealized gain (loss)	(33,735)
Investment return, unrestricted	<u>\$ 14,568</u>

Restricted investment return for the year ended May 31, 2019 is as follows:

Net realized and unrealized gain (loss)	\$ 1,508
Investment return, restricted	<u>\$ 1,508</u>

The fair values of the financial instruments shown in the following tables represent the amounts that would be received to sell those assets in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset at the measurement date, the fair value measurement reflects the Organization's judgments about the assumptions that market participants would use in pricing the asset. Those judgements are based on the best information available included expected cash flows, and appropriately risk-adjusted interest rates, and available observable and unobservable inputs.

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

**2. Investments and Fair Value (continued)**

Assets measured at fair value on a recurring basis as of May 31, 2019 are as follows:

	Total	Level I	Level II	Level III
Cash alternatives	\$ 100,439	\$ 100,439	\$ -	\$ -
Fixed income	367,253	367,253	-	-
Equity securities	719,461	719,461	-	-
Total investments	\$ 1,187,153	\$ 1,187,153	\$ -	\$ -

**3. Net Assets With Donor Restrictions**

Net assets with donor restrictions totaling \$970,520 at May 31, 2019 represent long-term investments and program funds (described below). Investment and interest income related to the long-term investments of \$489,904 is considered donor restricted until the principal balance has reached a specified amount yet to be determined by the Board of Directors, at which time future earnings will be released to cover administrative expenses of the Organization.

Net assets with donor restrictions as of May 31, 2019 are as follows:

CARE Fair	\$ 199,945
Women Helping Women program	130,225
Building Fund	149,545
Other	901
Long-Term Investments	489,904
	\$ 970,520

**4. Cash Deposits**

At May 31, 2019, the carrying amount of the Organization's cash deposits was \$213,679 and the bank balance was \$221,690. Of the bank balance, \$221,690 was covered by federal depository insurance.

**5. Endowment**

The Organization's endowment includes board designated funds held as quasi-endowments in donor-restricted funds. These funds are classified and reported based on the existence or absence of donor imposed restrictions. In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Organization's policy is to preserve fair value of the original gift.

**Junior League of Salt Lake City, Inc.**  
**Notes to Financial Statements**  
**Year Ended May 31, 2019**

**5. Endowment (continued)**

The earnings and realized and unrealized appreciation of the endowment funds are restricted and reinvested until the principal balance has reached a specified amount yet to be determined by the Board of Directors, at which time future earnings will be released to cover administrative expenses of the Organization.

Changes in net assets with donor restrictions that are board designated and net assets with donor restrictions that are endowment funds are as follows:

	Board Designated	Net Assets With Donor Restrictions - Endowment	Total
<b>Endowment net assets, beginning of year</b>	\$ 355,583	\$ 124,940	\$480,523
Investment return:			
Investment gains (losses)	7,873	1,508	9,381
<b>Endowment net assets, ending of year</b>	\$ 363,456	\$ 126,448	\$489,904

**6. Fundraising**

The total fundraising revenue and expenses for May 31, 2019 is \$43,806 and \$67,930, respectively .

**7. Inventory**

Inventory has been valued at \$0 by vote of the board of directors in the current year. The Organization will discontinue sales of these cookbooks in all subsequent years.

**8. Subsequent Events**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through October 25, 2019, which is the date the financial statements were available to be issued. The Organization did not identify any subsequent events or transactions that should be disclosed.