

Wake Enterprises, Inc.

Financial Statements

Years Ended June 30, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Wake Enterprises, Inc.
Raleigh, North Carolina

We have audited the accompanying financial statements of Wake Enterprises, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2014 and 2013 and the related statements of activities and changes in net assets, functional expenses, cash flows, and the related notes to the financial statements for the years then ended.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wake Enterprises, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Cam, Riggs & Ingram, L.L.C.

Raleigh, North Carolina
October 22, 2014

<i>June 30,</i>	2014	2013
Assets		
Current Assets:		
Cash and equivalents	\$ 477,565	\$ 650,859
Accounts receivable:		
Trade, net of allowance for doubtful accounts of \$3,000 and \$3,000 in 2014 and 2013	402,612	308,991
Other receivables	12,915	29,550
Short-term investments	638,669	622,403
Endowment fund	32,092	27,330
Prepaid expenses	77,108	67,759
Other current assets	258	646
Total Current Assets	1,641,219	1,707,538
Property and Equipment:		
Equipment	154,723	129,723
Furniture and fixtures	190,934	178,894
Vehicles	207,282	145,905
Buildings and improvements	3,542,366	3,538,594
Total depreciable property	4,095,305	3,993,116
Less: accumulated depreciation	(1,899,035)	(1,729,531)
Net depreciable property	2,196,270	2,263,585
Land	912,561	912,561
Total Property and Equipment	3,108,831	3,176,146
Other Assets:		
Bond origination fees, net	105,774	111,164
Total assets	\$ 4,855,824	\$ 4,994,848

See the accompanying notes to the financial statements

Wake Enterprises, Inc.
Statements of Financial Position

<i>June 30,</i>	2014	2013
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 41,394	\$ 74,126
Accrued salaries and vacation	97,961	86,686
Accrued payroll taxes and withholdings	36,744	13,870
Current maturities of long-term debt	115,000	110,000
Total current liabilities	291,099	284,682
Long-term Debt:		
Bonds payable, net of current maturities	2,960,000	3,075,000
Total liabilities	3,251,099	3,359,682
Net assets		
Unrestricted net assets:		
Net investment in property and equipment	33,831	125,891
Undesignated	1,536,249	1,482,330
Total unrestricted net assets	1,570,080	1,608,221
Temporarily restricted net assets	34,645	26,945
Total net assets	1,604,725	1,635,166
Total liabilities and net assets		
	\$ 4,855,824	\$ 4,994,848

See the accompanying notes to the financial statements

<i>Year ended June 30, 2014</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains, and other support				
Program revenue	\$ 2,561,040	\$ -	\$ -	\$ 2,561,040
Contract sales	138,736	-	-	138,736
Contributions	47,915	10,700	-	58,615
In-kind contributions	2,909	-	-	2,909
Grant revenue	-	98,146	-	98,146
Special events	35,942	-	-	35,942
Rental income	65,000	-	-	65,000
Miscellaneous income	1,277	-	-	1,277
Interest income	7,879	-	-	7,879
Endowment earnings	2,863	-	-	2,863
Gain on sale of property and equipment	2,500	-	-	2,500
Net Assets released from restrictions:				
Restrictions satisfied by providing program services	37,269	(37,269)	-	-
Restrictions satisfied by acquisition of property and equipment	63,877	(63,877)	-	-
Total revenue, gains and other support	2,967,207	7,700	-	2,974,907
Expenses:				
Program services	2,158,761	-	-	2,158,761
Production expenses	364,177	-	-	364,177
Development expenses	58,773	-	-	58,773
Management and general expenses	423,637	-	-	423,637
Total Expenses	3,005,348	-	-	3,005,348
Changes in net assets	(38,141)	7,700	-	(30,441)
Net Assets, Beginning of Year	1,608,221	26,945	-	1,635,166
Net Assets, End of Year	\$ 1,570,080	\$ 34,645	\$ -	\$ 1,604,725

