

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021



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**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Arcadia Educational Foundation
Arcadia, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Arcadia Educational Foundation (the Foundation), a California nonprofit public benefit corporation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Arcadia Educational Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

Auditors' Responsibility 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 auditors' 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 the Foundation'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 the Foundation'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.



CliftonLarsonAllen LLP

Glendora, California
April 18, 2022

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,357,187
Investments (Note 4)	100
Scrip Inventory, at Cost	104,092
Prepaid Expenses	12,733
Total Current Assets	1,474,112

LONG-TERM ASSETS

Office Improvements, Computers, and Software, Net	4,056
Endowment Investment (Note 8)	280,720
Total Long-Term Assets	284,776

Total Assets	\$ 1,758,888
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 8,314
Due to Schools	170,940
Total Current Liabilities	179,254

Total Liabilities	179,254
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NET ASSETS

Without Donor Restrictions	1,156,218
With Donor Restrictions (Note 7)	423,416
Total Net Assets	1,579,634

Total Liabilities and Net Assets	\$ 1,758,888
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See accompanying Notes to Financial Statements.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Scrip Sales	\$ 481,630	\$ -	\$ 481,630
Summer School Tuition	726,962	-	726,962
Contributions	96,534	121,932	218,466
Investment Return	2,107	38,594	40,701
Forgiveness of Note Payable	10,000		10,000
Net Assets Released From Restrictions	<u>17,000</u>	<u>(17,000)</u>	<u>-</u>
Total Revenues	1,334,233	143,526	1,477,759
EXPENSES			
Program Services	1,196,414	-	1,196,414
Management and General	91,516	-	91,516
Fundraising	4,111	-	4,111
Total Expenses	<u>1,292,041</u>	<u>-</u>	<u>1,292,041</u>
CHANGE IN NET ASSETS	42,192	143,526	185,718
Net Assets - Beginning of Year	<u>1,114,026</u>	<u>279,890</u>	<u>1,393,916</u>
NET ASSETS - END OF YEAR	<u>\$ 1,156,218</u>	<u>\$ 423,416</u>	<u>\$ 1,579,634</u>

See accompanying Notes to Financial Statements.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services	Management and General	Fundraising	Total Expenses
Contributions to District	\$ 47,000	\$ -	\$ -	\$ 47,000
Cost of Scrip	479,841	-	-	479,841
Summer School Programs	55,387	-	-	55,387
Other Salaries and Wages	537,995	17,735	-	555,730
Other Employee Benefits	5,655	-	-	5,655
Payroll Taxes	46,873	-	-	46,873
Other Fees	-	49,244	-	49,244
Advertising and Marketing	-	7,566	-	7,566
Office Expenses	-	2,358	-	2,358
Information Technology	-	3,148	-	3,148
Occupancy Expense	8,121	2,707	-	10,828
Depreciation Expense	2,078	130	-	2,208
Insurance Expense	13,464	6,631	-	20,095
Other Expenses	-	1,997	4,111	6,108
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,196,414</u>	<u>\$ 91,516</u>	<u>\$ 4,111</u>	<u>\$ 1,292,041</u>

See accompanying Notes to Financial Statements.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 185,718
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	2,208
Net Realized Gains on Investments	(5,635)
Net Unrealized Gains on Investments	(33,679)
Forgiveness of Note Payable	(10,000)
Change in Operating Assets:	
Scrip Inventory	(44,276)
Prepaid Expenses	875
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	1,196
Due to Schools	(15,334)
Net Cash Provided by Operating Activities	81,073

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(5,466)
Net Cash Used in Investing Activities	(5,466)

CHANGE IN NET ASSETS

75,607

Cash and Cash Equivalents - Beginning of Year

1,281,580

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,357,187

SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES

Forgiveness of Note Payable	\$ 10,000
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**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Arcadia Educational Foundation (the Foundation) is a nonprofit 501(c)(3) corporation, organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The Foundation's purpose is to provide financial support in order to assist the Arcadia Unified School District (the District). The Foundation raises funds to help preserve, maintain, and improve educational programs and facilities for the students of the schools within the District, operates a summer school program in order to further the educational opportunities for students, and performs additional activities to promote the quality and growth of the District, its schools and its students.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, other employee benefits, payroll taxes, and depreciation, which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

The Foundation defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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 was restricted has been fulfilled, or both.

