

Forest Park Forever, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2021 and 2020

Forest Park Forever, Inc.
December 31, 2021 and 2020

Contents

Independent Auditor's Report..... 1

Financial Statements

Statements of Financial Position 3
Statements of Activities..... 4
Statements of Functional Expenses 5
Statements of Cash Flows 7
Notes to Financial Statements 8



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Independent Auditor's Report

Board of Directors
Forest Park Forever, Inc.
St. Louis, Missouri

Opinion

We have audited the financial statements of Forest Park Forever, Inc. which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Forest Park Forever, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Forest Park Forever, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Forest Park Forever, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Forest Park Forever, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forest Park Forever, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

FORVIS,LLP

St. Louis, Missouri
June 29, 2022

Forest Park Forever, Inc.
Statements of Financial Position
December 31, 2021 and 2020

Assets

	2021	2020
Cash and cash equivalents	\$ 4,620,946	\$ 11,975,918
Investments	211,449,521	185,813,993
Other receivables	150,600	217,921
Contributions receivable	12,981,588	13,605,545
Prepaid expenses, deposits and other assets	1,259,906	1,103,620
Property and equipment, net	938,393	1,019,600
Total assets	\$ 231,400,954	\$ 213,736,597

Liabilities and Net Assets

Liabilities

Accounts payable and other liabilities	\$ 2,035,189	\$ 3,083,871
Total liabilities	2,035,189	3,083,871

Net Assets

Without donor restrictions	9,669,368	9,589,395
With donor restrictions	219,696,397	201,063,331
Total net assets	229,365,765	210,652,726
Total liabilities and net assets	\$ 231,400,954	\$ 213,736,597

Forest Park Forever, Inc.
Statements of Activities
Years Ended December 31, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions	\$ 3,134,252	\$ 1,721,877	\$ 4,856,129
In-kind contributions	769	-	769
Women's committee income	231,401	-	231,401
Net investment return	872,876	23,812,442	24,685,318
Endowment operating support	4,778,388	(4,778,388)	-
Other income	830,063	68,580	898,643
Net assets released from restrictions	2,191,445	(2,191,445)	-
	<u>12,039,194</u>	<u>18,633,066</u>	<u>30,672,260</u>
Expenses			
Program expenses			
Park operations and maintenance	6,757,382	-	6,757,382
Education, volunteer and visitor services	1,371,267	-	1,371,267
Communication/community awareness	485,864	-	485,864
Capital project	592,757	-	592,757
	<u>9,207,270</u>	-	<u>9,207,270</u>
Administration			
Administration	1,232,128	-	1,232,128
Annual and combined fundraising campaign	1,519,823	-	1,519,823
	<u>11,959,221</u>	-	<u>11,959,221</u>
Change in Net Assets	79,973	18,633,066	18,713,039
Net Assets, Beginning of Year	<u>9,589,395</u>	<u>201,063,331</u>	<u>210,652,726</u>
Net Assets, End of Year	<u>\$ 9,669,368</u>	<u>\$ 219,696,397</u>	<u>\$ 229,365,765</u>

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,879,538	\$ 7,992,293	\$ 10,871,831
-	-	-
200,200	-	200,200
1,152,019	18,827,531	19,979,550
4,490,856	(4,490,856)	-
42,607	57,675	100,282
5,105,320	(5,105,320)	-
<u>13,870,540</u>	<u>17,281,323</u>	<u>31,151,863</u>
5,827,254	-	5,827,254
1,149,465	-	1,149,465
530,011	-	530,011
3,981,079	-	3,981,079
<u>11,487,809</u>	<u>-</u>	<u>11,487,809</u>
1,053,408	-	1,053,408
1,309,547	-	1,309,547
<u>13,850,764</u>	<u>-</u>	<u>13,850,764</u>
19,776	17,281,323	17,301,099
<u>9,569,619</u>	<u>183,782,008</u>	<u>193,351,627</u>
<u>\$ 9,589,395</u>	<u>\$ 201,063,331</u>	<u>\$ 210,652,726</u>

