

Independent Auditors' Report

FINANCIAL STATEMENTS

Year Ended June 30, 2019

The Commonwealth Fund

We have audited the accompanying financial statements of The Commonwealth Fund (the "Fund") which comprise the statement of financial position as of June 30, 2019 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 such 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 The Commonwealth Fund as of June 30, 2019 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2019 the Fund adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Other matter - Comparative Information

The June 30, 2018 actual information is presented in the statement of financial position, statement of activities, and statement of cash flows for purposes of additional analysis and is not a required part of the financial statements. The June 30, 2018 information was derived from the June 30, 2018 financial statements, which we previously audited and issued our unmodified opinion thereon dated November 12, 2018.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
New York, New York

November 11, 2019

THE COMMONWEALTH FUND

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019 with comparative totals for JUNE 30, 2018

	2019	2018
ASSETS		
Cash	\$ 3,496,451	\$ 1,503,140
Investments - At fair value	746,499,436	761,038,264
Interest and dividends receivable	294,291	389,648
Proceeds receivable from security sales - net	12,302,043	-
Taxes refundable	765,028	1,197,326
Prepaid insurance and other assets	16,303	34,697
Landmark property at 1 East 75th Street - At appraised value during 1953, the date of donation	275,000	275,000
Fixed Assets - At cost, net of accumulated depreciation of \$4,011,261 at June 30, 2019	<u>4,971,994</u>	<u>5,176,694</u>
TOTAL ASSETS	<u>\$ 768,620,546</u>	<u>\$ 769,614,769</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,407,860	\$ 1,347,538
Program authorizations payable, net	17,725,547	18,473,677
Accrued postretirement benefits	7,173,538	8,008,943
Deferred tax liability	<u>522,402</u>	<u>413,679</u>
Total liabilities	<u>26,829,347</u>	<u>28,243,837</u>
NET ASSETS - Without Donor Restrictions	<u>741,791,199</u>	<u>741,370,932</u>
Total net assets	<u>741,791,199</u>	<u>741,370,932</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 768,620,546</u>	<u>\$ 769,614,769</u>

See notes to financial statements.

THE COMMONWEALTH FUND

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019 with comparative totals for YEAR ENDED JUNE 30, 2018

	2019	2018
INVESTMENT RETURN:		
Net realized gains on investments	\$ 25,122,350	\$ 22,764,377
Change in unrealized appreciation of investments	10,872,329	31,634,605
Interest and dividends	4,129,726	5,210,521
	<u>40,124,405</u>	<u>59,609,503</u>
Less: Direct investment expenses	5,080,528	4,672,012
	<u>35,043,877</u>	<u>54,937,491</u>
Other investment expenses	1,021,210	623,090
	<u>34,022,667</u>	<u>54,314,401</u>
Net investment gains	34,022,667	54,314,401
Partner grants, royalties and other	728,802	57,404
	<u>34,751,469</u>	<u>54,371,805</u>
EXPENSES:		
Programs	30,939,262	32,131,501
General and administrative	3,391,940	3,309,431
	<u>34,331,202</u>	<u>35,440,932</u>
CHANGES IN NET ASSETS - Without Donor Restrictions	420,267	18,930,873
Net assets, beginning of year	<u>741,370,932</u>	<u>722,440,059</u>
Net assets, end of year	<u>\$ 741,791,199</u>	<u>\$ 741,370,932</u>

See notes to financial statements.

THE COMMONWEALTH FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019 with comparative totals for YEAR ENDED JUNE 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided (used) by interest and dividends	\$ 4,225,083	\$ 5,041,070
Cash provided (used) by partner grants, royalties and other	728,802	57,404
Cash provided (used) to pay program expenses	(31,687,392)	(33,924,049)
Cash provided (used) to pay general and administrative expenses	(3,991,243)	(2,064,875)
Cash provided (used) to pay investment expenses	(5,560,717)	(5,257,238)
Net cash used by operating activities	<u>(36,285,467)</u>	<u>(36,147,688)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(143,182)	(435,739)
Purchase of investments	(106,624,636)	(74,753,376)
Proceeds from the sale of investments	145,046,596	111,456,878
Net cash provided by investing activities	<u>38,278,778</u>	<u>36,267,763</u>
Net increase in cash	1,993,311	120,075
Cash, beginning of year	<u>1,503,140</u>	<u>1,383,065</u>
Cash, end of year	<u>\$ 3,496,451</u>	<u>\$ 1,503,140</u>

See notes to financial statements.

