Financial Statements

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of
The Andrew W. Mellon Foundation:

In our opinion, the accompanying balance sheets and the related statements of activities and cash flows present fairly, in all material respects, the financial position of The Andrew W. Mellon Foundation (the "Foundation") at December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

May 20, 2011

The Andrew W. Mellon Foundation

Balance Sheets

December 31, 2010 and 2009

	2010	*2009*
	(in thousands of dollars)	
ASSETS		
Investments		
Marketable securities	$ 1,934,796	$ 1,969,850
Alternative investments	3,498,081	3,020,122
	5,432,877	4,989,972
Payable from unsettled securities purchases, net	(22,333)	(365)
	5,410,544	4,989,607
Cash	2,711	3,526
Investment and other income receivable	3,726	4,125
Other assets	3,461	3,585
Taxes receivable	3,357	3,472
Property, at cost, less accumulated depreciation of $20,174 and $17,554 at December 31, 2010 and 2009, respectively	44,744	47,215
Total assets	$ 5,468,543	$ 5,051,530
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	$ 39,717	$ 51,106
Accrued expenses, including interest payable	11,977	14,447
Deferred federal excise tax	15,100	7,300
Long term debt	274,350	274,350
Total liabilities	341,144	347,203
Net assets (unrestricted)	5,127,399	4,704,327
Total liabilities and net assets	$ 5,468,543	$ 5,051,530

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

Statements of Activities
Years Ended December 31, 2010 and 2009

	2010	2009
	(in thousands of dollars)	
INVESTMENT RETURN		
Gain (loss) on investments		
Realized, net	$ 281,600	$ (119,200)
Unrealized, net	382,834	951,338
Interest	24,781	19,275
Dividends	15,928	16,895
Other income	176	194
	705,319	868,502
Less: Investment management expenses	(12,945)	(11,703)
Net investment return	692,374	856,799
EXPENSES		
Program grants and contributions, net	233,650	214,083
Grantmaking operations	13,577	15,040
Direct charitable activities	2,450	2,467
Investment operations	6,171	5,412
Interest	9,560	5,184
Current provision for taxes	3,712	119
Other expenses	182	139
	269,302	242,444
Change in net assets	423,072	614,355
NET ASSETS (UNRESTRICTED)		
Beginning of year	4,704,327	4,089,972
End of year	$ 5,127,399	$ 4,704,327

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

Statements of Cash Flows

Years Ended December 31, 2010 and 2009

	2010	*2009*
	(in thousands of dollars)	
Cash flow from investment income and operations		
Change in net assets	$ 423,072	$ 614,355
Adjustments to reconcile change in unrestricted net assets to net cash used by investment income and operations		
Realized (gain) loss on investments, net	(281,600)	119,200
Unrealized gain on investments, net	(390,634)	(958,638)
Decrease in investment and other income receivable	399	1,205
Decrease (increase) in other assets	124	(2,607)
Decrease in taxes receivable	115	72
Decrease in grants payable	(11,389)	(1,587)
(Decrease) increase in accrued expenses	(2,470)	9,583
Depreciation and amortization expense	2,620	2,637
Increase in deferred federal excise tax payable	7,800	7,300
Net effect of bond amortization	629	605
Total adjustments	(674,406)	(822,230)
Net cash used by investment income and operations	(251,334)	(207,875)
Cash flow from investing activities		
Proceeds from sales of marketable securities		
Short-term	1,549,579	2,921,198
Other	3,107,543	3,650,036
Receipts from alternative investments	512,003	258,045
Net returns on financial instruments	1,963	4,229
Purchases of marketable securities		
Short-term	(1,417,200)	(2,989,062)
Other	(2,958,497)	(3,449,879)
Purchases of alternative investments	(544,722)	(416,541)
Additions to property	(150)	—
Net cash provided (used) by investing activities	250,519	(21,974)
Cash flow from financing activities		
Bond proceeds	—	230,000
Net cash provided by financing activities	—	230,000
Net (decrease) increase in cash	(815)	151
Cash		
Beginning of year	3,526	3,375
End of year	$ 2,711	$ 3,526
Supplemental disclosure of noncash investing activities		
Distributions of securities received from alternative investments	$ 28,841	$ 19,014

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Andrew W. Mellon Foundation (the "Foundation") is a not-for-profit corporation under the laws of the State of New York. The Foundation makes grants in five core program areas: higher education; scholarly communications and information technology; performing arts; museums and art conservation; and conservation and the environment.