Forest Park Forever, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	Park Operations & Maintenance	Education, Volunteer & Visitor Services	Communication/ Community Awareness	Capital Project	Administration	Fundraising	Total
Salaries & Benefits	\$ 2,389,095	\$ 710,187	\$ 340,622	\$ -	\$ 603,588	\$ 884,864	\$ 4,928,356
Professional Services	-	-	31,052	-	293,275	260,371	584,698
Advertising & Promotion	-	-	20,216	-	-	-	20,216
Office Expenses	105,434	-	13,170	-	86,327	15,957	220,888
Educational Programs	-	30,666	-	-	-	-	30,666
Volunteer Services & Programs	-	4,921	-	-	-	-	4,921
Visitor Services	-	81,342	-	-	-	-	81,342
Information Technologies	-	-	27,095	-	62,963	-	90,058
Occupancy	-	527,264	-	-	40,884	-	568,148
Travel	-	-	-	-	-	-	-
Conferences	-	-	-	-	1,549	-	1,549
Depreciation	188,951	-	-	-	19,401	-	208,352
Insurance	18,656	16,887	-	-	59,277	-	94,820
Park Renovations	2,886,053	-	-	592,757	-	-	3,478,810
Park Maintenance	1,169,193	-	-	-	-	-	1,169,193
Membership & Special Events	-	-	-	-	-	270,444	270,444
Other	-	-	53,709	-	64,864	88,187	206,760
Total	\$ 6,757,382	\$ 1,371,267	\$ 485,864	\$ 592,757	\$ 1,232,128	\$ 1,519,823	\$ 11,959,221

Forest Park Forever, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

	Park Operations & Maintenance	Education, Volunteer & Visitor Services	Communication/ Community Awareness	Capital Project	Administration	Fundraising	Total
Salaries & Benefits	\$ 2,125,958	\$ 638,674	\$ 415,076	\$ -	\$ 558,513	\$ 887,821	\$ 4,626,042
Professional Services	-	-	13,741	-	144,746	194,830	353,317
Advertising & Promotion	-	-	10,103	-	-	-	10,103
Office Expenses	35,864	-	17,804	-	37,939	31,521	123,128
Educational Programs	-	39,099	-	-	-	-	39,099
Volunteer Services & Programs	-	4,914	-	-	-	-	4,914
Visitor Services	-	143,358	-	-	-	-	143,358
Information Technologies	-	-	27,808	-	122,532	-	150,340
Occupancy	-	307,501	-	-	37,648	-	345,149
Travel	-	-	-	-	6,311	-	6,311
Conferences	-	-	-	-	5,895	-	5,895
Depreciation	195,400	-	-	-	19,834	-	215,234
Insurance	18,656	15,919	-	-	64,378	-	98,953
Park Renovations	2,423,442	-	-	3,981,079	-	-	6,404,521
Park Maintenance	1,027,934	-	-	-	-	-	1,027,934
Membership & Special Events	-	-	-	-	-	117,564	117,564
Other	-	-	45,479	-	55,612	77,811	178,902
Total	\$ 5,827,254	\$ 1,149,465	\$ 530,011	\$ 3,981,079	\$ 1,053,408	\$ 1,309,547	\$ 13,850,764