See the accompanying notes to the financial statements

Statements of Activities and Changes in Net Assets

<i>Year ended June 30, 2013</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains, and other support				
Program revenue	\$ 2,707,869	\$ -	\$ -	\$ 2,707,869
Contract sales	190,683	-	-	190,683
Contributions	55,567	28,000	-	83,567
In-kind contributions	9,550	-	-	9,550
Grant revenue	12,125	-	-	12,125
Special events	68,994	-	-	68,994
Rental income	60,000	-	-	60,000
Interest income	11,532	-	-	11,532
Miscellaneous income	1,100	-	-	1,100
Endowment earnings	665	-	-	665
Net Assets released from restrictions:				
Restrictions satisfied by providing program services	17,836	(17,836)	-	-
Total revenue, gains and other support	3,135,921	10,164	-	3,146,085
Expenses:				
Program services	2,141,821	-	-	2,141,821
Production expenses	426,911	-	-	426,911
Development expenses	81,504	-	-	81,504
Management and general expenses	455,500	-	-	455,500
Total expenses	3,105,736	-	-	3,105,736
Change in net assets	30,185	10,164	-	40,349
Net assets, beginning of year	1,578,036	16,781	-	1,594,817
Net assets, end of year	\$ 1,608,221	\$ 26,945	\$ -	\$ 1,635,166

See the accompanying notes to the financial statements

Wake Enterprises, Inc.

Statement of Functional Expenses

<i>Year ended June 30, 2014</i>	Program			Management	Total
	Services	Production	Development	and General	
Salaries and wages	\$ 1,414,355	\$ 136,904	\$ 37,920	\$ 272,110	\$ 1,861,289
Benefits and payroll taxes	346,246	29,437	2,531	58,569	436,783
Depreciation	95,045	56,769	493	19,697	172,004
Maintenance and repairs	76,623	54,880	716	13,900	146,119
Supplies	42,506	20,485	265	7,463	70,719
Utilities	37,116	26,088	320	5,807	69,331
Interest expense	23,293	16,375	195	3,623	43,486
Insurance	22,068	14,526	187	3,457	40,239
Transportation	35,255	-	-	-	35,255
Miscellaneous	7,718	1,430	95	13,777	23,020
Telephone	16,070	2,298	761	3,049	22,178
Staff training	20,637	792	63	-	21,492
Professional fees	5,300	-	-	9,301	14,601
Preemployment expenses	12,383	217	-	350	12,950
Event expenses	-	-	12,665	-	12,665
Dues	-	125	825	6,277	7,227
Amortization	2,880	2,046	26	438	5,390
Advertising	884	1,243	1,076	2,025	5,228
Travel	234	562	74	2,964	3,835
Postage	95	-	561	828	1,484
Accreditation	53	-	-	-	53
Printing	-	-	-	-	0
Total functional expenses	\$ 2,158,761	\$ 364,177	\$ 58,773	\$ 423,637	\$ 3,005,348

See the accompanying notes to the financial statements

Wake Enterprises, Inc.

Statement of Functional Expenses

<i>Year ended June 30, 2013</i>	Program			Management	
	Services	Production	Development	and General	Total
Salaries and wages	\$ 1,443,743	\$ 196,223	\$ 36,510	\$ 278,672	\$ 1,955,148
Benefits and payroll taxes	318,388	42,269	1,656	58,778	421,091
Depreciation	79,469	55,608	468	32,290	167,835
Maintenance and repairs	59,303	37,905	903	22,041	120,152
Supplies	48,173	27,893	592	9,676	86,334
Utilities	36,051	25,812	333	5,255	67,451
Interest expense	25,307	17,976	210	3,839	47,332
Transportation	36,294	-	-	-	36,294
Insurance	18,169	12,917	166	3,708	34,961
Event expenses	-	-	32,627	-	32,627
Telephone	12,657	5,805	401	4,856	23,719
Staff training	20,396	748	1,907	-	23,051
Accreditation	20,169	-	-	-	20,169
Miscellaneous	5,246	361	400	13,093	19,100
Professional fees	3,525	-	-	10,092	13,617
Dues	3,883	114	-	6,675	10,672
Preemployment expenses	6,548	45	8	529	7,130
Travel	9	-	2,340	3,784	6,134
Amortization	2,880	2,040	24	434	5,378
Advertising	1,511	1,195	1,865	627	5,198
Postage	100	-	878	1,149	2,127
Printing	-	-	216	-	216
Total functional expenses	\$ 2,141,821	\$ 426,911	\$ 81,504	\$ 455,500	\$ 3,105,736

