

The Hawn Foundation
dba The Goldie Hawn Foundation

Financial Statements

December 31, 2020 and 2019



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Hawn Foundation
dba The Goldie Hawn Foundation
Santa Monica, California

We have audited the accompanying financial statements of The Hawn Foundation dba The Goldie Hawn Foundation (a California nonprofit corporation) (the "Foundation"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 The Hawn Foundation dba The Goldie Hawn Foundation as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
Los Angeles, California

September 24, 2021

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Statements of Financial Position
 December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 434,351	\$ 533,467
Investments	501,264	494,139
Contributions receivable	613,841	51,417
Accounts receivable	87,209	109,425
Prepaid expenses	6,737	6,913
Property and equipment, net	280,047	5,667
Deposits	6,515	6,515
Total assets	\$ 1,929,964	\$ 1,207,543
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 30,500	\$ 64,134
Deferred revenue	129,251	219,846
Note payable - Paycheck Protection Program	112,762	-
Sublessee security deposit	6,000	-
Total liabilities	278,513	283,980
Net assets		
Without donor restrictions	1,037,610	872,146
With donor restrictions	613,841	51,417
Total net assets	1,651,451	923,563
Total liabilities and net assets	\$ 1,929,964	\$ 1,207,543

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

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Statement of Activities
 For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 529,265	\$ 613,841	\$ 1,143,106
Training fees	302,577	-	302,577
Royalties	33,575	-	33,575
Investment income	7,386	-	7,386
Net assets released from restriction	51,417	(51,417)	-
Total revenues, gains, and other support	<u>924,220</u>	<u>562,424</u>	<u>1,486,644</u>
Functional expenses			
MindUP Program	556,676	-	556,676
Management and general	162,034	-	162,034
Fundraising	40,046	-	40,046
Total functional expenses	<u>758,756</u>	<u>-</u>	<u>758,756</u>
Change in net assets	165,464	562,424	727,888
Net assets, beginning of year	<u>872,146</u>	<u>51,417</u>	<u>923,563</u>
Net assets, end of year	<u>\$ 1,037,610</u>	<u>\$ 613,841</u>	<u>\$ 1,651,451</u>

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

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Statement of Activities
 For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 145,977	\$ 51,417	\$ 197,394
Training fees	466,078	-	466,078
Royalties	52,454	-	52,454
Proceeds from fundraising events, net of direct benefit costs totaling \$30,956	115,044	-	115,044
Investment income	4,800	-	4,800
Net assets released from restriction	146,639	(146,639)	-
Total revenues, gains, and other support	930,992	(95,222)	835,770
Functional expenses			
MindUP Program	826,848	-	826,848
Management and general	319,482	-	319,482
Fundraising	106,663	-	106,663
Total functional expenses	1,252,993	-	1,252,993
Change in net assets	(322,001)	(95,222)	(417,223)
Net assets, beginning of year	1,194,147	146,639	1,340,786
Net assets, end of year	\$ 872,146	\$ 51,417	\$ 923,563

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

The Hawn Foundation
dba The Goldie Hawn Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>MindUP Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Salaries and wages	\$ 249,670	\$ 26,046	\$ 24,697	\$ 300,413
Payroll taxes	23,043	2,404	2,278	27,725
Employee benefits	14,919	1,556	1,476	17,951
Total personnel expenses	<u>287,632</u>	<u>30,006</u>	<u>28,451</u>	<u>346,089</u>
Accounting fees	-	63,165	-	63,165
Advertising	-	-	200	200
Bad debt expense	-	5,680	-	5,680
Content development	129,257	-	-	129,257
Depreciation	350	36	35	421
Insurance	11,202	1,169	1,108	13,479
Internet service	14,425	1,505	1,426	17,356
Loss on disposal of property and equipment	-	4,860	-	4,860
Legal fees	-	22,342	-	22,342
Miscellaneous	-	106	-	106
Office expenses	8,172	852	809	9,833
Other professional fees	4,013	22,738	-	26,751
Program and research costs	20,601	-	-	20,601
Payroll processing	-	1,122	-	1,122
Rent	60,694	6,332	6,007	73,033
Travel	20,330	2,121	2,010	24,461
	<u>\$ 556,676</u>	<u>\$ 162,034</u>	<u>\$ 40,046</u>	<u>\$ 758,756</u>
Percentage of total	<u>73.4 %</u>	<u>21.4 %</u>	<u>5.2 %</u>	<u>100.0 %</u>

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

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Statement of Functional Expenses
 For the Year Ended December 31, 2019

