

KIDS KICKING CANCER, INC.
(a Michigan not-for-profit corporation)

FINANCIAL STATEMENTS
December 31, 2019 and 2018

KIDS KICKING CANCER, INC.
(a Michigan not-for-profit corporation)

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BERGER, GHERSI & LADUKE PLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Kids Kicking Cancer, Inc.
Southfield, Michigan

We have audited the accompanying financial statements of

Kids Kicking Cancer, Inc.
(a Michigan not-for-profit corporation)

which comprise the Statements of Financial Position as of December 31, 2019 and 2018, 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 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 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 **Kids Kicking Cancer, Inc.** as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



BERGER GHERSI & LADUKE PLC
Certified Public Accountants

August 20, 2020

KIDS KICKING CANCER, INC.
(a Michigan not-for-profit corporation)

STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 1,678,481	\$ 1,163,637
Short-term investments	250,000	1,000,000
Prepaid expenses	<u>21,664</u>	<u>12,875</u>
Total current assets	1,950,145	2,176,512
Net property and equipment	<u>90,335</u>	<u>119,119</u>
Total assets	<u>\$ 2,040,480</u>	<u>\$ 2,295,631</u>

LIABILITY AND NET ASSETS

Current liability:		
Accounts payable	<u>\$ 4,000</u>	<u>\$ 17,132</u>
Net assets:		
Without donor restrictions		
Undesignated	1,662,780	1,903,222
Designation by the Board	<u>45,045</u>	<u>117,065</u>
	<u>1,707,825</u>	<u>2,020,287</u>
With donor restrictions		
Designated by donor	<u>328,655</u>	<u>258,212</u>
	<u>328,655</u>	<u>258,212</u>
Total net assets	<u>2,036,480</u>	<u>2,278,499</u>
Total liability and net assets	<u>\$ 2,040,480</u>	<u>\$ 2,295,631</u>

See accompanying notes to the financial statements.

KIDS KICKING CANCER, INC.
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STATEMENTS OF ACTIVITIES
For the years ended December 31, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Contribution income	\$ 1,320,308	\$ 365,800	\$ 1,686,108
State grants	186,950		186,950
Investment income	37,344		37,344
Donated materials and services	278,175		278,175
Net assets released from restrictions	<u>295,357</u>	<u>(295,357)</u>	<u> </u>
Total revenue	<u>2,118,134</u>	<u>70,443</u>	<u>2,188,577</u>
Expenses:			
Program expenses	1,869,261		1,869,261
Management and general	331,051		331,051
Fundraising	<u>230,284</u>		<u>230,284</u>
Total expenses	<u>2,430,596</u>		<u>2,430,596</u>
Change in net assets	(312,462)	70,443	(242,019)
Net assets, beginning of year	<u>2,020,287</u>	<u>258,212</u>	<u>2,278,499</u>
Net assets, end of year	<u>\$ 1,707,825</u>	<u>\$ 328,655</u>	<u>\$ 2,036,480</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Contribution income	\$ 2,827,707	\$ 317,000	\$ 3,144,707
State grants	117,813		117,813
Investment income	5,179		5,179
Donated materials and services	284,356		284,356
Net assets released from restrictions	<u>73,788</u>	<u>(73,788)</u>	<u> </u>
Total revenue	<u>3,308,843</u>	<u>243,212</u>	<u>3,552,055</u>
Expenses:			
Program expenses	1,343,493		1,343,493
Management and general	238,345		238,345
Fundraising	<u>181,618</u>		<u>181,618</u>
Total expenses	<u>1,763,456</u>		<u>1,763,456</u>
Change in net assets	1,545,387	243,212	1,788,599
Net assets, beginning of year	<u>474,900</u>	<u>15,000</u>	<u>489,900</u>
Net assets, end of year	<u>\$ 2,020,287</u>	<u>\$ 258,212</u>	<u>\$ 2,278,499</u>

See accompanying notes to the financial statements.