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below.

Investments

The Foundation's financial assets and financial liabilities are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes the practical expedient in valuing certain of its investments where ownership is represented by a portion of partnership capital or shares representing a net asset value investment. The practical expedient is an acceptable method under GAAP to determine the fair value of investments that (i) do not have a readily determinable fair value predicated upon a public market and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

A fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and include active listed equities, options and certain short-term fixed income investments. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale of all its holdings could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources are classified as Level 2. These include certain US government and sovereign obligations, government agency obligations, investment grade corporate bonds and less liquid equity securities.

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. The vast majority of the Foundation's alternative investments are classified as Level 3. These investments are primarily made under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on recent transactions, cash flow forecasts, appraisals and other factors. Market values may be discounted for concentration of ownership. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the limited partnerships are audited annually by independent auditing firms. Investments in these partnerships may be illiquid, and thus there can be no assurance that the Foundation will be able to realize the full recorded fair value of such investments in a timely manner.

Realized gains and losses on investments in securities are calculated based on the first-in, first-out identification method. Included in payable from unsettled securities purchases in the accompanying Balance Sheets are payables of $33.6 million and $29.6 million at December 31, 2010 and 2009, respectively, net of receivables from unsettled securities sales of $11.3 million and $29.2 million at December 31, 2010 and 2009, respectively.

Grants

Grant appropriations include both conditional and unconditional grants. Unconditional grants are expensed when appropriated. Certain grants are approved by the Trustees subject to the grantee fulfilling specific conditions, most frequently that all or a portion of the grant funds be matched in a specified ratio. Such conditional grants are considered commitments and are not recorded as expense until the Foundation determines that the material conditions of the grant are substantially met or such meeting of conditions is probable.

Substantially all grants payable are due within one year and are recorded at face value.

Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to a federal excise tax. The Foundation follows the policy of providing for federal excise tax on the net appreciation (both realized and unrealized) of investments. The deferred federal excise tax in the accompanying financial statements represents tax provided on the net unrealized appreciation of investments. Under federal tax law the Foundation cannot carry forward realized losses resulting from the sale of investments. The Foundation is subject to income tax at corporate rates on certain income that is considered unrelated business income under the Internal Revenue Code. The Foundation's tax returns are subject to examination by federal and various state tax authorities. With few exceptions the Foundation is no longer subject to tax examinations for years prior to 2007.

Notes to Financial Statements, (continued)

Property

Property consists of land held at cost, and buildings and their improvements located in New York City. These buildings are depreciated on a straight-line basis over their useful lives, generally twenty-five to twenty-eight years. Building improvements are depreciated over the remaining useful life of the building.

Investment Return

Investment return includes income and realized and unrealized gains or losses on all investments. Unrealized gain or loss comprises the change in unrealized appreciation or depreciation on marketable securities and alternative investments, net of deferred federal excise tax provided on such unrealized appreciation. Realized gains or losses include gains or losses realized on the sale of marketable securities and the Foundation's share of the operating results of partnership investments, whether distributed or undistributed.

Expenses

Grantmaking operations include all costs related to appropriating, paying and administering grants. Direct charitable activities include building operating expenditures for ARTstor Inc. ("ARTstor") and Ithaka Harbors, Inc. ("Ithaka"), which are independent not-for-profit entities, and expenditures for research. Investment operations include the costs of supervising the Foundation's investment portfolio. Interest expense includes interest, commitment fees and remarketing fees incurred in connection with servicing the Foundation's bonds payable. Current provision for taxes includes federal and state taxes. Other expenses include certain expenses that the Foundation is not permitted to report either as an expense of distribution or an expense of earning income.

Salaries and benefits are allocated to the activities listed above, and also to core administration, based on estimates of the time each staff member devoted to that activity. Core administration expenses are then prorated among the activities listed above on the basis of the direct salary allocations. Identifiable costs, such as consultants, are charged directly to each activity.