	<u>MindUP Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Salaries and wages	\$ 358,409	\$ 67,195	\$ 44,875	\$ 470,479
Payroll taxes	28,090	5,266	3,518	36,874
Employee benefits	<u>28,344</u>	<u>5,314</u>	<u>3,548</u>	<u>37,206</u>
Total personnel expenses	414,843	77,775	51,941	544,559
Expenses				
Accounting fees	-	84,556	-	84,556
Advertising	-	-	27,336	27,336
Content development	89,235	-	-	89,235
Depreciation	1,989	373	249	2,611
Insurance	3,359	630	420	4,409
Internet service	28,150	5,278	3,524	36,952
Legal fees	-	1,255	-	1,255
Miscellaneous	-	1,280	-	1,280
Office expenses	35,367	6,631	4,429	46,427
Other professional fees	60,544	105,573	-	166,117
Program and research costs	43,504	-	-	43,504
Payroll processing	-	1,146	-	1,146
Rent	64,626	19,006	8,091	91,723
Travel	85,231	15,979	10,673	111,883
	-	-	<u>30,956</u>	<u>30,956</u>
Total expenses	<u>826,848</u>	<u>319,482</u>	<u>137,619</u>	<u>1,283,949</u>
Less: expenses included with revenues on the statement of activities				
Direct benefit costs	<u>-</u>	<u>-</u>	<u>(30,956)</u>	<u>(30,956)</u>
	<u>\$ 826,848</u>	<u>\$ 319,482</u>	<u>\$ 106,663</u>	<u>\$ 1,252,993</u>
Percentage of total	<u>66.0 %</u>	<u>25.5 %</u>	<u>8.5 %</u>	<u>100.0 %</u>

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

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 727,888	\$ (417,223)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	421	2,611
Loss on disposal of property and equipment	4,860	-
Donated website design services	(66,907)	-
Changes in operating assets and liabilities		
Contributions receivable	(562,424)	95,222
Accounts receivable	22,216	(52,915)
Other assets	-	2,921
Prepaid expenses	176	(6,913)
Due from related parties	-	36,209
Deposits	-	(1,490)
Accounts payable and accrued expenses	(33,634)	(70,738)
Deferred revenue	(90,595)	139,155
Sublessee security deposit	<u>6,000</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>8,001</u>	<u>(273,161)</u>
Cash flows from investing activities		
Purchases of property and equipment	(212,754)	(3,934)
Proceeds from sales of investments	<u>(7,125)</u>	<u>(4,456)</u>
Net cash used in investing activities	<u>(219,879)</u>	<u>(8,390)</u>
Cash flows from financing activities		
Proceeds from note payable - Paycheck Protection Program	<u>112,762</u>	<u>-</u>
Net cash provided by financing activities	<u>112,762</u>	<u>-</u>
Net decrease in cash	(99,116)	(281,551)
Cash, beginning of year	<u>533,467</u>	<u>815,018</u>
Cash, end of year	<u>\$ 434,351</u>	<u>\$ 533,467</u>

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

The Hawn Foundation
dba The Goldie Hawn Foundation
Notes to Financial Statements
December 31, 2020 and 2019

1. NATURE OF OPERATIONS

The Hawn Foundation dba The Goldie Hawn Foundation (the "Foundation") is a California tax exempt nonprofit corporation. The Foundation's signature program, MindUP ("MindUp"), is a neuroscience-based curriculum that fosters the development of mental fitness and mental well-being of children age 3-14. Published by Scholastic in 2011, the 15 lesson series focuses on four pillars: Neuroscience, Social-Emotional Learning (SEL), Positive Psychology, and Mindful Awareness. These pillars work together to build a scaffolding of awareness that increases prosocial behaviors, self-regulation, social competence, and executive functioning. MindUP teaches children how to focus, take brain breaks when faced with challenges, build resilience, and manage stress. The vision of the Foundation is that every child in the world will have the knowledge and tools they need for mental fitness, stress management and emotional regulation to face the challenges of the 21st century. The Foundation's mission is that MindUP will foster children's mental well-being through educational programs based in neuroscience, mindful practice and positive psychology. More information about our programs is available on the web at www.mindup.org.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting principle

The Foundation has implemented Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018. The Foundation has implemented ASU 2014-09 with a date of initial application of January 1, 2019, using the full retrospective method. The implementation of ASU 2014-09 had no impact on the financial statements for the year ended December 31, 2019.