THE COMMONWEALTH FUND

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commonwealth Fund (the “Fund”) is a private foundation supporting independent research on health and social issues.

- a. *Investments* – Investments in equity securities with readily determinable fair values and all investments in debt securities are carried at fair value. Assets with limited marketability, such as alternative asset limited partnerships, are stated at the Fund’s equity interest in the underlying net assets of the partnerships, which are stated at fair value as reported by the partnerships. Realized gains and losses on dispositions of investments are determined on the following bases: FIFO for actively managed equity and fixed income, average cost for commingled mutual funds, and specific identification basis for alternative assets.
- b. *Fixed Assets* – Furniture, equipment, and building improvements are capitalized at cost and depreciated using the straight-line method over their estimated useful lives. The landmark property is recorded at appraised fair value at date of donation and is not depreciated but subject to impairment testing.
- c. *Grants, Grant Expense, Promises to Give, and Net Asset Classifications* – Partner grants are recognized in the period received. Grants are recorded as a receivable and revenue when a written agreement is received. The Fund reports grants as restricted if received with a donor stipulation that limits the use of the donated assets.* Unconditional promises to give for future periods are recorded when authorized by the Board and are presented as program authorizations payable on the statement of financial position, which includes a discount for present value.
- d. *Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires the Fund’s 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. Estimates also affect the reported amounts of revenues and expenses included in the statement of activities. The calculation of the present value of program authorizations payable, present value of accumulated postretirement benefits, deferred Federal excise taxes and the depreciable lives of fixed assets requires the significant use of estimates. Actual results could differ from those estimates.
- e. *Change in Accounting Principle* – on July 1, 2018, the Fund adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Fund to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Fund to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements.
- f. *Cash* – Cash consists of all checking accounts and petty cash. At times the Fund’s cash exceeds federally insured limits. This risk is managed by using only large, established financial institutions.
- g. *Notes* – The financial statements present comparative information as of and for the year ended June 30, 2018, and the notes are only presented for the current year. Such information does not constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the financial statements as of and for the year ended June 30, 2018.
- h. *Functional Allocation of Expenses* – The costs of providing services have been summarized on a functional basis in Note 10. Accordingly, certain costs have been allocated between programs and the administrative and general activities and have been presented in their natural classification.

*Net assets and changes therein are reported as an increase in net assets without donor restrictions as there are no net assets with donor restrictions as of June 30, 2019.

2. FIXED ASSETS

Fixed assets at June 30, 2019 were comprised of the following:

	Cost	Accumulated Depreciation	Book Value	Useful Life
Building improvements	\$ 7,646,895	\$ 3,349,029	\$ 4,297,866	7-40 years
Computers and related	553,248	113,646	439,602	3-10 years
Furniture, fixtures and equipment	783,112	548,586	234,526	5-20 years
Total	<u>\$ 8,983,255</u>	<u>\$ 4,011,261</u>	<u>\$ 4,971,994</u>	

3. INVESTMENTS

Investments at June 30, 2019 comprised the following:

	Fair Value	Cost
Global equity	\$ 336,196,763	\$ 282,872,964
Absolute return	124,727,063	117,111,046
Real assets	63,459,150	85,573,767
Private capital	150,751,324	138,568,967
Global fixed income	62,174,185	59,730,414
Cash and miscellaneous	9,190,951	9,190,951
	<u>\$ 746,499,436</u>	<u>\$ 693,048,109</u>

At June 30, 2019, the Fund had unfunded investment commitments of approximately \$132 million in private partnerships.

Fair Value Measurements

The Fund follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to US GAAP guidance investments measured using net asset value (NAV) are not categorized within the fair value hierarchy.

INVESTMENTS (continued)

Investments Valuation

Investments, other than cash held for investment, are carried at fair value. The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment fund. US GAAP guidance provides for the use of NAV as a “Practical Expedient” for estimating fair value of alternative investments. NAV, member’s capital, partner’s capital, or any investor ownership amount reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Fund’s interest therein.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds and private equity funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees’ financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. It is estimated that the private limited partnerships will be liquidated over the next 7-10 years.

The following tables summarize investments valued at fair value on a recurring basis at June 30, 2019 grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	Fair Value Measurements Using		
		Quoted in Active Markets For Identical Assets	Significant Other Observable Inputs
	Fair Value	Level 1	Level 2
Global equity–Preferred stock	\$ 178,789	\$ 178,789	\$ –
Global fixed income–Funds	62,174,185	–	62,174,185
Total	<u>\$ 62,352,974</u>	<u>\$ 178,789</u>	<u>\$ 62,174,185</u>

There were no transfers between level 1 and 2 of the fair value hierarchy during the year ended June 30, 2019.