KIDS KICKING CANCER, INC.
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STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (242,019)	\$ 1,788,599
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	28,784	19,213
Changes in assets and liabilities:		
Prepaid expenses	(8,789)	3,978
Accounts payable	(13,132)	12,771
Cash flows from operating activities	(235,156)	1,824,561
Cash flows from investing activities:		
Purchase/redemption of investments	750,000	(1,000,000)
Acquisition of fixed assets	(75,486)	(75,486)
Cash flows from investing activities	750,000	(1,075,486)
Net change in cash and cash equivalents	514,844	749,075
Cash, beginning of year	1,163,637	414,562
Cash, end of year	\$ 1,678,481	\$ 1,163,637
Supplemental disclosures:		
Interest paid	\$ 0	\$ 0

See accompanying notes to the financial statements.

KIDS KICKING CANCER, INC.
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STATEMENTS OF FUNCTIONAL EXPENSES
(continued)
For the years ended December 31, 2019 and 2018

	2019			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 533,067	\$ 178,183	\$ 102,593	\$ 813,843
Payroll tax expense	39,053	12,797	7,461	59,311
Health insurance	23,541	14,999	3,343	41,833
Employer 401(k) match	7,543	1,424	1,461	10,828
Payroll and benefit services		16,288		16,288
Worker's compensation insurance	4,395	942	942	6,279
Total payroll expenses	607,599	224,633	115,800	948,032
Advertising	2,905	2,993	2,905	8,803
Automobile expenses	3,566	223	669	4,458
Business expenses	4,149	4,149	4,148	12,446
Credit card processing fees		7,554		7,554
Depreciation	28,587	99	98	28,784
Design services	12,568		6,190	18,758
Donated services	273,175			273,175
Family support	3,221			3,221
Fundraising	10,121		40,485	50,606
Insurance	14,544	6,658		21,202
Occupancy costs	33,768	7,236	7,236	48,240
Office and business expenses	19,509	9,755	9,754	39,018
Outside contract services	300,951	43,511	18,129	362,591
Patient transportation	5,421			5,421
Postage and delivery	2,023	2,084	2,023	6,130
Printing	18,118	2,788	6,968	27,874
Professional fees		7,610		7,610
Program expenses	370,638			370,638
Supplies	34,049			34,049
Travel - local	28,328			28,328
Travel expenses	61,424		10,840	72,264
Uniforms and equipment	17,799			17,799
Utilities	16,798	11,758	5,039	33,595
Total expenses	\$ 1,869,261	\$ 331,051	\$ 230,284	\$ 2,430,596

See accompanying notes to the financial statements.

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STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended December 31, 2019 and 2018

	2018			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 427,330	\$ 97,676	\$ 85,466	\$ 610,472
Payroll tax expense	34,039	7,780	6,808	48,627
Health insurance	26,854	6,138	5,371	38,363
Employer 401(k) match	5,762	1,317	1,152	8,231
Payroll and benefit services		5,329		5,329
Worker's compensation insurance	2,665	610	533	3,808
Total payroll expenses	496,650	118,850	99,330	714,830
Advertising	806	807	806	2,419
Automobile expenses	3,310	207	621	4,138
Business expenses	2,180	2,181	2,180	6,541
Credit card processing fees		4,111		4,111
Depreciation	18,686	264	263	19,213
Design services	3,026		3,027	6,053
Donated services	108,385			108,385
Family support	1,350			1,350
Fundraising	9,967		39,870	49,837
Insurance	13,963	4,508		18,471
Occupancy costs	33,120	8,280	7,306	48,706
Office and business expenses	11,824	5,913	5,913	23,650
Outside contract services	243,045	74,845		317,890
Patient transportation	10,143			10,143
Postage and delivery	2,409	2,409	2,409	7,227
Printing	6,029	1,508	7,536	15,073
Professional fees		7,610		7,610
Program expenses	207,178			207,178
Program instructors	72,178			72,178
Supplies	17,822			17,822
Travel expenses	55,571		5,506	61,077
Uniforms and equipment	19,000			19,000
Utilities	6,851	6,852	6,851	20,554
Total expenses	\$ 1,343,493	\$ 238,345	\$ 181,618	\$ 1,763,456

See accompanying notes to the financial statements.

