ACLU OF ARIZONA AND
ACLU FOUNDATION OF ARIZONA

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

**FOR THE YEARS ENDED MARCH 31, 2016
AND 2015**

September 21, 2016

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ACLU FOUNDATION OF ARIZONA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
ACLU of Arizona and ACLU Foundation of Arizona

Report on Financial Statements

We have audited the accompanying consolidated financial statements of the ACLU of Arizona, (a nonprofit organization) and its affiliate, the ACLU Foundation of Arizona which comprise the consolidated statements of financial position as of March 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the ACLU of Arizona and its affiliate, the ACLU Foundation of Arizona, as of March 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lumbard & Associates, PLLC

(A Division of The Pun Group, LLP)

Phoenix, AZ
September 21, 2016

FINANCIAL STATEMENTS

ACLU OF ARIZONA AND ACLU FOUNDATION OF ARIZONA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,484,061	$ 1,786,820
Investments	601,645	164,901
Due from National American Civil Liberties Union, Inc.	13,788	4,343
Prepaid expenses and other assets	18,065	29,073
TOTAL CURRENT ASSETS	2,117,559	1,985,137
PROPERTY AND EQUIPMENT, NET	9,206	20,905
TOTAL ASSETS	$ 2,126,765	$ 2,006,042
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 3,433	$ 7,188
Accrued payroll and related costs	56,490	72,743
Deferred revenue	-	6,620
Due to National American Civil Liberties Union, Inc.	142,123	41,151
TOTAL CURRENT LIABILITIES	202,046	127,702
TOTAL LIABILITIES	202,046	127,702
NET ASSETS		
Unrestricted	1,826,064	1,777,669
Temporarily restricted	87,259	88,607
Permanently restricted	11,396	12,064
TOTAL NET ASSETS	1,924,719	1,878,340
TOTAL LIABILITIES AND NET ASSETS	$ 2,126,765	$ 2,006,042

Read the accompanying Notes to the Consolidated Financial Statements.

ACLU OF ARIZONA AND ACLU FOUNDATION OF ARIZONA
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016			
SUPPORT AND OTHER REVENUES	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT				
Donations	$ 470,514	$ -	$ -	$ 470,514
Bequests	148,436	-	-	148,436
Legal services donated	2,540,878	-	-	2,540,878
Other in-kind donations	5,135	-	-	5,135
TOTAL PUBLIC SUPPORT	3,164,963	-	-	3,164,963
OTHER REVENUES				
Grant revenue	269,279	160,000	-	429,279
Shared membership revenues	149,707	-	-	149,707
Legal fees awarded	194,827	-	-	194,827
Investment income (loss), net	(23,085)	-	(688)	(23,773)
TOTAL OTHER REVENUES	590,728	160,000	(688)	750,040
NET ASSETS RELEASED FROM RESTRICTIONS	161,348	(161,348)	-	-
TOTAL SUPPORT AND OTHER REVENUES	3,917,039	(1,348)	(688)	3,915,003
EXPENSES				
Program services	3,453,362	-	-	3,453,362
Management and general	283,626	-	-	283,626
Fundraising and development	131,636	-	-	131,636
TOTAL EXPENSES	3,868,624	-	-	3,868,624
CHANGE IN NET ASSETS	48,415	(1,348)	(688)	46,379
NET ASSETS, Beginning of year	1,777,669	88,607	12,064	1,878,340
NET ASSETS, End of year	$ 1,826,084	$ 87,259	$ 11,376	$ 1,924,719

Read the accompanying notes to the consolidated financial statements.