See the accompanying notes to the financial statements

Wake Enterprises, Inc.
Statements of Cash Flows

<i>Years ended June 30,</i>	2014	2013
Operating activities		
Change in net assets	\$ (30,441)	\$ 40,349
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Amortization	5,390	5,378
Depreciation	172,004	167,835
Gain on sale of fixed assets	(2,500)	
Unrealized (gain) loss on investments	(2,863)	71
Increase in accounts receivable - trade	(93,621)	(80,439)
Decrease (increase) in other accounts receivables	16,635	(8,815)
Increase in prepaid expenses and other assets	(8,961)	(4,399)
Decrease in accounts payable and accrued expenses	(32,732)	(5,614)
Increase in accrued salaries and vacation	11,275	375
Increase (decrease) in accrued payroll taxes and withholdings	22,874	(14,519)
Net cash provided by operating activities	57,060	100,222
Investing activities		
Endowment contributions	(700)	(27,330)
Purchase of investments	(17,465)	(4,254)
Proceeds from sale of property and equipment	2,500	-
Purchases of property and equipment	(104,689)	(57,125)
Net cash used by investing activities	(120,354)	(88,709)
Financing activities		
Payment of long-term debt	(110,000)	(110,000)
Net cash used by financing activities	(110,000)	(110,000)
Net decrease in cash	(173,294)	(98,487)
Cash at beginning of year	650,859	749,346
Cash at end of year	\$ 477,565	\$ 650,859
Supplementary disclosures		
Cash paid during the year for interest	\$ 43,486	\$ 47,332

See the accompanying notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES AND NATURE OF OPERATIONS

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of Activities

Wake Enterprises, Inc. (the Organization) is a private, IRS Section 501(c)(3) not-for-profit organization that was incorporated in North Carolina on August 15, 1979. The Organization provides vocational and social development services to adults who are developmentally disabled (participants). The Organization operates primarily in Wake County, North Carolina.

Basis of Accounting

The Organization records transactions using the accrual basis of accounting, whereby revenue is recognized when earned and related expenses are recognized when obligated. The Organization records assets, liabilities, and equity transactions using the historical cost method under accounting principles generally accepted in the United State of America (GAAP).

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its *Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities*. Under ASC 958, the Organization is required to report financial information regarding its financial position, and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at June 30, 2014 and 2013.

Cash and cash equivalents

The Organization considers all short-term term investments with an original maturity of three months or less to be cash equivalents. In addition, the Organization's bond agreement requires the Organization to maintain a separate cash account for the bond sinking fund. The restricted cash balances totaled \$48,331 and \$46,535 as of June 30, 2014 and 2013, respectively.

Investments

The Organization's investing activities consist of the purchase of certificates of deposit with maturities greater than three months and marketable securities. Under ASC 958, investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at fair market values in the Statements of Financial Position as of June 30, 2014, and 2013, respectively. The realized and unrealized net gains and losses on investments are reflected in the Statements of Activities for the year ended June 30, 2014 and 2013, respectively.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Contributions**

Contributions are considered to be available for unrestricted use at the Organization's discretion unless restrictions are imposed by the donors. Amounts received that are designated for future periods or restricted by donors for specific purposes are reported as temporarily restricted or permanently restricted support revenues. As donor-imposed restrictions are met or expire, temporarily and permanently restricted assets are reclassified as unrestricted. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributed Services

Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not received by donation, are recorded at fair market values as contributed services revenues in the periods they are received. During the years ended June 30, 2014 and 2013, no contributed services meeting the criteria for recognition as contributed services revenue were observed.