The Foundation has also implemented FASB ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* ("ASU 2018-08"), which clarifies guidance about whether funds received from contracts and grants are contributions or exchange transactions. The standard further provides that when both a barrier to be overcome and a right of return exist, a donor-imposed condition exists and contribution revenue should not be recognized until the condition has been met. A probability assessment about whether the recipient is likely to meet the stipulation is not a factor when determining whether an agreement is a barrier. ASU 2018-08 is effective for annual reporting periods beginning after December 15, 2018. The Foundation has implemented the standard on a modified prospective basis, meaning that it has been applied to all arrangements that were not completed as of January 1, 2019, or were entered into after that date. The implementation of ASU 2018-08 had no impact on the financial statements for the year ended December 31, 2019.

The Hawn Foundation
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Notes to Financial Statements
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

The Foundation is a nonprofit public benefit corporation organized under the laws of California and, as such, is generally exempt from federal and state income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and corresponding state provisions.

The Foundation's federal income tax returns for the tax years 2017 and subsequent remain open for examination by the Internal Revenue Service and the returns for California remain open to examination by the Franchise Tax Board for the tax years 2016 and subsequent.

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The Foundation recognizes contributions, including unconditional promises to give, as revenue in the period in which they are received. Revenues, gains, expenses and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Include contributions, training fees, royalties, fundraising and other forms of revenue without donor restrictions, and expenditures related to the general operations and fundraising efforts of the Foundation.
- *Net assets with donor restrictions* - Include net assets 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both (see Note 5).

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Concentration of risk

Generally the Foundation's cash balances exceed Federal Deposit Insurance Corporation insured limits. The Foundation has not experienced and does not anticipate any losses related to these balances.

The Hawn Foundation
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Notes to Financial Statements
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of risk (continued)

For the year ended December 31, 2020, one donor accounted for 48% of contributions revenue. The same donor accounted for 99% of the contributions receivable as of December 31, 2020. No single donor accounted for more than 10% of contributions revenue or receivable for the year ended December 31, 2019.

Cash and cash equivalents

The Foundation considers all financial instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents on hand as of December 31, 2020 and 2019.

Accounts receivable

Accounts receivable includes royalties and training fees owed to the Foundation and are anticipated to be collected within one year. Management has determined that no allowance for doubtful accounts is necessary at December 31, 2020 and 2019.

Contributions receivable

Contributions received are recorded as either with or without donor restriction depending on the existence or absence of any donor-imposed restrictions. Contributions are recognized as revenue in the period received. Pledges for future contributions are recorded as contributions receivable and reported at estimated net realizable values. All contributions receivable at December 31, 2019 were collected in 2020 and all contributions receivable at December 31, 2020 were collected subsequent to year end. Therefore, an allowance for potentially uncollectible contributions has not been established at December 31, 2020 and 2019.

Investments

Investments consist of marketable securities and are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized at the time of sale and are calculated using the specific identification method.

Property and equipment

Property and equipment is recorded at cost net of accumulated depreciation. Contributed assets are stated at fair value at the date of contribution.

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Notes to Financial Statements
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Office equipment and furniture	3 years
Website	3 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment loss was recorded by the Foundation during the years ended December 31, 2020 and 2019.

Deferred revenue

Training fee revenue is generally received in advance, reported as deferred revenue, and recognized as services are performed.

Contributed services

Contributions of donated services are recorded at fair value in the period received, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased by the Foundation. Donated services received in 2020 totaled \$67,995, consisted primarily of donated legal fees, and have been included within contributions revenue in the accompanying statement of activities. The donated legal fees received were in support of the Foundation's various programs and included negotiating various contracts.

Allocation of functional expenses

The Foundation allocates its expenses on a functional basis among program and support services. Expenses that can be identified with the program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated accordingly.

The Hawn Foundation
 dba The Goldie Hawn Foundation
 Notes to Financial Statements
 December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Foundation has evaluated events subsequent to December 31, 2020, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 24, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the financial statements, except as disclosed in Notes 6 and 8.

3. INVESTMENTS

The Foundation reports its investments at fair value among three categories of price inputs available. These categories of inputs are quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 501,264	\$ -	\$ -	\$ 501,264
	<u>\$ 501,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,264</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 494,139	\$ -	\$ -	\$ 494,139
	<u>\$ 494,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,139</u>

The Hawn Foundation
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 Notes to Financial Statements
 December 31, 2020 and 2019