Investments

Investments are recorded at fair value. Both unrealized gains and losses from the fluctuation of fair value and realized gains and losses from the sale of investments are reflected in the Statement of Activities.

Accounts Receivable

There were no accounts receivable due from donors as of December 31, 2021.

Scrip Inventory

The Foundation purchases scrip from local supermarkets and various vendors. Volunteers of the Foundation sell the scrip to the general public at face value and the schools within the District are allocated eighty percent of the discount rate based on where the sales took place. As of December 31, 2021, due to schools in the Statement of Financial Position represents the scrip earnings allocated to the schools and scrip inventory in the Statement of Financial Position represents the amount of unsold scrip, at cost.

Office Improvements, Computers, and Software

Office improvements, computers, and software are stated at cost, if purchased, or at estimated fair value if donated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset. The Foundation capitalizes all expenditures for office improvements, computers and software in excess of \$500.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Foundation recognizes scrip sales at the point of purchase from the customer. Summer school tuition is recognized ratably in the summer sessions as students are serviced over the academic term. Refunds issued reduce the amount of revenue recognized.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. As of December 31, 2021, the Foundation did not have any unearned revenue related to conditional grants.

Donated Services

A number of volunteers donate their time to the Foundation's programs and supporting services. These donated services have not been reflected in the financial statements as no objective basis is available to measure the value of their services.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the Foundation. The current portion of the liability, if material, is recognized at year-end. The entire compensated absences liability is reported on the Statement of Financial Position. Employees of the Foundation are paid for days or hours worked based upon Board approved schedules which include vacation. Sick leave with pay is provided when employees are absent for health reasons. Sick leave is accumulated at one hour for every 30 hours worked for part-time employees; this can be carried over into the following year up to a maximum of 48 hours. Full time employees have seven days of sick leave per year, which resets at the beginning of each year with no carry-over. There were no accumulated compensated absence benefits at December 31, 2021.

Income Taxes

The Foundation is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Foundation is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The Foundation files informational returns in the U.S. federal jurisdiction and the state of California.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through April 18, 2022, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise of the following:

Cash and Cash Equivalents	\$ 1,357,187
Investments (Note 7)	100
Less: Net Assets with Donor Restrictions	<u>(423,416)</u>
Total	<u><u>\$ 933,871</u></u>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of its liquidity management plan, the Foundation monitors liquidity required and cash flows to meet operating needs on a monthly basis. The Foundation structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Foundation maintains its interest bearing cash operating accounts with four financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) up to \$250,000 per financial institution. The Foundation occasionally has a need to maintain a cash balance in excess of the insured amount, actively participates in a diversification program, and accepts the risk of maintaining excess cash balances. The Foundation has not incurred any losses in these accounts.

NOTE 4 INVESTMENTS, ENDOWMENTS, AND FAIR VALUE MEASUREMENTS

In accordance with fair value reporting standards, levels 1 through 3 have been assigned to the fair value measurement of investment.

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 INVESTMENTS, ENDOWMENTS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value level of measurement is determined as follows:

Level 1 – Quoted prices in an active market for identical assets.

Level 2 – Quoted prices for similar assets and market-corroborated inputs. The Foundation had no Level 2 investments at December 31, 2021.

Level 3 – The Foundation’s own assumptions about market participation, including unobservable assumptions about risk, developed based on the best information available in the circumstances. The Foundation had no Level 3 investments at December 31, 2021.

Investments at December 31, 2021 consisted of the following:

<u>Investment Type (Level)</u>	<u>Fair Value</u>
Money Market Account (1)	\$ 100
Domestic Stocks (1)	164,003
International Stocks (1)	60,941
Domestic Bonds (1)	55,776
Total Investments	<u>\$ 280,820</u>

For the year ended December 31, 2021, investment returns consisted of the following:

Interest	\$ 1,556
Net Realized Gains (Loss)	5,466
Net Unrealized Gains	33,679
Total Investment Return	<u>\$ 40,701</u>

NOTE 5 OFFICE IMPROVEMENTS, COMPUTERS, AND SOFTWARE

Office improvements, computers, and software in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$2,208 as of December 31, 2021.