Forest Park Forever, Inc.
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 18,713,039	\$ 17,301,099
Items not requiring (providing) operating activities cash flows		
Contributions with donor restriction for Forest Park endowment	(192,725)	(186,661)
Depreciation	208,352	215,234
Net realized and unrealized gains on investments	(21,464,472)	(16,766,010)
Gain on sale of equipment	(35,500)	-
Forgiveness of PPP loan	(701,700)	-
Changes in		
Contributions receivable	623,957	4,248,804
Other receivables	67,321	(48,970)
Prepaid expenses, deposits and other assets	(156,286)	138,937
Accounts payable and other liabilities	(346,982)	628,734
Net cash provided by (used in) operating activities	(3,284,996)	5,531,167
Investing Activities		
Purchase of property and equipment	(127,145)	(17,563)
Purchase of investments	(36,488,912)	(35,741,317)
Proceeds from sale of property & equipment	35,500	-
Proceeds from disposition of investments	32,317,856	27,833,970
Net cash used in investing activities	(4,262,701)	(7,924,910)
Financing Activity		
Proceeds from contributions with donor restriction for Forest Park endowment	192,725	186,661
Net cash provided by financing activity	192,725	186,661
Decrease in Cash and Cash Equivalents	(7,354,972)	(2,207,082)
Cash and Cash Equivalents, Beginning of Year	11,975,918	14,183,000
Cash and Cash Equivalents, End of Year	\$ 4,620,946	\$ 11,975,918

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Forest Park Forever, Inc. (the “Organization”) is a not-for-profit organization, organized under the laws of Missouri in 1986 that works in partnership with the City of St. Louis (the “City”). The Organization’s mission and principal activities are to restore, maintain and sustain Forest Park through wide-based financial and citizen support in order that Forest Park retain its preeminence as one of America’s greatest urban public parks.

Use of 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At December 31, 2021 and 2020, cash equivalents consisted primarily of money market accounts and sweep accounts. The sweep accounts are invested in U.S. treasury-backed money market funds. At December 31, 2021, the Organization’s cash accounts exceeded federally insured limits by approximately \$4,400,000. At December 31, 2021, the sweep account balance was approximately \$4,410,000.

Investments

The Organization measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

Net Investment Return

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Organization maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Spending Policy

Under the Organization's investment policy, unless otherwise stipulated by the donor of the principal, 4 percent of the 12 quarter average market value of existing endowed investments is available for spending.

Based on this policy, the Organization had available approximately \$4,778,000 and \$4,491,000 for spending in 2021 and 2020, respectively. Transfers from the endowment for operations in 2021 and 2020 were \$4,778,388 and \$4,490,856, respectively. The transfer of \$4,778,388 from endowment investments to operating cash occurred in January 2022.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture, fixtures and improvements	5-15 years
Equipment	5 years

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2021 and 2020.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. Net assets with donor restrictions are subject to donor-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.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized, using the level-yield method. The Organization does not provide an allowance for doubtful accounts on its contributions receivable; instead, delinquent receivables are written off based on individual credit evaluation and specific circumstances of the donor.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Revenue from annual membership giving is deferred and recognized during the annual period to which it relates.

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors which include professional services, legal services, printing of newsletters and brochures, advertising and other various goods. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount. Minimal in-kind contributions were received in 2021 and 2020.

Special Event Revenues

Special event revenue is recognized at the point in time when the Organization satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for attendance at the event. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions. The Organization determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Missouri state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Functional Allocation of Expenses

The costs of supporting the various programs and other 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. Certain costs have been allocated among the program, management and general and fundraising categories based on time spent and other methods.

Paycheck Protection Program (PPP) Loan

On March 27, 2020, President Trump signed in law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 13, 2020, the Organization received a loan in the amount of \$701,700 pursuant to PPP. The Organization anticipated using all of the proceeds to make eligible payments and, therefore, expected substantially all of the loan would be forgiven. The Organization elected to account for the PPP loan as deferred revenue in accordance with the Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 958-605, *Revenue Recognition*. The balance was included in other liabilities on the statements of financial position at December 31, 2020. Under Topic 958-605, revenue is recognized when conditions are met, which include meeting full time equivalent and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue. As such, the loan was recorded as other liabilities on the statements of financial position and was included in the change in deferred revenue within operating activities on the statements of cash flows at December 31, 2020. On March 4, 2021, the Organization received forgiveness on the full amount of the PPP loan. Therefore, during 2021, the Organization met the conditions of the grant and recognized the \$701,700 in other income on the statement of activities.