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 923,048	$ -	$ -	$ 923,048
7,890	-	-	7,890
3,201,799	-	-	3,201,799
7,085	-	-	7,085
4,139,822	-	-	4,139,822
421,564	302,500	-	724,064
155,462	-	-	155,462
790,631	-	-	790,631
7,167	-	588	7,755
1,374,824	302,500	588	1,677,912
254,924	(254,924)	-	-
5,769,570	47,576	588	5,817,734
4,263,012	-	-	4,263,012
298,793	-	-	298,793
158,230	-	-	158,230
4,720,035	-	-	4,720,035
1,049,535	47,576	588	1,097,699
728,134	41,031	11,476	780,641
$ 1,777,669	$ 88,607	$ 12,064	$ 1,878,340

ACLU OF ARIZONA AND ACLU FOUNDATION OF ARIZONA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 46,379	$ 1,097,699
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,699	14,658
Unrealized (gains) on investments	26,244	(6,085)
(Increase)/decrease in assets:		
Due from American Civil Liberties Union, Inc.	(9,445)	(797)
Grants receivable	-	-
Prepaid expenses	11,008	(6,734)
Increase/(decrease) in liabilities:		
Accounts payable	(3,755)	(6,933)
Accrued payroll and taxes	(16,253)	37,236
Deferred revenue	(6,620)	6,620
Due to National American Civil Liberties Union, Inc.	100,972	(190,038)
NET CASH PROVIDED BY OPERATING ACTIVITIES	160,229	945,626
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	37,046	37,844
Purchase of investments	(500,034)	(32,857)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(462,988)	4,987
Net increase in cash and cash equivalents	(302,759)	950,613
Cash and cash equivalents at beginning of year	1,786,820	836,207
Cash and cash equivalents at end of year	$ 1,484,061	$ 1,786,820

Read the accompanying notes to the consolidated financial statements.

Note 1 – Description of the Organization and Nature of Operations

The ACLU of Arizona (the "Organization") is comprised of two separate corporate entities, the ACLU of Arizona, (the "Union") and the ACLU Foundation of Arizona, (the "Foundation")

The ACLU of Arizona is a not-for-profit membership organization that was incorporated in Arizona in 1968. The Union's purpose is to maintain and protect civil liberties in Arizona through legislative advocacy and public education. The Union lobbies at the local and state levels, working to influence public policies that threaten individual rights. The Union also is responsible for engaging and informing members on how to safeguard personal freedoms and build political power.

The ACLU Foundation of Arizona is an Arizona not-for-profit corporation that was incorporated in 1971. The Foundation was organized to maintain and protect civil liberties in Arizona through public education and litigation. The Foundation defends constitutional guarantees outlined in the Bill of Rights, and works to extend rights to segments of the population that have traditionally been denied their rights, including people of color; lesbians, gay men, bisexual and transgendered people; women; mental-health patients; prisoners; people with disabilities; and the poor.

The Union and the Foundation share equipment, office space, personnel and operating costs. The Union and the Foundation reimburse each other to support their respective share of operations.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include both the ACLU of Arizona and ACLU Foundation of Arizona. The Foundation is included in the consolidation because ACLU of Arizona has both an economic interest in the Foundation and control of the Foundation through a majority voting interest in its governing board. All material inter-organization transactions have been eliminated in the consolidated financial statements.

Basis of Accounting

The Organization prepares its consolidated financial statements in accordance with generally accepted accounting principles in the United States of America, which are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues and gains are recognized in the period in which they are earned and expenses and losses are recognized in the period in which the liability is incurred.

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Financial Accounting Standards Board ("FASB") commonly referred to as accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Union or Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes. Only the Foundation had permanently restricted net assets during the fiscal years presented.

Cash and Cash Equivalents

For purpose of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. Cash held in financial institutions are insured up to a maximum limit of $250,000 by the Federal Deposit Insurance Corporation (FDIC). Management does not believe there is a material risk due to balances held in excess of FDIC coverage.

Investments

Investments are recorded at fair market value as determined by quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change of net assets in the accompanying statements of activities.

The Organization's policy is to liquidate stock donations immediately upon receipt, therefore, the related gains or losses on the sale of stock are recognized in the financial statements in the year of the acquisition.

