

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

Financial Statements  
With Independent Accountants' Review Report

July 31, 2022 and 2021

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Table of Contents**

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	7

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Finance Committee  
Good Shepherd Church of Charlotte, Inc.  
Charlotte, North Carolina

We have reviewed the accompanying financial statements of Good Shepherd Church of Charlotte, Inc., which comprise the statements of financial position as of July 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* issued by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Good Shepherd Church of Charlotte, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### ***Basis for Qualified Conclusions***

Good Shepherd Church of Charlotte, Inc. has property and buildings with a cost basis totaling \$6,732,583 and \$6,484,486, net of accumulated depreciation, as of July 31, 2022 and 2021, and depreciation expense in the amount of \$366,186 and \$344,291, for the years then ended; however, we were unable to obtain sufficient evidence to support the cost basis of certain assets due to the insufficiency of historical records. Consequently, we were unable to determine whether any material modifications to these amounts were necessary.

Finance Committee  
Good Shepherd Church of Charlotte, Inc.  
Charlotte, North Carolina

***Accountants' Qualified Conclusions***

Based on our reviews, except for the possible effects of the matter described in the *Basis for Qualified Conclusions* paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Indianapolis, Indiana  
October 25, 2023

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Statements of Financial Position**

	July 31,	
	2022	2021
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,222,464	\$ 1,079,662
Restricted cash	539,531	393,047
Investments	393,736	435,299
Sales tax receivable	29,638	44,434
Grant receivables	429,615	-
Property held for sale	1,109,416	-
Property and buildings	6,732,583	6,484,486
	<u>\$ 10,456,983</u>	<u>\$ 8,436,928</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 197,117	\$ 156,198
Deferred revenue	126,225	48,761
Capital lease obligation	4,747	17,367
Notes payable	3,638,558	2,907,833
Total liabilities	<u>3,966,647</u>	<u>3,130,159</u>
Net assets:		
Without donor restrictions	5,950,805	4,910,904
With donor restrictions	539,531	395,865
Total net assets	<u>6,490,336</u>	<u>5,306,769</u>
Total Liabilities and Net Assets	<u>\$ 10,456,983</u>	<u>\$ 8,436,928</u>

See independent accountants' review report

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Statements of Activities**

	Year Ended July 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Contributions	\$ 4,436,627	\$ 284,055	\$ 4,720,682	\$ 4,299,071	\$ 581,168	\$ 4,880,239
Grant income	539,086	-	539,086	-	-	-
School tuition	469,249	-	469,249	298,420	-	298,420
Investment income	13,713	-	13,713	89,786	-	89,786
Gain on extinguishment of debt	-	-	-	390,200	-	390,200
Other income	164,648	-	164,648	54,960	-	54,960
Total Revenues	5,623,323	284,055	5,907,378	5,132,437	581,168	5,713,605
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	140,389	(140,389)	-	192,431	(192,431)	-
EXPENSES:						
Program services:						
Church ministries	2,367,066	-	2,367,066	2,352,259	-	2,352,259
Outreach ministries	878,558	-	878,558	777,591	-	777,591
School programs	770,013	-	770,013	741,177	-	741,177
	4,015,637	-	4,015,637	3,871,027	-	3,871,027
Supporting services:						
General and administrative	708,174	-	708,174	703,642	-	703,642
Total Expenses	4,723,811	-	4,723,811	4,574,669	-	4,574,669
Change in Net Assets	1,039,901	143,666	1,183,567	750,199	388,737	1,138,936
Net Assets, Beginning of Year	4,910,904	395,865	5,306,769	4,160,705	7,128	4,167,833
Net Assets, End of Year	\$ 5,950,805	\$ 539,531	\$ 6,490,336	\$ 4,910,904	\$ 395,865	\$ 5,306,769

See independent accountants' review report

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Statements of Cash Flows**

	Year Ended July 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,183,567	\$ 1,138,936
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	366,186	344,291
Forgiveness of Paycheck Protection Program loan	-	(390,200)
Realized and unrealized (gains) losses on investments	50,687	(82,114)
Contributions for long-term purposes	(146,484)	(437,617)
Changes in operating assets and liabilities:		
Sales tax receivable	14,796	(25,314)
Other receivables	(429,615)	-
Accounts payable and accrued expenses	(71,990)	123,004
Deferred revenue	77,464	13,158
Net Cash Provided by Operating Activities	1,044,611	684,144
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(1,610,790)	(451,366)
Purchase of investments	(9,124)	(11,639)
Proceeds from the sale of investments	-	3,967
Net Cash Used by Investing Activities	(1,619,914)	(459,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on notes payable	1,016,185	-
Payments on notes payable	(285,460)	(420,247)
Payments on capital lease obligation	(12,620)	(12,187)
Contributions for long-term purpose	146,484	437,617
Net Cash Provided by Financing Activities	864,589	5,183
Net Change in Cash and Cash Equivalents and Restricted Cash	289,286	230,289
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	1,472,709	1,242,420
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 1,761,995	\$ 1,472,709