INVESTMENTS (continued)

Total investments at June 30, 2019 include those classified within the fair value hierarchy, as well as those measured using NAV as a practical expedient and cash held for reinvestment, as follows:

Investments included in fair value hierarchy	\$ 62,352,974
Nonpublic investments measured using net asset value	
Global equity	336,017,974
Absolute return	124,727,063
Real assets	63,459,150
Private capital	150,751,324
Cash	<u>9,190,951</u>
 Total investments	 <u><u>\$ 746,499,436</u></u>

Information regarding alternative investments valued at NAV using the practical expedient at June 30, 2019 is as follows:

	Fair value	Unfunded Commitments	Redemption frequency	Notice period
Global equity	\$ 336,017,974	\$ –	Daily, Monthly, Quarterly	0 to 120 days
Absolute return	124,727,063	–	Quarterly, Semi-annually	90 days
Private partnerships:				
Private capital	150,751,324	100,679,203	N/A	
Real assets	<u>63,459,150</u>	<u>31,564,264</u>	Daily, None	0 days
	<u><u>\$ 674,955,511</u></u>	<u><u>\$ 132,243,467</u></u>		

Private capital and some real assets have no redemption provisions and distributions are made as assets are sold. They generally have a duration of 10 years from initial investment to final distribution.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

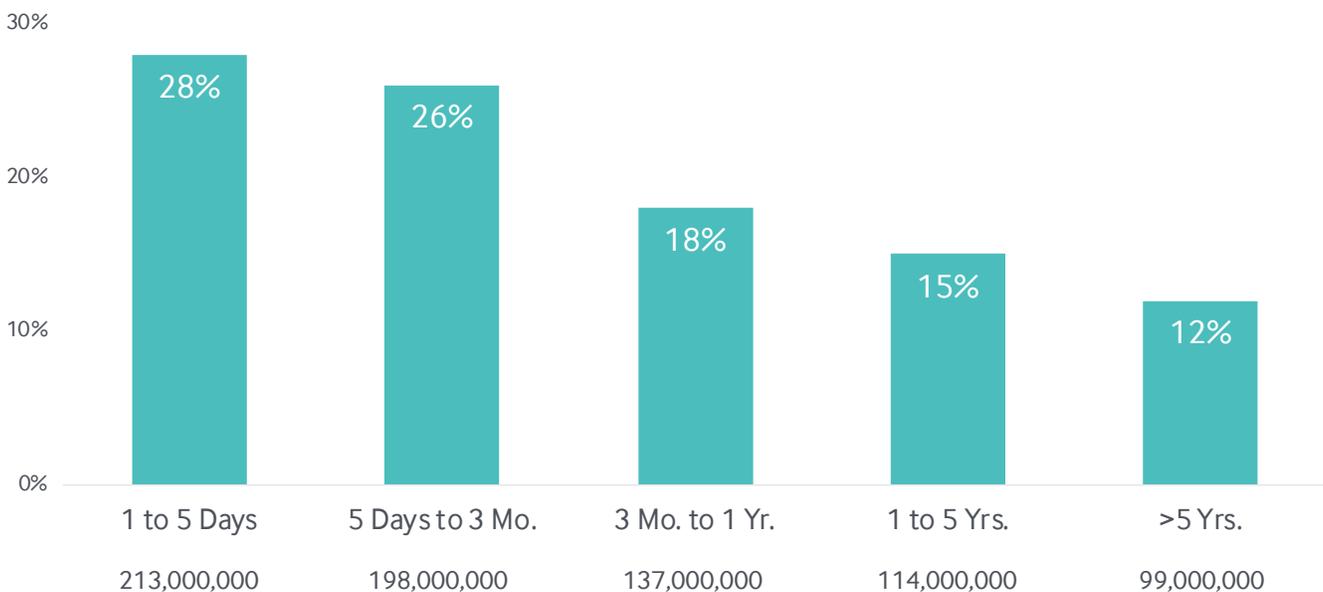
The estimated fair value amounts have been determined by the Fund, using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Fund could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

All Financial Instruments Other Than Investments - The carrying amounts of these items are a reasonable estimate of their fair value due to their short-term nature. Program authorization payables have been discounted to their net present value which approximates fair value.