Property and Equipment

Land, buildings, equipment and furniture with a cost of $5,000 or more and an estimated life of more than one year are capitalized. Property and equipment are stated at cost or, if acquired through donation, at fair value on the date of acquisition. Expenditures for routine repairs and maintenance are charged to operations as incurred. Expenditures that substantially extend the useful life of an asset are capitalized. Depreciation is calculated on the straight-line method over the following useful lives:

Furniture	7 years
Equipment	5 years
Software	3 years

Note 2 – Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities, which represent financial instruments and, with none being held for trading purposes, approximate the carry values of such amounts.

Accounting principles generally accepted in the United States of America define fair value, establish a framework for measuring fair value and establish disclosures about fair value measurements. Assets and liabilities recorded at fair value in the Consolidated Statements of Financial Position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

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

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full terms of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Donated Services

Donated services are recognized as contributions at their estimated fair value if the services (a) create or enhance the Organization's non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The contributed services are reflected as unrestricted revenues with an equal and offsetting amount in unrestricted expenses in the statements of activities resulting in no net impact on the changes in net assets during the year.

The Foundation handles litigation cases by using the services of cooperating attorneys who donate their services to the Foundation and its clients. These services are reported in the financial statements as described above.

Additionally, unpaid volunteers contributed time to develop the programs of the Union and the Foundation. The value of this time is not reflected in the financial statements because it does not meet the requirements for recognition.

Major Revenue Sources

The Union's major sources of revenue are base renewable income (shared membership revenues) and bequests. The Foundation's major sources of revenue are donated legal services, contributions, legal fee awards and grants from the National ACLU Foundation and other institutional funders.

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Tax Status

The Union and the Foundation are exempt from Federal and Arizona income taxes. The Union is exempt under Section 501(c)(4) of the Internal Revenue Code, as amended, and the Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code, as amended. Neither the Union nor the Foundation accrued any income or excise tax because they did not have any unrelated business income activities subject to those taxes.

Under the guidance of *Accounting for Uncertainty in Income Taxes*, the Organization utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement.

At March 31, 2016, management believes there were no uncertain tax positions. The Organization is no longer subject to income tax examination for the years prior to 2011.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 3 – Investments

Investments consisted primarily of stocks and securities held by a major financial institution and in a trust fund held by the American Civil Liberties Union Foundation, Inc., (National ACLUF). The following is a summary of the inputs used in valuing the Organization's assets carried at fair value at March 31, 2016 and 2015:

Valuation Inputs	2016	2015
Level 1 – quoted prices	$ 11,444	$ 3,000
Level 2 – other significant observable inputs	590,201	161,901
Level 3 – significant unobservable inputs	-	-
Total investments	$ 601,645	$ 164,901

Note 3 – Investments (Continued)

Investment income is summarized as follows:

	2016	2015
Interest and dividends	$ 24,126	$ 1,902
Management fees	(5,502)	-
Interest and dividends, net	18,624	1,902
Net realized and unrealized (losses) gains	(42,397)	5,853
Total investment (loss) income	$ (23,773)	$ 7,755

Note 4 - Property and Equipment

Property and equipment owned by the Union and Foundation as of March 31, 2016 and 2015 consisted of office furniture and equipment as follows:

	2016	2015
Union	$ 8,229	$ 8,229
Foundation	88,069	89,743
Total Property and Equipment	96,298	97,972
Less: accumulated depreciation	(87,092)	(77,067)
Net Property and Equipment	$ 9,206	$ 20,905

Depreciation expense for the Union for each of the years ended March 31, 2016 and 2015 was $256. Depreciation expense for the Foundation for the years ended March 31, 2016 and 2015 were $11,443 and $14,402 respectively.