Amounts for program grants, grantmaking operations, and direct charitable activities shown on the Statement of Activities will not agree with the amounts on the Foundation's Form 990PF, the federal excise tax return, because a cash basis is required for reporting the expenses of distribution for tax purposes as contrasted with the accrual basis used in preparing the accompanying financial statements.

The administrative expenses of distribution, including direct charitable activities, were $16.0 million (7.2% of appropriated program grants) in 2010, compared to $17.5 million (8.8% of appropriated grants) in 2009.

Investment management expenses are the direct costs of portfolio management, including fees for investment management, custody and advisory services.

The Foundation's expenses by natural classification are as follows for 2010 and 2009:

	2010	*2009*
	(in thousands of dollars)	
Program grants and contributions, net	$233,650	$214,083
Salaries, pensions and benefits	13,989	14,885
Interest	9,560	5,184
Current provision for taxes	3,712	119
Other operating expenses	8,391	8,173
	$269,302	$242,444

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

Reclassifications

Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

2. INVESTMENTS

Marketable securities held at December 31, 2010 and 2009 are summarized as follows:

	December 31, 2010		*December 31, 2009*	
	Fair Value	*Cost*	*Fair Value*	*Cost*
	(in thousands of dollars)			
Equities	$1,269,547	$1,015,460	$1,153,955	$1,011,082
Fixed income	486,098	486,732	505,652	503,516
Short-term	179,206	179,140	311,527	311,505
Derivative financial instruments	(55)	(56)	(1,284)	(769)
	$1,934,796	$1,681,276	$1,969,850	$1,825,334

The classification of investments by level within the valuation hierarchy as of December 31, 2010 is as follows:

	Total	*Quoted Prices (Level 1)*	*Significant Observable Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*
	(in thousands of dollars)			
Marketable securities	$1,934,796	$1,012,847	$ 921,234	$ 715
Alternative investments	3,498,081	—	178,015	3,320,066
Payable from unsettled securities purchases, net	(22,333)	(22,333)	—	—
	$5,410,544	$ 990,514	$1,099,249	$3,320,781

The classification of investments by level within the valuation hierarchy as of December 31, 2009 is as follows:

	Total	*Quoted Prices (Level 1)*	*Significant Observable Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*
	(in thousands of dollars)			
Marketable securities	$1,969,850	$1,067,428	$ 897,816	$ 4,606
Alternative investments	3,020,122	—	180,455	2,839,667
Payable from unsettled securities purchases, net	(365)	(365)	—	—
	$4,989,607	$1,067,063	$1,078,271	$2,844,273

Notes to Financial Statements, (continued)

The reconciliation of activity for Level 3 investments is as follows:

	2010		*2009*	
	Marketable Securities	*Alternative Investments*	*Marketable Securities*	*Alternative Investments*
	(in thousands of dollars)			
Balance at January 1	$ 4,606	$2,839,667	$ 182,877	$2,393,535
Transfer	—	23,741	(140,028)	(143,633)
Net realized gains	1,131	125,954	11,556	40,339
Income (losses)	—	53,098	—	(21,859)
Purchases	1,340	544,722	—	416,541
Distributions/Redemptions	(5,632)	(540,844)	(47,644)	(272,546)
Net unrealized gains (losses)	(730)	273,728	(2,155)	427,290
Balance at December 31	$ 715	$3,320,066	$ 4,606	$2,839,667

Net unrealized gains (losses) included in the Statements of Activities for investments held at December 31, 2010 are $(692) thousand for marketable securities and $273.7 million for alternative investments, respectively. Net unrealized gains (losses) included in the Statements of Activities for investments held at December 31, 2009 were $(2.2) million for marketable securities and $431.5 million for alternative investments, respectively.

Set forth below is additional information pertaining to alternative investments as of December 31, 2010 and 2009:

	Fair Value December 31, 2010	*Fair Value December 31, 2009*	*Redemption Frequency*	*Redemption Notice Period*
	(in thousands of dollars)			
Equity long only (1)	$ 64,405	$ 54,984	Quarterly	30 Days
Equity long/short (2)	328,812	255,076	Quarterly/ Annually	30-60 Days
Limited liquidity (3)	946,777	896,363	Quarterly/ Annually	45-180 Days
Private partnerships (4)	2,158,087	1,813,699		
	$3,498,081	$3,020,122		

(1) This category includes investments in funds that invest in equity securities in domestic and international markets, including emerging markets. The Foundation estimates that approximately 57% of the value of these funds can be redeemed prior to 2013. There are no unfunded commitments in this category.