See independent accountants' review report

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Statement of Cash Flows**  
(continued)

	Year Ended July 31,	
	2022	2021

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of cash flows:

Cash and cash equivalents	\$ 1,222,464	\$ 1,079,662
Restricted cash	539,531	393,047
	<u>\$ 1,761,995</u>	<u>\$ 1,472,709</u>

NONCASH INVESTING AND FINANCING ACTIVITY:

Paycheck Protection Program loan forgiveness	\$ -	\$ 390,200
Cash paid for interest	\$ 102,108	\$ 123,031
Fixed assets purchased via retainage payable	\$ 112,909	\$ 33,383
Fixed assets reclassified to held for sale	\$ 1,109,416	\$ -

See independent accountants' review report



# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

1. NATURE OF ORGANIZATION:

Good Shepherd Church of Charlotte, Inc. (the Church), formally known as Good Shepherd United Methodist Church, was organized in 1991 and is located at 13110 Moss Road, Charlotte, North Carolina. The Church also conducts services at one other location known as the Zoar Campus. The Church's primary source of funding is contributions from members and nonmember attendees and preschool and afterschool program fees.

The activities of the Church's preschool and afterschool programs have been included in the Church's financial statements. The Church is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (Code). Contributions to the Church are deductible from federal income taxes. The Church is a not a private foundation under Section 509(a)(1) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### USE OF ESTIMATES

The preparation of the Church's 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.

### CASH AND CASH EQUIVALENTS

Cash equivalents are defined as short-term, highly liquid debt securities that are both readily convertible to cash and have an original maturity of three months or less. Deposit amounts may, at times, exceed federally insured limits. As of July 31, 2022 and 2021, deposits in excess of federally insured limits were approximately \$1,562,000 and \$1,276,000, respectively.

### RESTRICTED CASH

Restricted cash consists of cash held for future capital projects.

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS

Investments consist of a pooled funds, which are stated at fair value. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Interest and dividend income and the realized and unrealized gain or loss on investments are reported as without donor restriction investment income unless a donor or law restricts its use.

#### SALES TAX RECEIVABLES

Sales tax receivables consist of sales tax refunds due from municipal organizations. Management has not established an allowance for doubtful accounts as it believes all amounts are fully collectible at this time.

#### OTHER RECEIVABLES

Other receivables consists of \$429,615 of Employee Retention Credit funds applied for but not received as of July 31, 2022. Laws and regulations concerning government programs, including the Employee Retention Credit (ERC), established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Church's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Church. ERC funds are recognized as grant income on the July 31, 2022, statements of activities.

#### PROPERTY HELD FOR SALE

Property held for sale is reported at the lower of the carrying amount of the long-lived asset or its fair value less selling costs. The Church is selling its Zoar campus property and building, and it meets the required criteria to be classified as held for sale as of July 31, 2022. Since the expected fair value less selling costs is greater than the carrying amount of the asset, no impairment loss has been recognized as of July 31, 2022.

#### PROPERTY AND BUILDINGS

Items capitalized as property and buildings are stated at cost or, if donated, at fair value on the date of donation. The Church reports donations of property and buildings as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Church reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5-39 years. The Church generally capitalizes and reports property and building acquisitions in excess of \$5,000.

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets. Under the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification (ASC), the net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Church and changes therein are classified and reported as follows:

*Without donor restrictions* are currently available at the direction of the finance committee for use in operations.

*With donor restrictions* are stipulated by donors for specific purposes, for the acquisition of property and buildings, time-restricted, or requiring that they be held in perpetuity.

#### REVENUES, EXPENSES, AND RECLASSIFICATIONS

Revenue, including tuition revenue, is recognized when the performance obligation has been met. Contributions are recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Church. Conditional promises to give with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

The Church reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statements of activities as satisfaction of purpose restrictions. The Church shows contributions and grants with restrictions whose restrictions are met in the same reporting period as contributions without restrictions on the statements of activities.