Note 5 – Accrued Payroll and Related Costs

The Union and the Foundation employees are permitted to carry forward personal time off (PTO) for accrued vacation. Per the Organization's personnel policy, no more than ten days of vacation can be carried over past hire date anniversary. The accrued PTO, wages and related costs payable for the years ended March 31, 2016 and 2015 are as follows:

	2016	2015
Personal time off	$ 29,702	$ 32,066
Accrued wages	26,788	39,741
Other related costs	-	936
Total accrued payroll & taxes	$ 56,490	$ 72,743

Note 6 - Restricted Net Assets

Temporarily Restricted

The Union and Foundation receive grants from the American Civil Liberties, Inc., the American Civil Liberties Union Foundation, Inc. and other organizations, as well as private donations earmarked for specific projects. These projects are tracked as they progress, and any unexpended monies for those earmarked projects are carried forward as temporarily restricted net assets.

As of March 31, 2016 and 2015, the temporarily restricted net assets for the Union and Foundation included:

	2016	2015
US Mexico Border Litigation Project	$ -	$ 702
Sunrise (NEO/Philanthropy)	-	29,405
CMC Religious Exemption	-	50,000
Reproductive Freedom Initiative	-	8,500
NEO Philanthropy	37,259	-
Gill Foundation	50,000	-
Total Temporarily Restricted Net Assets	$ 87,259	$ 88,607

Permanently Restricted

As of March 31, 2016 and 2015, the Union did not have any permanently restricted net assets.

The Foundation shares in the Bill of Rights Trust pool with other affiliates and the National ACLU Foundation which is classified as permanently restricted. In accordance with the terms of the Trust, the Foundation is permitted to withdraw 4 percent of their balance each year. As of March 31, 2016 and 2015, the Foundation's share of that trust was $11,396 and $12,064 respectively.

Note 7 - Retirement Plans

Defined Benefit Plan

The American Civil Liberties Union Retirement Plan is a defined benefit multi-employer plan which covers eligible employees of the national organization of the American Civil Liberties Union, Inc., and the American Civil Liberties Union Foundation, Inc., and state affiliates, which includes the Union and the Foundation. Effective April 1, 2009, this plan was frozen for new participants. All funds of the plan are held by Principal Mutual Life Insurance Company under a benefit index payment plan.

Note 7 - Retirement Plans (Continued)

Defined Benefit Plan

The defined benefit plan includes numerous participating affiliates. It is not practicable for the actuary to compute accumulated and projected benefit obligations for individual affiliates. Accumulated and projected benefit obligations and other required disclosures for the plan covering all participating entities are presented in the National ACLU consolidated financial statements. The Annual Required Employer contributions to the plan for the years ended March 31, 2016 and 2015 were as follows:

Defined Benefit Plan Contribution:	2016	2015
Union	$ 939	$ 12,147
Foundation	16,506	38,784
Total Defined Benefit Plan Contribution	$ 17,445	$ 50,931

401(k) Plan

On July 1, 2000, the American Civil Liberties Union, Inc. and the American Civil Liberties Union Foundation, Inc., and affiliates, established a 401(k) pension plan for the benefit of regular employees. This plan is available for eligible employees hired before April 1, 2009. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the 401(k) plan on the first day of the calendar quarter following thirty days of service. Employees may contribute up to the maximum allowed by current legislation.

ERISA 404(c) Plan

This plan is available for eligible employees hired after April 1, 2009. Employees that are at least 21 years old and not enrolled in any other ACLU qualified plan are eligible to participate immediately. Plan participants may contribute up to 80% of their pay each year up to a maximum amount permitted per the current tax laws. The Organization contributes 2% of the participant's gross wages, as well as matching the first 1% employee deferral and 50% of the next 5% deferred. Participants are always 100% vested in their employee deferrals. The Plan follows a two year vesting schedule for employer contributions and matches. Employer contributions to the ERISA 404(c) plan for the Union and Foundation for the years ended March 31, 2016 and 2015 were as follows:

404(c) Plan Contribution:	2016	2015
Union	$ 1,276	$ 526
Foundation	18,346	8,325
Total 404(c) Contribution	$ 19,622	$ 8,851