KIDS KICKING CANCER, INC.
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE A - Summary of Significant Accounting Policies

Nature of activities - Kids Kicking Cancer, Inc. (KKC) is a domestic, not-for-profit corporation whose purpose is to develop programs to ease the pain of very sick children while empowering them to heal physically, spiritually and emotionally.

Method of accounting - The financial statements are prepared on the accrual basis of accounting.

Cash and cash equivalents - KKC defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Promises to give - Contributions are recognized when the donor makes a promise to give to the Organization 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions. There were no unconditional promises to give made in 2019 or 2018 that were not received by year end.

Accounts receivable - The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As there were no unconditional promises to give not collected by December 31, 2019 or 2018, there are no accounts receivable recorded in these financial statements. Accordingly, no allowance for doubtful accounts is necessary at December 31, 2019 and 2018.

Property and equipment - Capital additions to property and equipment exceeding \$5,000 are recorded at cost if purchased or, if donated, at fair market value at the date of the gift. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, generally three to ten years. Total depreciation expense for the years ended December 31, 2019 and 2018 was \$28,784 and \$19,213, respectively.

Income taxes - KKC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

KKC's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Functional allocation of expenses - The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE A - Summary of Significant Accounting Policies (continued)

Net assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets of KKC are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue recognition - KKC receives substantially all of its revenue from individual and corporate donors in the form of contributions.

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend, are substantially met.

KKC reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets.

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, and those differences could be material.

NOTE B - Concentration of Credit Risk

KKC has concentrated its credit risk for cash by maintaining deposits in financial institutions which may, at times, exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. KKC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE C - Date of Management's Review

Management has evaluated subsequent events through the date of the auditors' report, which is the date the financial statements were available to be issued.

The impact on KKC's 2020 financial activities cannot be assessed as of the date of our audit report as there exists a significant uncertainty about the future impact of COVID-19 on the global economy during this ongoing pandemic situation.

KIDS KICKING CANCER, INC.
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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE D - Property and Equipment

The major categories of property and equipment at December 31 are summarized as follows:

	Depreciable Lives	2019	2018
Computers and equipment	5 to 10 years	\$ 3,950	\$ 3,950
Program/Medical equipment	5 years	38,747	38,747
Vehicles	5 years	143,770	143,770
Total property and equipment		186,467	186,467
Less: Accumulated depreciation		96,132	67,348
Net property and equipment		\$ 90,335	\$ 119,119

NOTE E - Donated Materials and Services

The value of donated materials, included as contributions on the Statement of Activities, was \$234,780 and \$212,187 for the years ended December 31, 2019 and 2018, respectively. These materials were used for and are included in program expenses with on the Statements of Functional Expenses, with \$5,000 of donated materials per year categorized in uniforms.

The value of donated services, included as contributions on the Statements of Activities, was \$38,395 and \$72,178 for the years ended December 31, 2019 and 2018, respectively. These services were used for and are included in program expenses on the Statements of Functional Expenses.

NOTE F - Advertising Costs

Advertising costs were expensed as incurred. Total advertising expense for the years ended December 31, 2019 and 2018 was \$8,803 and \$2,419, respectively.

NOTE G - Concentration of Donors

In 2019 and 2018, approximately 14% and 38%, respectively, of total revenue was received from one donor.

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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE H - Leases

KKC has a 3 year lease agreement which began in June 2013 for its administrative office. The lease was first amended on April 12, 2016 for an additional 3 years. On December 17, 2019, the lease was amended a second time for an additional 3 years. The lease calls for base rental payments of \$6,652 per month through December 31, 2021, and base rental payments of \$7,136 per month through December 31, 2022.

Minimum payments under the administrative lease are as follows for the years ending December 31:

2020	\$	79,826
2021		79,826
2022		85,631

Total rental expense for the administrative offices for the years ended December 31, 2019 and 2018 totaled \$48,000 and \$48,000, respectively, and are included in occupancy costs on the Statements of Functional Expenses.

KKC has an automobile lease with an original lease date of August 20, 2018. Monthly payments of \$318 commenced on August 20, 2018. The total amount paid on this lease in 2018 was \$1,590. These amounts are included in automobile expenses on the Statements of Functional Expenses. The term of the lease is 36 months.

