



Certified Public Accountants

TECHNOVATION (formerly IRIDESCENT)

Financial Statements

Year Ended December 31, 2020

Together with Independent Auditor's Report

**TECHNOVATION
(formerly IRIDESCENT)**

TABLE OF CONTENTS

	<u>PAGE(S)</u>
FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOWS	4
STATEMENT OF FUNCTIONAL EXPENSES	5
NOTES TO FINANCIAL STATEMENTS	6 - 13



Certified Public Accountants

Zuehls, Legaspi & Company

350 South Figueroa Street, Suite 437
Los Angeles, California 90071
Tel: 213-972-4033 Fax: 213-972-4034

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Technovation (formerly Iridescent)

Report on Financial Statements

We have audited the accompanying statement of financial position of Technovation, a California nonprofit corporation, as of December 31, 2020 and the related statements of activities, cash flows, and functional expenses 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 the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit 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 Technovation'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 Technovation'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 in the first paragraph present fairly, in all material respects, the financial position of Technovation, as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Los Angeles, California
August 5, 2020

**TECHNOVATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,263,906
Pledge receivable	25,000
Prepaid expenses	19,070

	2,307,976
--	-----------

Property and equipment, net	18,648
Security deposits	2,890

	\$ 2,329,514
--	--------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 25,279
Accrued expenses	3,000
Payroll liability	67,206

	95,485
--	--------

LONG-TERM LIABILITIES

Loan payable	150,000
--------------	---------

	150,000
--	---------

	245,485
--	---------

COMMITMENT

NET ASSETS

Without donor restrictions	2,084,029
With donor restrictions	-

	2,084,029
--	-----------

	\$ 2,329,514
--	--------------

The accompanying notes are an integral part of these financial statements.

**TECHNOVATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES			
Grants	\$ 1,653,229	\$ -	\$ 1,653,229
Contributions	592,351	-	592,351
Program revenue	8,115	-	8,115
Others	2,777	-	2,777
	<u>2,256,472</u>	<u>-</u>	<u>2,256,472</u>
Net assets released from restrictions	-	-	-
	<u>2,256,472</u>	<u>-</u>	<u>2,256,472</u>
EXPENSES			
Program services	1,931,688	-	1,931,688
Management and general	466,615	-	466,615
Fundraising	384,555	-	384,555
	<u>2,782,858</u>	<u>-</u>	<u>2,782,858</u>
CHANGE IN NET ASSETS	(526,386)	-	(526,386)
NET ASSETS AT BEGINNING OF YEAR	<u>2,610,415</u>	<u>-</u>	<u>2,610,415</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,084,029</u>	<u>\$ -</u>	<u>\$ 2,084,029</u>

The accompanying notes are an integral part of these financial statements.

**TECHNOVATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

OPERATING ACTIVITIES

Change in net assets	\$ (526,386)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Amortization and depreciation	11,666
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Pledge and grants receivables	87,817
Other receivable	196
Prepaid expenses	(835)
Increase (Decrease) in:	
Accounts payable	(19,581)
Accrued expenses	3,000
Payroll liability	28,593
	28,593
NET CASH USED IN OPERATING ACTIVITIES	(415,530)

INVESTING ACTIVITIES

Purchase of property and equipment	(4,595)
	(4,595)
NET CASH USED IN INVESTING ACTIVITIES	(4,595)

FINANCING ACTIVITIES

Proceeds from loan	150,000
	150,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	150,000

CHANGE IN CASH AND CASH EQUIVALENTS (270,125)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 2,534,031

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 2,263,906

The accompanying notes are an integral part of these financial statements.

**TECHNOVATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Advertising costs	\$ 133,090	\$ -	\$ -	\$ 133,090
Contract services	38,347	-	-	38,347
Disposal	124	-	-	124
Employee benefits	146,704	35,628	27,245	209,577
Equipment expense	6,501	2,783	2,781	12,065
Insurance	-	13,649	2,039	15,688
Office expenses	26,916	8,796	2,532	38,244
Professional development	-	3,757	-	3,757
Professional fees	53,419	41,108	119,338	213,865
Program materials & other	89,108	-	-	89,108
Promotion	63,470	-	-	63,470
Rent	3,922	42,724	-	46,646
Repair and maintenance	-	400	-	400
Salaries	1,237,419	300,516	229,807	1,767,742
Sub-award/grants to partners	110,500	-	-	110,500
Taxes	-	489	-	489
Travel	10,845	1,898	813	13,556
Utilities	-	14,524	-	14,524
Total before amortization and depreciation	1,920,365	466,272	384,555	2,771,192
Amortization and depreciation	11,323	343	-	11,666
TOTAL EXPENSES	\$ 1,931,688	\$ 466,615	\$ 384,555	\$ 2,782,858

The accompanying notes are an integral part of these financial statements.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1: NATURE OF ORGANIZATION

Founded in 2006 by Tara Chklovski, Technovation (formerly Iridescent) is a global tech education nonprofit. The organization's mission is to empower girls and their families to use cutting-edge technology, such as mobile and Artificial Intelligence (AI), to solve real-world problems in their communities.

Technovation provides training and mentorship to girls to not merely learn to code, but to apply coding and entrepreneurship skills to drive progress against the very structures - cultural, social, political, and economic - that constrain them. Our goal is to increase the empowerment of women and minority groups; measured through significant increases in access to learning resources, voice, influence, agency, and achievements.

Our programs take participants through a 12-week technology-entrepreneurship curriculum that goes beyond basic coding to help them develop real-world problem solving, collaboration, metacognition and complex systems-thinking skills. Our programs rely on the dedication and support of volunteers spanning program leaders, mentors and judges. Volunteers engage in activities that build their own professional skills - like collaboration, creative thinking, and problem solving - while supporting and guiding program participants. All of Technovation's curriculum is free and available online.

To date, our programs have reached more than 300,000 youth, parents, educators and volunteers globally. 91% of students participating in our programs increased their sense of self-efficacy as problem solvers, and our program alumni build the confidence and skills to be TED speakers and hold technical positions at global tech organizations like Google, Amazon and Facebook.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Classification and Reporting of Funds

Under the main provisions of ASU 2016-14 net assets and changes in net assets are presented only for two classes: net assets with donor restrictions and net assets without restrictions, rather than the three classes: unrestricted, temporarily restricted and permanently restricted.

ASC 958-205-45 requires Technovation to report all of its expenses in the assets without donor restrictions (unrestricted), regardless of the source of the funds for the expenditures. A transfer of expenses from the assets without donor restrictions (unrestricted) to the assets with donor restrictions (restricted) will be reported, if applicable, to match the restricted revenue with the restricted expenses.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents consist of demand deposits with maturities of 90 days or less and cash on hand.

Operating bank accounts	\$	2,251,640
Cash account		12,266
Total cash and cash equivalents	\$	<u>2,263,906</u>

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term Investments

Short-term investments consist of highly liquid US treasury bills with terms to maturity greater than ninety days but not more than one year that are readily convertible to cash.

Receivables

Grants receivable consist primarily of noninterest-bearing amounts due for services, educational and training programs. Technovation determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectable.

Property and Equipment, Depreciation and Amortization

Property and equipment are carried at cost or, if donated, at estimated fair value on the date of the gift. Depreciation is computed using the straight-line method over useful lives of three to ten years for equipment and furniture.

Technovation capitalizes property and equipment with a cost of over \$1,000 and estimated life of three or more years. Technovation capitalizes expenditures or betterments that materially increase asset lives and charge ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the related lease term.

Computer software and video library are amortized on a straight-line method over the estimated useful lives of three years for software and ten years for the video.

Unconditional Promise to Give

Unconditional promises to give are recorded at their net realizable value. Unconditional promises to give due in one year or more are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Contributions Received

Contributions received are recorded as net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the contributions were recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction end or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition

In accordance with ASC 606 and 958-25, contractual program service revenue is earned as Technovation performs services and expense funds in furtherance of the contracts' objectives.

Donated Materials, Services and In-Kind Contributions

Donated materials and other non-cash contributions are recognized at their estimated market value at the date of receipt. Contributions of services are recognized when received if such services (a) enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

For the year ended December 31, 2020, Technovation did not receive any donated services and in-kind donation.