Note 8 - Related Party Transactions

The Organization shares both membership fees and tax-deductible donations with the National ACLU and the National ACLU Foundation. The ACLU National office utilizes a complex revenue sharing formula for distributing and collecting funds from local affiliates. For any year in which the Arizona affiliates raise more in donations than the National Office raises on behalf of Arizona, the Arizona affiliate must pay the difference to National and vice versa. The net receivable or payable for the years ended March 31, 2016 and 2015 were as follows:

Due (to)/from National:	2016	2015
Union:		
Base Renewal Income share	$ 15,288	$ 9,843
Revenue sharing	(1,500)	(5,000)
Membership dues	-	(500)
Total due from National	13,788	4,343
Foundation:		
Revenue sharing	(142,123)	(41,151)
Grants	-	-
Bequests	-	-
Total due (to) National	(142,123)	(41,151)
Net due (to)/from National	$ (128,335)	$ (36,808)

For the years ended March 31, 2016 and 2015, the Union received $149,707 and $155,462 respectively of Shared Membership income from the National ACLU.

In 2010, the Foundation agreed to participate in the Strategic Affiliate Initiative, a one-time capacity-building grant from the National ACLU Foundation that provides funding for key staff positions. The grant is scheduled to end in 2018. For the years ended March 31, 2016 and 2015, the Foundation received $224,279 and $321,564 respectively from this grant.

Note 8 - Related Party Transactions (Continued)

For the years ended March 31, 2016 and 2016, the Foundation incurred $76,416 and $99,549 respectively of net expenses on behalf of the Union to pay for operating costs. During the year, the Union transferred cash to the Foundation based on an estimate of shared expenses. At the financial position dates of March 31, 2016 and 2015, there were outstanding related party balances for the shared expenses as follows:

Due to/from Arizona related entities:	2016	2015
Union:		
Due (to)/from Foundation	$ (6,878)	$ (33,611)
Foundation:		
Due (to)/from Union	6,878	33,611
Total due (to)/from Arizona related entities	$ -	$ -

Note 9 - Commitments and Contingent Liabilities

Commitments

The Organization has two agreements to lease office spaces under operating leases, the one expiring April 30, 2016 with an option to renew was extended for 65 full calendar months and shall now expire on September 30, 2021 and the other is on month to month basis ending July 31, 2016. The Union's and Foundation's portions of the lease expense for the years ended March 31, 2016 and 2015 were:

Lease Expense:	2016	2015
Union	$ 8,967	$ 8,117
Foundation	59,360	58,332
Total lease expense	$ 68,327	$ 66,449

The total future operating lease payments are as follows:

Year ending March 31,	
2017	$ 76,443
2018	73,406
2019	75,219
2020	77,031
2021	75,269
Thereafter	39,210
	$ 416,578

Note 9 - Commitments and Contingent Liabilities (Continued)

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; personal injuries; and natural disasters. The Organization carries commercial insurance for all such risks of loss. There were no claims during the audit periods. The insurance coverage is reviewed annually for adequate loss protection.

Litigation

The Union and Foundation are contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the Organization's management, their insurance coverage is deemed adequate to cover claims relating to normal operations, and decisions that might adversely impact the Organization would not have a material effect on the financial statements. Accordingly, no provision for possible losses is reflected in the financial statements. The Union and Foundation were not involved, as of the close of field work, in any pending or threatened litigation that would be expected to materially affect the Organization's financial position and results of operations at March 31, 2016 or 2015.

Note 10 - Concentrations

For the fiscal years ended March 31, 2016 and 2015, the Union and the Foundation received a large portion of their revenue from the National ACLU and National ACLU Foundation including shared revenues and grants. These concentrations were as follows:

	2016	2015
Union	94%	96%
Foundation	7%	6%

Note 11 - Subsequent Events

The Organization has evaluated events through September 21, 2016, which is the date of the audit report. No significant events that would be expected to materially impact the financial statements were identified.