Pandemic

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have continued which may affect the financial position, results of operations and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on the change in net assets.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 2: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets, 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 term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021 and 2020:

	2021			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 16,714,030	\$ 16,714,030	\$ -	\$ -
Equity securities	2,664	2,664		
Mutual funds				
Large cap	47,488,574	47,488,574	-	-
Small cap	20,075,557	20,075,557	-	-
International	35,603,802	35,603,802	-	-
Fixed income	17,403,745	17,403,745	-	-
Other	934,864	934,864	-	-
Certificates of deposits	3,249,000	-	3,249,000	-
Federal agency bonds	2,696,230	-	2,696,230	-
Corporate bonds	8,443,791	-	8,443,791	-
Municipal bonds	1,598,973	-	1,598,973	-
Asset backed securities	2,574,229	-	2,574,229	-
City bonds	17,830,000	-	-	17,830,000
Investments measured at fair value	174,615,459	<u>\$ 138,223,236</u>	<u>\$ 18,562,223</u>	<u>\$ 17,830,000</u>
Investments measured at net asset value (A)	36,834,062			
	<u>\$ 211,449,521</u>			
Contributions receivable	<u>\$ 12,981,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,981,588</u>

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

	2020			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 6,058,827	\$ 6,058,827	\$ -	\$ -
Equity securities	-	-		
Mutual funds				
Large cap	40,695,232	40,695,232	-	-
Small cap	17,406,091	17,406,091	-	-
International	33,508,811	33,508,811	-	-
Fixed income	13,775,124	13,775,124	-	-
Other	1,031,986	1,031,986	-	-
Certificates of deposits	1,494,000	-	1,494,000	-
Federal agency bonds	10,064,707	-	10,064,707	-
Corporate bonds	9,489,547	-	9,489,547	-
Municipal bonds	2,031,166	-	2,031,166	-
Asset backed securities	2,915,423	-	2,915,423	-
City bonds	18,325,000	-	-	18,325,000
Investments measured at fair value	156,795,914	<u>\$ 112,476,071</u>	<u>\$ 25,994,843</u>	<u>\$ 18,325,000</u>
Investments measured at net asset value (A)	<u>29,018,079</u>			
	<u>\$ 185,813,993</u>			
Contributions receivable	<u>\$ 13,605,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,605,545</u>

(A) In accordance with Subtopic 820-10, a certain investment that was measured at NAV per share (or its equivalent) has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Financial Position.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of investments with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projects and cash flow. Such investments are classified within Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Alternative Investments

As of December 31, 2021 and 2020, the fair value of alternative investments has been estimated using the NAV per share of the investments. Alternative investments held at December 31 consisted of the following:

	December 31, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-strategy hedge funds (A)	\$ 11,700,962	\$ -	Quarterly	45 days
Real estate funds (B)	12,394,058	\$ 428,925	Quarterly	45 days
Private equity funds (C)	<u>12,739,042</u>	\$ 7,605,332	Non-redeemable	Non-redeemable
	<u><u>\$ 36,834,062</u></u>			
	December 31, 2020			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-strategy hedge funds (A)	\$ 11,379,439	\$ -	Quarterly	45 days
Real estate funds (B)	9,865,617	\$ 3,740,675	Quarterly	45 days
Private equity funds (C)	<u>7,773,023</u>	\$ 6,905,332	Non-redeemable	Non-redeemable
	<u><u>\$ 29,018,079</u></u>			

- (A) This category includes an investment in a hedge fund that pursues multiple strategies to diversify risks and reduce volatility. The fund's composite portfolio includes investments in a variety of U.S. and global equity positions and some real estate. This fund includes a one year lock-up.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

- (B) This category includes an investment in a real estate investment trust fund that invests primarily in U.S. commercial real estate. Redemption requests will be redeemed to the extent that the fund has liquid assets available. One of the three investment funds within this category can never be redeemed with the funds. Instead, the nature of this particular fund within this category is that distributions are received through the liquidation of underlying assets of the fund.
- (C) This category includes private equity funds that invest primarily in buyouts on a global basis and venture companies in high-growth industries as well as special situation private equity and debt fund purchases and co-investment in common or preferred stock. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of underlying assets of the fund.