Donated goods (including securities, property, and buildings) are recorded at fair value at the date of the gift. The Church's policy is to convert donated securities to cash immediately upon receipt of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Church have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited (Note 9).

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Church's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	July 31,	
	2022	2021
Financial assets available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents (including restricted cash)	\$ 1,761,995	\$ 1,472,709
Investments	393,736	435,299
Sales tax receivable	29,638	44,434
Other receivables	429,615	-
	2,614,984	1,952,442
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Portion of other receivables expected to be received past one year	(202,101)	-
Restricted by donor with time or purpose restrictions	(539,531)	(395,865)
	(741,632)	(395,865)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,873,352	\$ 1,556,577

As part of the Church's liquidity management, the Church has established guidelines for making decisions related to managing short term cash reserves and other investments in a prudent manner. The Church's financial policy requires a minimum of 8% of the budget be available to fund operations at any point in time.

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

4. INVESTMENTS:

The Church maintains an account with the United Methodist Foundation of Western North Carolina (UMF of WNC). Accounts at UMF of WNC are pooled.

	July 31,	
	2022	2021
Investments consist of:		
Investments measured at net asset value (NAV):		
UMF of WNC balanced fund	\$ 393,736	\$ 435,299

*The Fair Value Measurements and Disclosure* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Church uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Church measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All investments held by the Church are carried at the net asset value, which approximates fair value, as provided by the foundation based on the Church's share of the pooled investment funds.

*Changes in valuation techniques*—None.

The Church uses Net Asset Value (NAV) to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The Church's interest in the pooled investment fund calculates NAV per share (or its equivalent). There are no redemption restrictions and there were no unfunded commitments at year end.

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

5. PROPERTY AND BUILDINGS:  
Property and buildings, consists of:

	July 31,	
	2022	2021
Buildings and building improvements	\$ 6,509,183	\$ 6,902,783
Land and land improvements	2,288,352	2,889,880
Equipment	355,397	1,313,314
Furniture and fixtures	285,099	226,174
Buses	98,026	98,026
	9,536,057	11,430,177
Less accumulated depreciation	(4,369,593)	(4,995,539)
	5,166,464	6,434,638
Construction in progress	1,566,119	49,848
	\$ 6,732,583	\$ 6,484,486

6. NOTES PAYABLE:  
Notes payable consist of:

	July 31,	
	2022	2021
Note payable to a financial institution bearing interest at 3.21%; principal and interest payable in monthly installments of \$23,977 through December 20, 2033, at which time any unpaid principal is due; secured by real property.	\$ 3,618,469	\$ 2,821,054
Note payable to a financial institution bearing interest at 3.25%; principal and interest payable in monthly installments of \$6,497 through December 17, 2021; secured by real property.	-	33,635
Note payable to a financial institution bearing interest at 3.80%; principal and interest payable in monthly installments of \$2,888 through February 20, 2023.	20,089	53,144
	\$ 3,638,558	\$ 2,907,833

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

6. NOTES PAYABLE, continued:

Maturities of notes payable are as follows:

Year Ending July 31,	Amounts
2023	\$ 194,207
2024	179,790
2025	185,647
2026	191,695
2027	197,940
Thereafter	2,689,279
	\$ 3,638,558

Interest expense on all long-term debt for the years ended July 31, 2022 and 2021, was approximately \$102,000 and \$123,000, respectively.

7. NET ASSETS:

Net assets are as follows:

	July 31,	
	2022	2021
Net assets without donor restrictions:		
Undesignated	\$ 5,950,805	\$ 4,910,904
Net assets with donor restrictions:		
Restricted by time or purpose:		
K-Zone Renovations	539,531	393,047
Cemetery fund	-	2,818
	539,531	395,865
	\$ 6,490,336	\$ 5,306,769

**GOOD SHEPHERD CHURCH  
OF CHARLOTTE, INC.**

**Notes to Financial Statements**

July 31, 2022 and 2021

8. CAPITAL LEASE OBLIGATIONS:

The Church is obligated under capital leases that expire April 2024. The gross amount of equipment and related accumulated amortization recorded under these capital leases was as follows:

	July 31,	
	2022	2021
Equipment	\$ 62,686	\$ 62,686
Less accumulated amortization	(58,296)	(48,838)
	\$ 4,390	\$ 13,848

Future minimum capital lease payments:

Year Ending July 31,	Amounts
2023	\$ 2,677
2024	2,070
	\$ 4,747



# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

9. FUNCTIONAL ALLOCATION OF EXPENSES:

The financial statements report certain categories of expenses that are attributable to more than one program or support function. The expenses that are allocated include salaries, benefits, and staff development, which are allocated on the basis of estimates of time and effort, as well as facilities, repairs and maintenance, security, and technology, which are allocated on a square footage basis.