Functional Allocation of Expenses

The cost of providing Technovation's programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated based on an allocation study, which encompasses factors such as square footage. Salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and others are allocated on the basis of estimated time and effort.

Accordingly, certain costs have been allocated to program services, management and general, and fundraising. The functional classifications are defined as follows:

- *Program service expenses* – consist of costs incurred in connection with providing services and conducting programs.
- *Management and general expenses* – consist of costs incurred in connection with the overall activities of the organization, which are allocable to another functional expense category.
- *Fundraising costs* – are expensed as incurred, even though they may result in contributions received in future years. Technovation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions. Joint costs (if any) would be allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Technovation is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170 (b)(1)(A)(vi) and (viii), and has been determined not to be private foundation under IRC Sections 509(a). The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Technovation has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

GAAP provides accounting and disclosure guidance about positions taken by an organization on its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Technovation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Under the general three-year statute of limitations, Technovation's returns for years ended December 31, 2017, 2018 and 2019 are subject to examination by federal and state taxing authorities for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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, and those differences could be material.

NOTE 3: FINANCIAL INSTRUMENTS AND CREDIT RISK

Deposit concentration risk was managed by placing cash, money market accounts and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Technovation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from large corporations with strong performance histories, governmental agencies, and foundations supportive of the mission.

Technovation maintains its cash balances at a single financial institution. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At December 31, 2020, Technovation's uninsured cash balance was \$2,001,639.

NOTE 4: PLEDGE RECEIVABLE

Pledge receivable consists of unconditional promises to give that is expected to be collected in future years. Pledge receivable is reviewed for collectability and reserves for uncollectible amounts are established when needed. Management believes that the pledge amount is fully collectible and therefore no reserve is reflected in the financial statements.

At December 31, 2020, the amount of pledge receivable was \$25,000.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5: PREPAID EXPENSES

Prepaid expenses consist of amounts paid in advance for items that had not yet occurred as of the end of the fiscal year period. The amount of prepaid expenses at December 31, 2020 was \$19,070.

NOTE 6: PROPERTY AND EQUIPMENT, NET

Property and equipment at December 31, 2020 consisted of the following:

		<u>Amount</u>
Computer software	\$	872,108
Building Improvements		64,891
Computer equipment		28,668
Video Library		93,777
Furniture and equipment		<u>20,622</u>
		1,080,065
Less accumulated amortization and depreciation		<u>(1,061,417)</u>
Property and equipment, net	\$	<u><u>18,648</u></u>

		<u>Cost Basis</u>		<u>Acc Dep</u>
Beginning balance as of Jan 1, 2020	\$	1,077,303	\$	1,049,751
New in current year		2,886		11,790
Disposal in current year		(124)		(124)
Ending balance as of Dec 31, 2020	\$	<u>1,080,065</u>	\$	<u>1,061,417</u>

Amortization and depreciation expense for the year ended December 31, 2020 amounted to \$11,666.

NOTE 7: SECURITY DEPOSIT

A security deposit in the amount of \$2,890 was paid by Technovation for their studio lease and utilities. The security deposit will be refunded to Technovation upon expiration and termination of the lease and services.

NOTE 8 – LOAN PAYABLE

SBA Economic Injury Disaster Loan

On June 19, 2020, Technovation received a loan from the Small Business Administration (SBA) in the amount of \$150,000 under the SBA Economic Injury Disaster business loan plan enacted by the U.S. government. The SBA loan is payable to the US Treasury in monthly installments of \$612.36 payable in 30 years subsequently with an annual interest rate of 2.75% and payments starts five months after funding.

Technovation received a notice of loan payment deferment from SBA that requires them to begin making regular principal and interest payments 24 months from the date of the Note's effective date with the first payment due on or about August 1, 2022.