Contributions Receivable

As permitted by ASC Topic 825, the Organization has elected to measure contributions receivable at fair value. Management has elected the fair value option for contributions receivable because management believes the net present value should be calculated annually at current discount rates. Fair value is estimated at the present value of the future payments expected to be received. Due to the nature of the valuation inputs, the contributions receivable is classified within Level 3 of the hierarchy.

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 2,277,901	\$ 2,393,396	\$ 4,671,297
Due in one to five years	-	8,562,480	8,562,480
Due in more than five years	-	17,393	17,393
	2,277,901	10,973,269	13,251,170
Less			
Unamortized discount	-	269,582	269,582
	\$ 2,277,901	\$ 10,703,687	\$ 12,981,588

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 2,504,566	\$ 1,444,373	\$ 3,948,939
Due in one to five years	-	9,741,321	9,741,321
Due in more than five years	-	33,729	33,729
	2,504,566	11,219,423	13,723,989
Less			
Unamortized discount	-	118,444	118,444
	\$ 2,504,566	\$ 11,100,979	\$ 13,605,545

The discount rates used were .96 percent and .36 percent for 2021 and 2020, respectively.

Note 4: Property and Equipment

Property and equipment at December 31 consists of:

	2021	2020
Buildings and improvements	\$ 1,079,475	\$ 1,079,475
Furniture and fixtures	1,613,986	1,486,842
	1,755,068	1,546,717
Less accumulated depreciation		
	\$ 938,393	\$ 1,019,600

Note 5: Annuities Payable

The Organization has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. The Organization has recorded a liability at December 31, 2020 of \$1,871, which represents the present value of the future annuity obligations. There was no liability recorded at December 31, 2021 as there were no remaining annuitants.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 6: Park Projects Fund

The park projects fund is used to account for the various park projects which utilize donor restricted net assets activity for the years ended December 31, 2021 and 2020, was as follows:

	January 1, 2021 Balance	2021		December 31, 2021 Balance
		Income/ (Discount)	Expenses/ Release of Restrictions	
Aviation Field	\$ 15,941	\$ -	\$ -	\$ 15,941
Horse stables and maintenance	68,994	-	-	68,994
Forever Capital	18,861,993	15,663	1,074,887	17,802,769
Forever Unrestricted	37,763,928	(142,978)	-	37,620,950
Liberal Arts Bridge	478,815	-	-	478,815
Golf scholarships	10,000	-	-	10,000
Nature Works Collaborative	114,150	5,000	58,702	60,448
Park benches	350,588	72,760	36,263	387,085
Round Lake Hillside	7,623	-	-	7,623
Visitor Guide	25,000	-	-	25,000
MDC Co-Op	15,485	-	15,485	-
Kennedy Forest Restoration	1,543,760	-	153,374	1,390,386
Waterways Restoration Project	62,000	-	-	62,000
City Water Monitoring Project	25,949	-	24,830	1,119
FPF Youth Conservation Corps	27,163	-	-	27,163
Wildlife Brochure	2,457	-	-	2,457
Bush Honeysuckle Plan	2,500	-	2,500	-
Bellweather Foundation	125,000	-	125,000	-
Sporacio	16,291	24,000	16,291	24,000
Oakland Avenue Playground	143,244	53,000	196,244	-
Round Lake Vista	20,000	-	-	20,000
Tree and Brick Tributes	-	51,250	51,250	-
Boathouse Renovations	-	200,000	99,843	100,157
Nature Playscape Education	-	15,500	-	15,500
St. Louis Cardinals Planting	-	5,000	5,000	-
Green Grant for Muny tributary waterway landscape	-	5,000	-	5,000
Pollinator Preservation	-	424	-	424
Park Projects at the discretion of FPF	-	83,000	-	83,000
Total	<u>\$ 59,680,881</u>	<u>\$ 387,619</u>	<u>\$ 1,859,669</u>	<u>\$ 58,208,831</u>