	Year Ended July 31, 2022				
	Program Expenses			General & Administrative	Total Expenses
	Church Ministries	Outreach Ministries	School Programs		
Salaries and benefits	\$ 1,327,512	\$ 143,623	\$ 440,374	\$ 543,192	\$ 2,454,701
Facilities, maintenance, and repairs	356,518	37,350	157,321	14,713	565,902
Interest	64,328	6,739	28,386	2,655	102,108
Grants to partners and missions	-	661,482	-	-	661,482
Depreciation	230,697	24,168	101,800	9,521	366,186
Safety and security	49,596	5,196	21,885	2,047	78,724
Technology	178,190	-	1,095	-	179,285
Supplies, materials, and services	53,998	-	19,152	45,849	118,999
Other Expenses	106,227	-	-	90,197	196,424
	\$ 2,367,066	\$ 878,558	\$ 770,013	\$ 708,174	\$ 4,723,811

# GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.

## Notes to Financial Statements

July 31, 2022 and 2021

9. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	Year Ended July 31, 2021				
	Program Expenses			General & Administrative	Total Expenses
	Church Ministries	Outreach Ministries	School Programs		
Salaries and benefits	\$ 1,314,308	\$ 142,194	\$ 435,994	\$ 537,790	\$ 2,430,286
Facilities, maintenance, and repairs	270,611	28,350	119,413	11,168	429,542
Interest	77,510	8,120	34,203	3,198	123,031
Grants to partners and missions	73,402	571,133	9,424	-	653,959
Depreciation	216,903	22,723	95,713	8,952	344,291
Safety and security	48,402	5,071	21,359	1,998	76,830
Technology	143,848	-	2,716	-	146,564
Supplies, materials, and services	121,535	-	17,151	40,314	179,000
Other Expenses	85,740	-	5,204	100,222	191,166
	\$ 2,352,259	\$ 777,591	\$ 741,177	\$ 703,642	\$ 4,574,669

10. EMPLOYEE BENEFIT PLAN:

All ordained ministers of the Church participate in a pension plan administered and funded through the General Board of Pensions of the United Methodist Church and under the control of The United Methodist Church. The cost of pension benefits related to ordained ministers are included in the annual apportionment fees determined by and paid to the conference. The total paid to the conference for the pastor's pension was approximately \$9,700 and \$11,400 for the years ended July 31, 2022 and 2021, respectively.

The Church sponsors a 403(b) plan for full-time employees except ordained ministers. Participating employees defer a portion of their salaries subject to limits determined annually by the Internal Revenue Service and the Church matches their contributions up to 3% of their salaries. Total contributions to the plan by the Church totaled approximately \$27,900 and \$23,300, for the years ended July 31, 2022 and 2021, respectively.

11. RELATED PARTIES:

During the years ended July 31, 2022 and 2021, the Church received contributions from its board members approximating \$281,000 and \$324,000, respectively.

# **GOOD SHEPHERD CHURCH OF CHARLOTTE, INC.**

## **Notes to Financial Statements**

July 31, 2022 and 2021

12. CONTINGENCIES:

The Church is involved in various legal proceedings but no accruals have been made since any loss cannot be reasonably estimated as of July 31, 2022. During August 2022, the Church's congregation and board voted to disaffiliate from the Western North Carolina Conference of the United Methodist Church in order to join the Global Methodist Church. During July 2023, the Church finalized a settlement to disaffiliate for an agreed-upon fee approximating \$1,344,000 in order to retain its property. Funding sources have been identified and secured, including their money market account and ERC funds as well as raising contributions and making budget changes in order to pay the disaffiliation fee. Ultimately, the Church believes that any outcome from its remaining legal matters will not have a material impact to its operations.

13. SUBSEQUENT EVENTS:

During November 2022, the Church sold its property held for sale and received cash proceeds approximating \$1,600,000. The Church is required to use these proceeds to pay down its debt balance.

Subsequent events have been evaluated through October 25, 2023, which represents the date the financial statements were issued. Subsequent events after that date have not been evaluated.