Investments - For marketable securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using a quoted market price for similar securities. For alternative investment limited partnerships held as investments, fair value is estimated using private valuations of the securities or properties held in these partnerships. The carrying amount of these items is a reasonable estimate of their fair value. For futures and foreign exchange forward contracts, the fair value equals the quoted market price.

5. AVAILABILITY AND LIQUIDITY

This liquidity profile analysis estimates the amount of time it would take to convert the portfolio investments into cash. For capital allocated to external managers, the analysis incorporates the redemption terms of each underlying manager. The analysis shows the percentage of the portfolio that could be converted to cash within each time period.



There are no restrictions on net assets and approximately \$548 million in assets are available within one year. The Fund maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of the Fund's liquidity management strategy, the Fund seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. The Fund also maintains a \$20 million unsecured, committed line of credit, should additional liquidity be needed.

6. PROGRAM AUTHORIZATIONS PAYABLE

At June 30, 2019, program authorizations scheduled for payment at later dates were as follows:

July 1, 2019 through June 30, 2020	\$ 12,477,968
July 1, 2020 through June 30, 2021	3,565,134
Thereafter	<u>1,782,567</u>
Gross program authorizations scheduled for payment at a later date	17,825,669
Less adjustment to present value	<u>100,122</u>
Program authorizations payable	<u><u>\$ 17,725,547</u></u>

A discount rate of 2.77% (based on the one month LIBOR plus 45 basis points) was used to determine the present value of the program authorizations payable at June 30, 2019.

7. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS

The Fund has a noncontributory defined contribution retirement plan, covering all employees, under arrangements with TIAA and Fidelity Investments. This plan provides for purchases of annuities and/or mutual funds for employees. The Fund's contributions approximated 16% of the participants' compensation for the year ended June 30, 2019. Contributions to the Fund's defined contribution retirement plan were \$1,288,147 for the year ended June 30, 2019. In addition, the plan allows employees to make voluntary tax-deferred purchases of these same annuities and/or mutual funds within the legal limits provided for under Federal law.

Effective July 9, 2002, the Fund established a Section 457(b) Plan for certain employees that provides for unfunded benefits with employer contributions made within the legal limits provided for under Federal law.

Significant assumptions related to postretirement benefits as of June 30, 2019 were as follows:

Discount rate	4.25%
Health care cost trend rates - Initial	5.70%
Health care cost trend rates - Ultimate	3.90%

At June 30, 2019, benefits expected to be paid in future years are approximately as follows:

Year ending June 30, 2020	\$ 212,259
Year ending June 30, 2021	237,231
Year ending June 30, 2022	252,487
Year ending June 30, 2023	261,829
Year ending June 30, 2024	267,055
Five years ending June 30, 2029	1,569,469

RETIREMENT AND OTHER POSTRETIREMENT BENEFITS (continued)

The Fund provides postretirement medical insurance coverage for retirees who meet the eligibility criteria. The postretirement medical plan, which is measured as of the end of each fiscal year, is an unfunded plan, with 100% of the benefits paid by the Fund on a pay-as-you-go basis. Such medical insurance payments approximated \$145,000 for the year ended June 30, 2019. Additionally, \$17,236 was directly paid for retiree medical expenses, resulting in a total employer contribution of \$162,309. Additional required disclosure on the Fund's postretirement medical plan for the year ended June 30, 2019:

Benefit obligation at end of year accrued on statement of financial position	\$	7,173,538
Net postretirement benefit costs		658,273
Unrecognized actuarial gain		113,630

**Components of Net Periodic Expense
for the Year**

Service cost	\$	360,239
Interest cost		298,034
	\$	<u>658,273</u>

Effect of a one-percent point change in the health care cost trend rate on	1% Decrease	1% Increase
Year end benefit obligation	\$ 6,072,051	\$ 8,596,359
Total of service and interest cost component	506,856	870,534

8. TAX STATUS

The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, but is subject to a 1% or 2% (depending if certain criteria are met) Federal excise tax on net investment income. For the year ended June 30, 2019 that excise tax rate was 1%. The Fund is also subject to Federal and state taxes on unrelated business income. In addition, the Fund records deferred Federal excise taxes, based upon expected excise tax rates, on the unrealized appreciation of investments as such amounts would be realized for tax purposes when the investments are sold.

The Fund is required to make certain minimum distributions in accordance with a formula specified by the Internal Revenue Service. For the year ended June 30, 2019, the Fund was required to distribute approximately \$37 million and the Fund distributed approximately \$35 million. The Fund has an undistributed amount of approximately \$14 million carried over to the next fiscal year.