At December 31, 2020, long-term loan payable was \$150,000 and no payment made as of current period.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8: LOAN PAYABLE (continued)

Following is a summary of scheduled payments on outstanding obligations as of December 31, 2020:

Year ending December 31,		
2022	\$	3,062
2023		7,348
2024		7,348
2025		7,348
2026		7,348
Thereafter		<u>187,996</u>
Total scheduled payments		220,450
Less: portion representing interest		<u>70,450</u>
Loan Payable	\$	<u>150,000</u>

NOTE 9: LEASE COMMITMENT AND RENT

Technovation entered into a lease agreement to rent approximately 1,438 sq. ft. of rentable space for the Los Angeles (LA) Studio location. On April 16, 2020, Technovation signed a 36 months lease agreement which commenced on June 1, 2020 with an extended lease term until May 31, 2022.

The lease term from June 1 - December 31, 2020 was at a rate of \$2,749.85 per month.

Future annual minimum lease payments are as follows:

January 1, 2021 - May 31, 2021	\$	13,749
June 1, 2021 - May 31, 2022		32,998

The rent expense for this office space for the year ended December 31, 2020 was \$32,998.

Technovation also leases co-working spaces in San Francisco. It is on a month-to-month basis, varies according to number of employees and there is no lease commitment for the organization.

The total rent expense, including the month-to-month rent, for the year ended December 31, 2020 is \$46,646.

NOTE 10: ADVERTISING COSTS

Advertising costs are expensed as incurred and included in the statement of functional expenses. For the year ended December 31, 2020, advertising costs amounted to \$133,090.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 2,263,906
Grants receivable	<u>-</u>
Total	<u><u>\$ 2,263,906</u></u>

As part of Technovation's liquidity management plan, cash is retained in excess of daily requirements in short-term instruments such as, CDs, and money market funds. Occasionally, the Board may designate a portion of any operating surplus (if any) to its investments. As of December 31, 2020, the financial assets available for general expenditures totaled \$2,263,906.

NOTE 12: NET ASSETS

As of December 31, 2020, the net assets without donor restrictions amounted to \$2,084,029 and with donor restrictions was \$0 respectively.

NOTE 13: RETIREMENT PLAN

Effective September, 2016, Technovation provided a 401(k) and Roth plan to all eligible full-time exempt employees who have completed one (1) year of service and at least 21 years of age. Technovation will make a matching contribution after two (2) years of services equal to 100% of the first 5% of compensation deferred with immediate vesting starting from May, 2020. The 401(K) plan expenses and relative administrative fee for the year ended December 31, 2020 were \$29,255 and \$2,499, respectively.

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS

ASU 2016-02

For lessees, any leases that are over 12 months in duration will need to be presented on the entity's statement of financial position as a right-to-use asset and corresponding liability for the obligation to pay rent. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional renewal periods if the lessee is reasonably certain to exercise an option to extend the lease. The present value should be calculated using the discount rate implicit in the lease (if determinable) or the lessee's incremental borrowing rate. The asset will be depreciated, and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. As of this report date, ASU 2016-02 will be effective for fiscal years beginning after December 15, 2020. Early adoption is allowed.

**TECHNOVATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15: RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended December 31, 2020.

NOTE 16: COVID-19 EFFECTS

COVID-19 pandemic has developed rapidly in 2020 and 2021, with a significant number of cases. Measures taken by governments to contain the virus have affected economic activity. Technovation has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its employees and consumers (such as social distancing, working from home, and virtual service/program/event delivery) and securing the supply of personal protective equipment materials that are essential to its continuation of services.

At this stage, the impact on Technovation's business and results has not been significant and based on experience to date Technovation expects this to remain the case. Technovation will continue to follow the various government policies and advice and will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its employees and consumers.

Below are some of the specific ways Technovation was affected:

- Reduction in fundraising resulting in loss of revenue
- Change from in person World Summit and other events to virtual events only.
- Employees worked from home instead of some working at Technovation working spaces
- Reduction in expenses such as travel, events, rents.

As a result, the Technovation's operations and financial standing have been slightly impacted. Technovation is continuously monitoring the impact on the results of operations and financial performance of the pandemic, which are uncertain at this time and cannot be reasonably estimated.

The Technovation's financial standing remained intact since all grant agreements were approved and funded for the year ended December 31, 2020.

NOTE 17: SUBSEQUENT EVENT

In accordance with ASC 855, subsequent events through August 5, 2021, the date of these financial statements, were evaluated. There were no material subsequent events that require recognition or additional disclosure in these financial statements.