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

	January 1, 2020 Balance	2020		December 31, 2020 Balance
		Income	Expenses/ Release of Restrictions	
Aviation Field	\$ 15,941	\$ -	\$ -	\$ 15,941
Horse stables and maintenance	72,399	-	3,405	68,994
Forever Capital	18,025,466	5,361,687	4,525,160	18,861,993
Forever Unrestricted	37,503,562	260,366	-	37,763,928
Liberal Arts Bridge	478,815	-	-	478,815
Golf scholarships	15,000	-	5,000	10,000
Nature Works Collaborative	96,425	84,466	66,741	114,150
Park benches	335,991	61,513	46,916	350,588
Round Lake Hillside	13,123	-	5,500	7,623
Visitor Guide	-	25,000	-	25,000
Tree and brick tributes	-	39,070	39,070	-
MDC Co-Op	-	30,000	14,515	15,485
Kennedy Forest Restoration	121,987	1,500,000	78,227	1,543,760
Waterways Restoration Project	62,000	-	-	62,000
City Water Monitoring Project	30,349	-	4,400	25,949
FPF Youth Conservation Corps	27,163	-	-	27,163
Wildlife Brochure	2,457	-	-	2,457
Bush Honeysuckle Plan	2,500	-	-	2,500
Bellweather Foundation	-	125,000	-	125,000
Sporacio	-	27,000	10,709	16,291
Oakland Avenue Playground	65,000	78,244	-	143,244
Round Lake Vista	20,000	-	-	20,000
Total	\$ 56,888,178	\$ 7,592,346	\$ 4,799,643	\$ 59,680,881

Note 7: Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31 have been designated for the following purposes:

	2021	2020
Designated for Forest Park endowment	\$ 3,145,074	\$ 3,145,074
Invested in net property	938,393	1,019,600
Undesignated	5,585,901	5,424,721
	\$ 9,669,368	\$ 9,589,395

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose		
Park projects fund	\$ 58,208,831	\$ 59,680,881
Subject to passage of time for operations	<u>2,121,767</u>	<u>1,243,430</u>
	60,330,598	60,924,311
Endowments		
Subject to appropriation and expenditure restricted by donors for maintenance of the park	<u>159,365,799</u>	<u>140,139,020</u>
	<u>\$ 219,696,397</u>	<u>\$ 201,063,331</u>

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2021</u>	<u>2020</u>
Satisfaction or purpose restrictions		
Park projects	\$ 1,859,669	\$ 4,799,643
Expiration of time restrictions for operations	<u>331,776</u>	<u>305,677</u>
Restricted purpose spending-rate distributions and appropriations for maintenance of the park	<u>4,778,388</u>	<u>4,490,856</u>
	<u>\$ 6,969,833</u>	<u>\$ 9,596,176</u>

Note 8: Endowment

The Organization's endowment consists of six individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

The Organization’s board of directors is subject to the State of Missouri’s Prudent Management of Institutional Funds Act (SPMIFA). As a result, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The composition of net assets by type of endowment fund at December 31, 2021 and 2020, was:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 3,145,074	\$ -	\$ 3,145,074
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be held in perpetuity	-	92,605,080	92,605,080
Accumulated investment gains	-	66,760,719	66,760,719
Total endowment funds	\$ 3,145,074	\$ 159,365,799	\$ 162,510,873

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 3,145,074	\$ -	\$ 3,145,074
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be held in perpetuity	-	92,412,355	92,412,355
Accumulated investment gains	-	47,726,665	47,726,665
Total endowment funds	\$ 3,145,074	\$ 140,139,020	\$ 143,284,094