In-Kind Contributions

Contributions of donated noncash assets are recorded at their fair market values in the periods received. During the years ended June 30, 2014 and 2013, the Organization received donated materials as noted below:

	2014	2013
Program supplies	\$2,909	\$9,100
Computer	-	450
Total in-kind donations	\$2,909	\$9,550

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding. Management has established a valuation allowance for probably uncollectible amounts based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has made reasonable collection efforts are written off through charges to the bad debt allowance and accounts receivable. Balances are considered past due after aging 90 days after the due dates. Management does not charge interest on accounts receivable considered past due.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Property and Equipment**

Property and equipment are stated at historical cost less accumulated depreciation and amortization. Acquisitions of property and equipment at costs of \$5,000 or greater are capitalized, while expenditures of less than \$5,000 are expensed as incurred. Depreciation and amortization is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The straight-line method of depreciation is followed for all assets for financial reporting purposes as noted below:

Equipment	3-5 years
Furniture and fixtures	3-5 years
Vehicles	3-5 years
Buildings and improvements	10-18 years
Land improvements	10 years

Income Taxes

The Organization is exempt from both federal and state income taxes for all program related income under Section 501(c)(3) of the Internal Revenue Code. The Organization is taxed on any unrelated business income at normal income tax rates. There was no unrelated business income for the years ended June 30, 2014 and 2013. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1) and has been qualified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code.

The Organization follows guidance in *ASC 740-10, Income Taxes* as it relates to uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified as current liabilities within the Organization's financial statements. Management believes all positions taken would be upheld under examination. Therefore, no provisions for the effects of uncertain tax positions have been recorded for the years ended June 30, 2014 and 2013.

Income tax returns have not been examined by the Internal Revenue Service or by the State of North Carolina Department of Revenue within the last three years (2013, 2012, and 2011) and remain open to examination. The Organization is not currently under audit nor has it been contacted by either of these jurisdictions.

Retirement Plan

The Organization offers a retirement plan under Section 403-B of the Internal Revenue Code to employees meeting certain minimum age and employment qualifications. The Organization provides matching contributions based on a vesting schedule for those employees with greater than one year of service. For the years ended June 30, 2014 and 2013, the Organization's matching contributions for this plan were \$12,878 and \$14,830, respectively.

Notes to Financial Statements

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Advertising**

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2014 and 2013 were \$5,228 and \$5,198, respectively.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and payroll related expenses are charged to various functions based on employee time records. Occupancy costs are allocated based on the amount of space (square footage) utilized for various functions. Costs not related to payroll or occupancy and not directly related to specific functions are generally charged to administrative expenses.

NOTE 2 – INVESTMENTS

The Organization held investments of bank certificates of deposit with maturities of greater than three months and less than two years during the years ended June 30, 2014 and 2013. The Organization records these investments at historical cost plus accrued interest. The values of these investments at June 30, 2014 and 2013 were:

<i>June 30,</i>	2014	2013
Bank certificates of deposit with maturities greater than three months but less than two years	\$ 638,669	\$ 622,403
Total investments	\$ 638,669	\$ 622,403

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Organization had no assets or liabilities meeting the requirement for fair value disclosure at June 30, 2014 or 2013.

Wake Enterprises, Inc.
Notes to Financial Statements

NOTE 3 – LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2014:

<u>June 30,</u>	<u>2014</u>	<u>2013</u>
Bonds payable	\$ 3,075,000	\$ 3,185,000
Less: current maturities	(115,000)	(110,000)
Total long-term debt	\$ 2,960,000	\$ 3,075,000

Bonds payable

The Organization is obligated under Industrial Facilities Revenue Bonds (Bonds Payable) payable in annual installments of varying amounts through February 2034, plus interest adjusted on a weekly basis and set at the prevailing market rate for tax exempt bonds as determined by the Remarketing Agent, and collateralized by a letter of credit issued by the bank.

Letter of credit

The letter of credit collateralizing the Bonds Payable is collateralized by all accounts receivable, equipment, furniture and fixtures, buildings, and real estate with costs totaling \$5,427,801 and \$5,368,289 at June 30, 2014 and 2013, respectively.

Interest of \$43,486 and \$47,332 was charged to operations on the above long-term bond payable for the years ended June 30, 2014 and 2013, respectively.