(2) This category includes investments in funds that invest long and short in domestic and international securities, primarily equity securities. The Foundation estimates that approximately 74% of the value of these funds can be redeemed prior to 2012. There are no unfunded commitments in this category.

(3) This category includes investments in funds that invest in a variety of privately held and publicly available securities, including equities, corporate and government bonds, convertibles, asset backed and derivatives, and includes investments in domestic and international markets. The Foundation estimates that approximately 74% of the value of these funds can be redeemed prior to 2012. There are no unfunded commitments in this category.

(4) This category includes investments in private equity, venture capital, buyout, credit opportunity, real estate and energy-related funds. These funds invest both domestically and internationally across a broad spectrum of industries. Generally these funds cannot be redeemed; instead, the nature of the investments is that distributions will be received as the underlying investments of the fund are liquidated. Unfunded commitments at December 31, 2010 were $951 million, compared to $1.20 billion at December 31, 2009.

Through certain investment managers, the Foundation is a party to a variety of interest rate swaps and options. The extent of the Foundation's involvement in these instruments is determined by the composition of the investment portfolio and the investment managers' expectations as to the direction and volatility of equity and fixed income markets as well as other economic factors. At December 31, 2010, approximately $1.3 million in assets and $1.5 million of liabilities related to these financial instruments are included in derivative financial instruments. At December 31, 2009, approximately $600 thousand in assets and $2.0 million of liabilities related to these financial instruments were included in derivative financial instruments.

Through certain investment managers, the Foundation purchases and sells forward currency contracts whereby the Foundation agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its marketable securities to adverse fluctuations in financial and currency markets. At December 31, 2010, the Foundation had open foreign currency contracts with notional amounts of approximately $87.7 million in assets and $87.6 million in liabilities included in derivative financial instruments. At December 31, 2009, the Foundation had open foreign currency contracts with notional amounts of approximately $30.3 million in assets and $30.2 million in liabilities included in derivative financial instruments. All of these derivative financial instruments are carried at fair value, and changes in fair value are recognized currently in the Statements of Activities.

Financial instruments such as those described above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the balance sheet. Market risk represents the potential loss the Foundation faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Foundation faces due to possible non-performance by obligors and counterparties as to the terms of their contracts.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the financial position and operations of the Foundation.

The Foundation invests in a variety of fixed income securities and contractual instruments, which by their nature are interest rate sensitive. Changes in interest rates will affect the value of such securities and contractual instruments.

3. BONDS PAYABLE

At December 31, 2010, bonds payable consists of $230 million of bonds issued in June 2009 (the "Fixed Rate Bonds") and $44.4 million of bonds issued in June 2008 (the "Variable Rate Bonds").

The Fixed Rate Bonds have a maturity date of August 1, 2014. These bonds bear a 3.95% fixed rate of interest, payable semi-annually. The bonds may be redeemed at any time by the Foundation at a price equal to the greater of (i) 100% of the principal amount, and (ii) the sum of the present value of the remaining scheduled payments of principal and interest. The Foundation estimates that the fair value of the Fixed Rate Bonds at December 31, 2010 and 2009 was $243.4 million and $238.4 million, respectively. Interest incurred in 2010 and 2009 for the Fixed Rate Bonds was $9.1 million and $4.7 million, respectively.

Notes to Financial Statements, (continued)

The Variable Rate Bonds have a maturity date of December 1, 2032. Bond interest is reset weekly by the Foundation's bond agent. Bond holders have the right to tender their bonds to the bond agent weekly, and the agent has an obligation to remarket such bonds. Bonds that cannot be remarketed must be redeemed by the Foundation. The Foundation believes that the fair value of the Variable Rate Bonds approximates the book value. The average interest rate applicable in 2010 for the Variable Rate Bonds was 0.3% and in 2009 was 0.6%. Interest incurred in 2010 and 2009 was $137 thousand and $226 thousand, respectively.