The components of office improvements, computers, and software as of December 31, 2021 are as follows:

Office Improvements	\$ 11,836
Computers and Software	65,926
Subtotal	<u>77,762</u>
Less: Accumulated Depreciation	<u>(73,706)</u>
Total Office Improvements, Computers, and Software	<u>\$ 4,056</u>

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 DEBT

In May 2020, the Foundation received a loan from a financial institution in the amount of \$10,000 through the COVID-19 Economic Injury Disaster Loan Program (EIDL). In January 2021, the principal amount of \$10,000, was forgiven by the financial institution and U.S. Small Business Administration.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation financial position.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, net assets with donor restrictions are restricted for the following purposes:

Subject to Expenditure for Specified Purpose:	
You and Me Community Service Grant Program	\$ 100,000
College Counseling	<u>9,054</u>
Total	<u>109,054</u>
Endowments:	
Subject to Appropriation and Expenditure When a Specified Event Occurs:	
Restricted by Donors for:	
Available for General Use Until Endowment Minimum Is Met	<u>314,362</u>
Total	<u>314,362</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 423,416</u></u>

Net Assets were released from donor restrictions by incurring expenses satisfying the restrictions as follows for the year ended December 31, 2021:

Satisfaction of Purpose Restrictions:	
College Counseling	<u><u>\$ 17,000</u></u>

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 ENDOWMENT AND NET ASSETS CLASSIFICATION

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The board of directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted net assets in perpetuity (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in donor restricted net assets in perpetuity is classified as donor restricted net assets for purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The purpose of the Endowment Fund is to ensure stable, long term funding for the benefit of the students of the Arcadia Unified School District. To meet this goal, the Fund is to accumulate principal until it reaches a minimum year-end value (minimum disbursement value) currently set at \$1,000,000. The Board of Trustees has reserved the right to change the minimum disbursement value to a lower value in order to distribute the funds sooner. The spend rate is yet to be determined until the minimum disbursement value is met.

The Foundation has adopted policies for return on investments to achieve a moderate rate of return and risk for initial investments. Appropriations of expenditures, after the minimum disbursement value is achieved, are made by approval of the Board of Trustees.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the various funds
- (2) The purposes of the donor-restricted endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources
- (7) The investment policies

**ARCADIA EDUCATIONAL FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 ENDOWMENT AND NET ASSETS CLASSIFICATION (CONTINUED)

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the Foundation to retain as a fund of perpetual duration. Subsequent gains that restore the fair value of the endowment fund to the required level are classified as an increase in net assets without donor restrictions and net assets with donor restrictions, as appropriate. There were no deficiencies of this nature as of December 31, 2021. Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	With Donor Restrictions
Endowment Net Assets, Beginning of Year	\$ 253,836
Investment Return, Net	38,594
Contributions	21,932
Endowment Net Assets, End of Year	\$ 314,362

NOTE 9 DISTRICT TRANSACTIONS

The Foundation actively conducts fundraising campaigns to benefit the District. During 2021, the Foundation raised \$118,467 to fund programs at the District. The District charges the Foundation for summer school facilities, technology, and materials based on the number of students enrolled in the summer school program. The amount paid to the District for these costs in 2021 was \$10,828.

The Foundation renewed the lease agreement with the District to rent an office space at Holly Avenue Elementary School for \$10,828 per year, due in 12 monthly installments, and for the use of facilities, technology, and materials owned by the District and used by the Foundation for its summer school program. This lease has been renewed on an annual basis since then. The amount paid during the year ending December 31, 2021 under this agreement was \$10,828. The minimum lease payment for the year ending December 31, 2022 is \$7,219.

NOTE 10 CONTINGENCIES, RISKS, AND UNCERTAINTIES

In prior fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2022 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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