3. INVESTMENTS (continued)

Activity in the investments during the years ended December 31, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 494,139	\$ 489,684
Dividend and interest income	4,587	4,637
Realized gains/(loss) on sales of investments	1,944	(7)
Unrealized gains on investments	769	-
Other charges	<u>(175)</u>	<u>(175)</u>
Balance, end of year	<u>\$ 501,264</u>	<u>\$ 494,139</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Office equipment and furniture	\$ 1,263	\$ 8,815
Website	<u>279,661</u>	<u>-</u>
	280,924	8,815
Accumulated depreciation	<u>(877)</u>	<u>(3,148)</u>
	<u>\$ 280,047</u>	<u>\$ 5,667</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$421 and \$2,611, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
MindUP Platform development	\$ 500,000	\$ -
MindUP Platform licenses	<u>100,000</u>	<u>-</u>
	600,000	-
Time restricted, contributions receivable	<u>13,841</u>	<u>51,417</u>
	<u>\$ 613,841</u>	<u>\$ 51,417</u>

The Hawn Foundation
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 Notes to Financial Statements
 December 31, 2020 and 2019

6. COMMITMENTS AND CONTINGENCIES

The Foundation leases two office locations in Santa Monica, California under noncancelable operating leases which require monthly rental payments of \$6,900 and \$1,000, and expire in June 2022 and June 2021, respectively. The smaller of the two office locations is leased from the founder of the Foundation and subsequent to year end, was extended through June 2022.

In November 2020, the Foundation entered into an agreement to sublease office space in Santa Monica, California. The sublease begins November 1, 2020 and runs through October 31, 2021 and requires monthly payments of \$6,150.

The scheduled minimum lease payments under the office leases and sublease are as follows:

<u>Year ending December 31,</u>	<u>Office Leases</u>	<u>Sublease</u>	<u>Total</u>
2021	\$ 88,680	\$ (61,500)	\$ 27,180
2022	<u>41,340</u>	<u>-</u>	<u>41,340</u>
	<u>\$ 130,020</u>	<u>\$ (61,500)</u>	<u>\$ 68,520</u>

Lease expense, net of sublease rental income, totaled \$70,750 and \$88,256 during the years ended December 31, 2020 and 2019, respectively.

Contingencies

The Foundation may be involved in litigation in the normal course of business. There are no current issues which management believes will have a material adverse financial impact to the Foundation.

7. RELATED PARTY TRANSACTIONS

The Foundation has two affiliated entities, The Hawn Foundation UK and The Hawn Foundation Canada (collectively the "Affiliates"). Both of the Affiliates share the same founder and president as the Foundation. The Foundation has considered consolidating the Affiliates in its financial statements and concluded that the Affiliates do not meet the criteria for consolidation. During 2020 and 2019, there was no activity between the Foundation and the Affiliates.

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 Notes to Financial Statements
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8. NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

In April 2020, the Foundation received loan proceeds totaling \$112,762 from a promissory note issued by a bank under the Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and is administered by the U.S. Small Business Administration. The term on the PPP loan is two years and the annual interest rate was 1.00%. Payments of principal and interest are deferred for the first ten months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Foundation believes that it will likely qualify for forgiveness, but there is uncertainty around the standards and operations of the PPP, and no assurance is provided that the Foundation will obtain forgiveness in whole or in part. As a result, the Foundation has accounted for the PPP loan in accordance with the FASB's ASC 470-*Debt*.

In March 2021, the Foundation received a second loan under the Paycheck Protection Program ("2nd PPP") for \$25,835. The term on the 2nd PPP loan is five years and the annual interest rate is 1.00%. The Foundation expects the majority of this loan to be forgiven.

In July 2021, the Foundation's loan forgiveness application for the \$112,762 of loan proceeds received in April 2020 was fully approved by the SBA.

9. LIQUIDITY AND AVAILABILITY

The Foundation's liquidity management policy is designed to provide that financial assets are available for operations as its general expenditures, liabilities, and other obligations come due. The following table reflects the Foundation's financial assets reported on the statements of financial position that are available for general expenditure during the next year:

Liquidity of financial assets is as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 434,351	\$ 533,467
Investments	501,264	494,139
Contributions receivable	613,841	51,417
Accounts receivable	<u>87,209</u>	<u>109,425</u>
	1,636,665	1,188,448
Less: deferred revenue	(129,251)	(219,846)
Less: purpose restricted net assets (see Note 5)	<u>(600,000)</u>	<u>-</u>
	<u>\$ 907,414</u>	<u>\$ 968,602</u>

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Notes to Financial Statements
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10. RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and on March 11, 2020, the World Health Organization characterized COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders. In response, the U.S. Government enacted the CARES Act, which includes significant provisions to provide relief and assistance to affected organizations. The Foundation has transitioned to a work from home model and has otherwise maintained existing operations. The Foundation has also obtained funding under the CARES Act through the Paycheck Protection Program. Nevertheless by the end of 2020, there was considerable uncertainty around the duration of the closing and shelter-in-place orders and the ultimate impact of the CARES Act and other governmental initiatives.