Changes in endowment net assets for the years ended December 31, 2021 and 2020, were:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,145,074	\$ 140,139,020	\$ 143,284,094
Investment return, net	-	23,812,442	23,812,442
Contributions and other	-	192,725	192,725
Appropriation of endowment net assets for expenditures	-	(4,778,388)	(4,778,388)
Endowment net assets, end of year	\$ 3,145,074	\$ 159,365,799	\$ 162,510,873

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,145,074	\$ 125,558,009	\$ 128,703,083
Investment return, net	-	18,827,531	18,827,531
Contributions and other	-	244,336	244,336
Appropriation of endowment net assets for expenditures	-	(4,490,856)	(4,490,856)
Endowment net assets, end of year	\$ 3,145,074	\$ 140,139,020	\$ 143,284,094

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Underwater Endowments

The Organization's governing body has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At December 31, 2021 and 2020, there were no underwater funds.

Investment and Spending Policies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Organization must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Organization's policies, endowment assets are invested in a manner that is intended to produce results that exceed the rate of inflation while assuming a prudent level of investment risk. The Organization expects its endowment funds to provide an average rate of return in excess of the spending rate annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a spending policy of appropriating for expenditure each year 4 percent of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with the Organization's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The transfer of \$4,778,388 from endowment investment assets to operating cash occurred in January 2022.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 9: Liquidity and Availability

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are:

	2021	2020
Financial assets at year-end		
Cash and investments without donor restrictions	\$ 12,979,481	\$ 8,372,017
Annual fund receivables	434,963	473,971
Other receivables and assets	1,050,600	925,802
Approved endowment support	5,405,539	4,778,508
Financial assets available to meet cash needs for general expenses within one year	\$ 19,870,583	\$ 14,550,298

The Organization’s overall expenses fluctuate from year to year. The Organization and the City of St. Louis agree on maintenance projects each year which are funded with city bond principal and interest payments. Expenses for these projects are included in the Organization’s operating expenses.

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a target to maintain four to six months of operating expenses in cash reserves. The Organization has certificates of deposit with a historical cost of approximately \$249,000 and \$1,245,000, as of December 31, 2021 and 2020, respectively, maturing within one year, which relate to the Forever Campaign. It is the Organization’s policy to re-invest such funds until needed.

Note 10: Defined Contribution Plan

The Organization has a 401K plan (the “Plan”) covering all eligible employees. The Plan is funded by employee contributions, including employer matching and discretionary employer contributions as defined by the Plan. Total employer contributions are \$216,000 and \$191,000 in 2021 and 2020, respectively.

In addition, the Organization has a 457(f) plan to benefit the executive director subject to a five year vesting schedule. Discretionary amounts payable to the plan are included in accounts payable and other liabilities on the statements of financial position.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 11: Operating Leases

The Organization entered into a 25 year lease in 2004 with the City for the Dennis and Judith Jones Education and Visitors Center. The lease contains two renewal options; one for an additional 15 years after the original lease term and an additional five years after the first renewal term. Rent for the premises will be \$1 per year and the Organization additionally must assume responsibility for all leasehold improvements, which is estimated at \$3,850,000 over the life of the lease. The Organization is to pay all executory costs, utilities and insurance.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

General Litigation

The Organization is subject to litigation that arise in the ordinary course of its activities. While events could occur that would change this estimate, it is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization.

Contributions

As described in Note 1, the Organization receives gifts with and without restrictions which are included in contribution revenue. Accounting principles generally accepted in the United States of America require disclosure of current vulnerability due to certain concentrations.

Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows and are included in contributions receivable. Approximately 74 and 75 percent of all contributions receivable balances were from one donor in 2021 and 2020, respectively.

Approximately 23 and 61 percent of all contribution revenue was received from one non-related party donor in 2021 and two non-related party donors in 2020, respectively.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Investments

The Organization invests in various investments. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statement of financial position.