Minimum payments under this lease are as follows for the years ending December 31:

2020	\$	3,811
2021		2,326

NOTE I - Functional Expenses

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 on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE J - Retirement Plan

KKC started a 401(k) retirement savings plan in 2016, which covers all eligible employees. KKC matches employee contributions to a maximum of 2%. The matching contribution was \$10,348 and \$8,231 for the years ended December 31, 2019 and 2018, respectively.

NOTE K - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Impact 100 Grant	\$ 26,300	\$ 91,701
Martial Arts Art Therapy Program	120,500	166,511
KKC - Oak Park Schools Program	<u>181,855</u>	<u>166,511</u>
 Total	 <u>\$ 328,655</u>	 <u>\$ 258,212</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Salary for fundraising staff member	\$ 91,701	\$ 15,000
Martial Arts Art Therapy Program	203,656	25,299
KKC - Oak Park Schools Program	<u>203,656</u>	<u>33,489</u>
 Total	 <u>\$ 295,357</u>	 <u>\$ 73,788</u>

During 2017, a contribution of \$20,000 was received with a donor restriction that the funds be used towards the salary of the staff member dedicated to fundraising. \$5,000 of the contribution had been used for the staff member's salary and released. The remaining amount of \$15,000 had not met the donor-imposed restriction as December 31, 2017 and was reported as a temporarily restricted net asset. The \$15,000 was returned to the donor in March 2018.

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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE L - Board Designations Net Assets Without Restrictions

KKC's governing board through specific action or through management policy has created self-imposed limits on net assets without donor restrictions. The board has earmarked \$45,045 and \$117,065 for the following purposes as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
For funding KKC's virtual reality program	\$ 45,045	\$ 117,065

NOTE M - Liquidity and Availability of Financial Assets

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

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,678,481	\$ 1,163,637
Short-term investments	<u>250,000</u>	<u>1,000,000</u>
Total	<u>\$ 1,928,481</u>	<u>\$ 2,163,637</u>

All board and donor amounts with restrictions limiting use at year end were designated to be used within a year.

As part of KKC's liquidity management plan, KKC invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE N - Fair Value Measurements

KKC reports required types of financial instruments in accordance with fair value accounting standards. Fair value is the price 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. In determining fair value, KKC attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the information is provided according to the fair value hierarchy, classified in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

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NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2019 and 2018

NOTE N - Fair Value Measurements (continued)

KKC holds short-term investments that are excess operating cash. These investments are meant to be short-term and able to convert to cash if needed to cover operating expenses. Short-term investments consist of commercial paper with original maturities of greater than three months but less than one year. These investments are considered available-for-sale and are recorded at fair value. As of December 31, 2019 and 2018, the difference between the fair value of the short-term investments and the original cost was not material.

The following is a description of the valuation methodologies used for assets:

Certificates of deposit (traditional): Valued at cost, which approximates fair value. As of December 31, 2019 and 2018, short term investments consisted of certificate of deposit at financial institutions, with interest rates ranging from 2.45% to 2.7% and with various maturity dates.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2019 and 2018:

	Assets at Fair Value as of:			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
December 31, 2019:				
Certificates of deposit	\$ 250,000	\$	\$ 250,000	\$
Total investments at fair value	\$ 250,000	\$	\$ 250,000	\$

	Assets at Fair Value as of:			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
December 31, 2018:				
Certificates of deposit	\$ 1,000,000	\$	\$ 1,000,000	\$
Total investments at fair value	\$ 1,000,000	\$	\$ 1,000,000	\$

NOTE O – New accounting pronouncements

During 2019, KKC adopted Accounting Standards Update (ASU 2014-09), *Revenue from Contracts with Customers* (Topic 606), as amended. This includes criteria on how entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management has determined that this ASU did not significantly impact KKC's financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement includes both, the recipient is not entitled to the transferred assets until it has overcome the barriers in the agreement. Management has determined that this ASU did not significantly impact KKC's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE N - New accounting pronouncements

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangement. The ASU is effective for non public entities beginning after December 15, 2020. Early adoption is permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

KKC plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.