In the statement of financial position, the deferred tax liability of \$522,402 at June 30, 2019 resulted from expected Federal excise taxes on unrealized appreciation of investments. For the year ended June 30, 2019 there was an increase of \$108,723 in the deferred excise tax liability.

9. OPERATING PROGRAMS

The Fund is a value-added foundation, working directly with grantees to develop projects, carry them out effectively and communicate results to policymakers and institutional leaders. The Fund also conducts a large program of intramural research including national and international health care surveys and development and production of scorecards on health system performance. Operating programs include the non-grant expenses related to these activities in areas such as International Health Policy, Communications, Health Care Coverage and Access, and Tracking Health System Performance.

10. NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATION

The financial statements report certain categories of expenses that are attributable 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 salaries and benefits which are allocated on the basis of estimates of time and effort, depreciation, occupancy, travel, conferences and meetings, printing and publications, and other expenses which are allocated on the basis of estimates of use. The expenses for the year ended June 30, 2019 by natural and functional classification were reported as follows:

	Programs		Total Programs	General and Administrative	Subtotal	Investment	Total
	Operating	Communications					
Compensation - Officers	\$ 788,691	\$ 217,106	\$ 1,005,797	\$ 583,790	\$ 1,589,587	\$ 229,312	\$ 1,818,899
Other employee salaries	3,448,981	1,405,530	4,854,511	1,149,759	6,004,270	47,499	6,051,769
Pension plans, employee benefits	1,391,417	532,894	1,924,311	569,075	2,493,386	90,970	2,584,356
Legal fees	-	-	-	10,287	10,287	-	10,287
Accounting fees	-	-	-	54,257	54,257	-	54,257
Other professional fees	361,260	138,358	499,618	147,751	647,369	-	647,369
Taxes	-	-	-	-	-	615,792	615,792
Depreciation	187,300	71,733	259,033	76,604	335,637	12,245	347,882
Occupancy	388,375	148,743	537,118	158,841	695,959	25,392	721,351
Travel, conferences and meetings	461,407	176,713	638,120	188,711	826,831	-	826,831
Printing and publications	222,936	85,381	308,317	91,178	399,495	-	399,495
Other expenses	884,344	338,692	1,223,036	361,687	1,584,723	-	1,584,723
Subtotal	8,134,711	3,115,150	11,249,861	3,391,940	14,641,801	1,021,210	15,663,011
Program Authorizations	19,689,401	-	19,689,401	-	19,689,401	-	19,689,401
Direct investment expenses	-	-	-	-	-	5,080,528	5,080,528
Total	<u>\$ 27,824,112</u>	<u>\$ 3,115,150</u>	<u>\$ 30,939,262</u>	<u>\$ 3,391,940</u>	<u>\$ 34,331,202</u>	<u>\$ 6,101,738</u>	<u>\$ 40,432,940</u>

11. FINANCIAL STATEMENT HIGHLIGHTS

For the following items, all original amounts have been fully expended.

In fiscal years 1987 and 1988, the Fund received a total of \$15,415,804 as a grant from the James Picker Foundation, with an agreement that a designated portion of the Fund's grants be identified as "Picker Program Grants by The Commonwealth Fund." The Fund fulfilled this obligation by making Picker Program Grants devoted to specific themes approved by the Fund's Board of Directors. For the year ended June 30, 2019 Picker program grants totaled \$1,601,094.

In April 1996, the Fund received The Health Services Improvement Fund, Inc.'s ("HSIF") assets and liabilities, \$1,721,016 and \$57,198, respectively, resulting in a \$1,663,818 increase in net assets. In accordance with the terms of an agreement with HSIF, this contribution enabled the Fund to make Commonwealth Fund/HSIF grants to improve health care coverage, access, and quality in the New York City greater metropolitan region. During the year ended June 30, 2019 a grant in the amount of \$209,000 was awarded.

12. UNCERTAIN TAX POSITION

The Fund has not entered into any uncertain tax positions that would require financial statement recognition or disclosure. The Fund is no longer subject to examinations by the applicable taxing jurisdiction for periods prior to June 30, 2016.

13. LINE OF CREDIT

The Fund has an unsecured, committed line of credit with Bank of America in the amount of \$20 million. The Fund did not use this facility during the year ended June 30, 2019.

14. SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, the Fund evaluated subsequent events after the statement of financial position date of June 30, 2019 through November 11, 2019 which was the date the financial statements were available to be issued.

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