Aggregate maturities of future long-term debt at June 30, 2014 are as follows:

2015	\$ 115,000
2016	120,000
2017	120,000
2018	125,000
2019	130,000
2020 and beyond	2,465,000
Total bonds payable	\$ 3,075,000

Notes to Financial Statements

NOTE 3 – LONG-TERM DEBT (CONTINUED)

The Organization is required under the Letter of Credit agreement to make monthly deposits into a sinking fund bank account in an amount equal to one twelfth of the principal due the following year. Minimum sinking fund deposit requirements for as of June 30, 2014 were as follows:

2013	\$	45,833
2014		112,083
2015		117,083
2016		120,000
2017		122,083
2018 to 2022		673,334
2023 to 2027		783,332
2028 to 2032		897,500
2033 to 2034		313,752
<hr/>		
Total	\$	3,185,000

Bond origination costs totaling \$134,744 are being amortized over the estimated bond repayment term using the straight-line method. Amortization expense for the year ended June 30, 2014 and 2013 was \$5,390 and \$5,378, respectively.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporary restrictions of support for the years ended June 30, 2014 and 2013 are shown as follows:

<i>Years ended June 30,</i>	2014	2013
Endowment funds restricted by donor	\$ 27,645	\$ 26,945
Grant funds restricted for capital outlay	7,000	-
<hr/>		
Total temporarily restricted assets	\$ 34,645	\$ 26,945

NOTE 5 – OPERATING LEASE COMMITMENTS

The Organization leases a commercial building to an unrelated third party under a three year noncancelable operating lease that expired June 30, 2014. The lease was not renewed after its expiration. Rental income from the lease for the years ended June 30, 2014 and 2013 totaled \$65,000 and \$60,000, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONSBanking

Two members of the Organization's Board of Directors for the years ended June 30, 2014 and 2013 were employed as officers at banks where the Organization maintains depository accounts. The board members did not take part in or vote on any matters pertaining to the Organization's banking activities.

Board of Directors Composition

The Organization's by-laws require that the Board of Directors be comprised of no less than 25% of family members of served participants. Six (38%) of the sixteen board members for the year ended June 30, 2014 and eight (47%) of the seventeen board members for the year ended June 30, 2013 were family members of participants.

Revenues

Two members of the Board of Directors were employed by a company that purchased production services from the Organization totaling \$2,181 and \$3,306 for the years ended June 30, 2014 and 2013, respectively.

Two members of the Board of Directors also served on the board of directors for an organization providing program service revenue to the Organization. Revenues from this organization totaled \$86,544 and \$85,488 for the years ended June 30, 2014 and 2013, respectively.

Related Directorships

Two officers of the Organization's Board of Directors are employed by a company that manages member organizations (management company). One of those organizations is the North Carolina Association of Rehabilitation Facilities (NCARF). The Organization has been a member of NCARF for over ten years. The management company began management of NCARF approximately two years ago. Additionally, the Organization has contracted with the management company to provide pre-employment background screenings. The Organization paid \$6,325 and \$4,458 for these services for the years ended June 30, 2014 and 2013, respectively. The management agreement between the management company and NCARF terminated on June 30, 2014.

NOTE 7 – CONTINGENCIES

The Organization maintains its cash balances in financial institutions located in Wake County, North Carolina. The Federal Deposit Insurance Corporation (FDIC) provides coverage up to \$250,000 for substantially all depository accounts. Uninsured cash balances aggregated to \$20,648 and \$468,497 at June 30, 2014 and 2013, respectively.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

For the years ended June 30, 2014 and 2013, the Organization received approximately 65% and 68%, respectively, of its revenues from Innovations and ADVP program services. These program service revenues were received from one managed care organization in Wake County, North Carolina.

NOTE 9 – ENDOWMENT FUND

On July 12, 2012, the Organization entered an agreement with the North Carolina Community Foundation, Inc. (Foundation) to establish an endowment fund for the benefit of the Organization. The agreement calls for the income from the endowment fund to be distributed annually for the general operating support of the Organization. While the stated intention of the agreement is for the principal to remain undistributed, the principal may be distributed at the Foundation's discretion. The agreement does not require further contributions.

During the years ended June 30, 2014 and 2013, the endowment fund received \$900 and \$1,305, respectively, in donations. For the years ended June 30, 2014 and 2013, the endowment earned interest income totaling \$748 and \$486, respectively and earned \$28,63 and \$737, respectively, in unrecognized gains on investments. Administrative fees totaled \$301 and \$201 for the years ended June 30, 2014 and 2013, respectively. The endowment fund had fair market values of \$32,092 and \$27,330 at June 30, 2014 and 2013, respectively.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 22, 2014, the date the financial statements were available to be issued.