Note 13: Maintenance and Trust Agreements

In March 2007, the Organization entered into a Trust Agreement “FPF Trust Agreement” and Maintenance Cooperation Agreement “Maintenance Agreement” with the City. The Organization and the City entered into such agreements with the intent of establishing a long-term funding mechanism for the maintenance of Forest Park. The City was authorized by Ordinance No. 67477 to enter into these agreements. The agreements became effective in 2007 and extend for a term of 50 years, unless terminated earlier under the provisions of the agreement.

Under the terms of the FPF Trust Agreement, the Organization agreed to make donations to the Trustee established under the Trust Agreement of \$1,800,000 annually (“FPF donations”), payable in equal installments on January 1 and July 1 of each year, beginning July 1, 2007, solely to pay for the costs of maintaining Forest Park, as defined and described in the Maintenance Agreement. For the years ended December 31, 2021 and 2020, the Organization made donations to the Trustee of \$1,800,000 each year, as required under the terms of the agreement. As of December 31, 2021 and 2020, \$900,000 and \$787,765, respectively, remained on deposit with the Trustee solely to pay for the costs of maintaining Forest Park, and is recorded as prepaid expenses and deposits on the statements of financial position.

Pursuant to Ordinance No. 67477, the City also executed a Maintenance Trust Agreement with Barnes Jewish Organization (“BJH Trust Agreement”) to establish a long-term funding mechanism for Forest Park’s maintenance and operations. Under the BJH Trust Agreement, Barnes Jewish Hospital (BJH) will make donations in trust to a Trustee for the benefit of Forest Park to be used for the operation and maintenance of Forest Park (“BJH donation”) and not for new construction. The total amount initially payable annually by BJH under the BJH Trust Agreement is \$2,000,000.

Under the terms of the Trust Agreements, a Trustee was designated and an irrevocable trust fund established (“FPF Park Maintenance Fund”). A Steering Committee comprised of representatives of both the City and Forest Park Forever (FPF) annually prepares a budget of costs of maintaining Forest Park based on the City’s fiscal year beginning July 1. The total budget shall not exceed the amount of annual BJH donations plus the amount of FPF donations under the respective Trust Agreements.

The St. Louis Board of Alderman approved two pieces of legislation on Friday, December 2, 2011, that together provide the means to protect and invest in all city parks.

Forest Park Forever, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Ordinance No. 69049 provides funding and capital improvements in all 107 of the City's public parks by allocating a combined \$64,000,000 for city parks - with \$30,000,000 designated for Forest Park and \$34,000,000 to support all parks throughout the city while using existing revenue and imposing no new taxes. This ordinance authorizes the City to issue bonds for up to \$30,000,000 to FPF. In 2018, FPF purchased remaining bonds with private contributions and the funds will be used to build the next phase of Master Plan projects.

Ordinance No. 69042 defines a new Maintenance Cooperation Agreement ("MCA") which establishes the City Parks Department and FPF as partners in sustaining Forest Park, and expands FPF's responsibilities over time to include enhanced landscape maintenance of all 860 non-leased acres of the park. This additional work will complement work performed by the City. Bond payments authorized by Ordinance 69049 will then be used to support operations and maintenance in Forest Park. Under the MCA, FPF intends to raise an additional \$100,000,000 in new endowment funds to support maintenance, operations, education and visitor services in Forest Park.

Effective April 12, 2013, the Organization and the City consummated the agreement to purchase up to \$30,000,000 of bonds as authorized by Ordinance 69049. Under that Bond Purchase Agreement, bonds will be purchased by the Organization incrementally over time. Purchases were made and principal and interest payments were made to the Organization in 2021 and 2020 for a city bond balance of \$17,830,000 and \$18,325,000, respectively, at December 31, 2021 and 2020, and has been included in investments on the statements of financial position.

Note 14: Subsequent Events

In January 2022, the Organization received approximately \$1,150,000 in a bequest distribution. The Organization increased contributions receivable and contribution revenue by this amount as of December 31, 2021, given the donor was deceased and estate had settled as of this date.

Subsequent events have been evaluated through June 29, 2022, which is the date the financial statements were available to be issued.