In connection with the Variable Rate Bond offering, the Foundation entered into a $30 million dedicated line of credit agreement. Borrowings, if any, under this line of credit are at the discretion of the Foundation and are to be used solely to fund redemption requirements of the Variable Rate Bonds. The line of credit agreement expires on September 8, 2011. This facility has an annual commitment fee on unfunded commitments of 0.20%. As of December 31, 2010 and 2009, there were no borrowings outstanding under the line of credit.

4. TAXES

The Internal Revenue Code imposes an excise tax on private foundations equal to two percent of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to one percent when a foundation meets certain distribution requirements under Section 4940(e) of the Internal Revenue Code. The Foundation qualified for the one percent rate in 2010 and in 2009. Certain income defined as unrelated business income by the Code may be subject to tax at ordinary corporate rates.

The provision for taxes consists of a current provision for the federal excise taxes on net investment income and federal and state taxes on unrelated business income and a deferred provision on the change in unrealized appreciation of investments. The current tax provision for 2010 includes a $4.0 million provision for federal excise tax on net investment income. The current tax provision for 2009 included $88 thousand benefit for federal excise tax on net investment income. Federal and state taxes on unrelated business income were immaterial in 2010 and 2009. The change in unrealized appreciation in 2010 and 2009 reflected on the Statements of Activities includes a provision for deferred taxes of $7.8 million and $7.3 million, respectively, based on net unrealized appreciation of investments at two percent. Taxes paid, net of refunds, in 2010 and 2009 were $3.6 million and $46 thousand, respectively.

5. GRANTS, CONTRIBUTIONS, AND COMMITMENTS

The following table of grant activity by major program area includes all grant appropriations approved during 2010. Grants payable and committed at December 31, 2009 have been adjusted to reflect a cancellation of $8 thousand.

	Payable and Committed December 31, 2009	*2010 Grants and Commitments*		*Payable and Committed December 31, 2010*
		Appropriated	*Paid*	
	(in thousands of dollars)			
Higher Education and Scholarship	$ 55,671	$122,512	$147,364	$30,819
Scholarly Communications and Information Technology	3,875	29,856	30,871	2,860
Performing Arts	9,902	36,551	34,600	11,853
Museums and Art Conservation	18,716	20,467	18,759	20,424
Conservation and the Environment	2,500	11,587	12,905	1,182
Public Affairs	—	25	25	—
Program grants and commitments — totals	90,664	220,998	244,524	67,138
Contributions and matching gifts	—	1,277	1,277	—
	$ 90,664	$222,275	$245,801	$67,138

Grant and grant commitment activity is summarized below.

	2010	*2009*
	(in thousands of dollars)	
Grants payable		
Grants payable at January 1	$ 51,106	$ 52,693
Grant expense	234,412	214,575
Less: Grants paid	(245,801)	(216,162)
Grants payable at December 31	$ 39,717	$ 51,106
Net grant expense		
Unconditional grants	$ 189,842	$ 181,081
Conditional grants meeting conditions for expense	44,570	33,494
	234,412	214,575
Less: Grant refunds	(762)	(492)
Net grant expense at December 31	$ 233,650	$ 214,083
Grant commitments		
Grant commitments at January 1	$ 39,558	$ 54,651
Less: Commitments cancelled	—	(8)
Conditional grants appropriated	32,433	18,409
Less: Grants meeting conditions for expense	(44,570)	(33,494)
Grant commitments at December 31	$ 27,421	$ 39,558

Notes to Financial Statements, (continued)

6. OTHER SERVICES

Pursuant to agreements between the Foundation and Ithaka and ARTstor, the following services and arrangements have been provided:

- Ithaka provides information technology services to the Foundation. In 2010 and 2009, Ithaka charged $786 thousand and $878 thousand, respectively, to the Foundation for these services.
- The Foundation provides office space, free of charge, to Ithaka and ARTstor in a building owned by the Foundation in New York City. Under the terms of the building lease, which expires December 31, 2014, office space is provided rent free; however, Ithaka and ARTstor assume certain building operating costs.

7. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 20, 2011 and believes no additional disclosures are required in its financial statements.