

**THE INTERNATIONAL
RHINO FOUNDATION**

FINANCIAL STATEMENTS

**Years Ended December 31, 2019 and 2018
with Report of Independent Auditors**

**THE INTERNATIONAL
RHINO FOUNDATION**

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
The International Rhino Foundation

We have audited the accompanying financial statements of The International Rhino Foundation, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses 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 ("GAAP"); 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 International Rhino Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with GAAP.



Fort Worth, Texas
June 18, 2020

THE INTERNATIONAL RHINO FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,073,871	\$ 676,000
Investments	4,240,936	3,366,769
Contributions receivable, net	560,667	785,954
Miscellaneous receivables	245	922
Other assets	14,617	13,843
Total current assets	5,890,336	4,843,488
Property and equipment, net of accumulated depreciation of \$7,737 and \$5,586, respectively	7,167	8,448
Total assets	\$ 5,897,503	\$ 4,851,936
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 493,920	\$ 360,945
Deferred revenue	811,658	-
Total current liabilities	1,305,578	360,945
Commitments and contingencies		
Net assets:		
Without donor restrictions	2,482,599	2,336,282
With donor restrictions	2,109,326	2,154,709
Total net assets	4,591,925	4,490,991
Total liabilities and net assets	\$ 5,897,503	\$ 4,851,936

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions	\$ 925,727	\$ 2,666,675	\$ 3,592,402	\$ 866,410	\$ 3,025,196	\$ 3,891,606
Interest income	74,178	-	74,178	46,523	-	46,523
Merchandise sales, net	9,253	-	9,253	13,685	-	13,685
Miscellaneous income	5,650	-	5,650	-	-	-
Net assets released from restrictions	2,712,058	(2,712,058)	-	2,206,066	(2,206,066)	-
Total revenues and other support	<u>3,726,866</u>	<u>(45,383)</u>	<u>3,681,483</u>	<u>3,132,684</u>	<u>819,130</u>	<u>3,951,814</u>
Expenses:						
Program expenses:						
Africa region						
Operation Stop Poaching NOW	137,398	-	137,398	308,859	-	308,859
Zimbabwe/Lowveld Rhino region	431,293	-	431,293	635,834	-	635,834
Asia region	2,092,460	-	2,092,460	1,294,309	-	1,294,309
Other programs	337,854	-	337,854	34,132	-	34,132
Total program expenses	<u>2,999,005</u>	<u>-</u>	<u>2,999,005</u>	<u>2,273,134</u>	<u>-</u>	<u>2,273,134</u>
Support expenses:						
Management and general	374,440	-	374,440	299,231	-	299,231
Fundraising	207,104	-	207,104	234,499	-	234,499
Total support expenses	<u>581,544</u>	<u>-</u>	<u>581,544</u>	<u>533,730</u>	<u>-</u>	<u>533,730</u>
Total expenses	<u>3,580,549</u>	<u>-</u>	<u>3,580,549</u>	<u>2,806,864</u>	<u>-</u>	<u>2,806,864</u>
Change in net assets	146,317	(45,383)	100,934	325,820	819,130	1,144,950
Net assets at beginning of year	<u>2,336,282</u>	<u>2,154,709</u>	<u>4,490,991</u>	<u>2,010,462</u>	<u>1,335,579</u>	<u>3,346,041</u>
Net assets at end of year	<u>\$ 2,482,599</u>	<u>\$ 2,109,326</u>	<u>\$ 4,591,925</u>	<u>\$ 2,336,282</u>	<u>\$ 2,154,709</u>	<u>\$ 4,490,991</u>

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 100,934	\$ 1,144,950
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,504	1,981
Discount on contributions receivable	1,315	1,315
Changes in operating assets and liabilities:		
Contributions receivable	223,972	525,770
Miscellaneous receivables	677	4,114
Other assets	(774)	(4,110)
Accounts payable and accrued liabilities	132,975	(826,878)
Deferred revenue	811,658	-
Net cash provided by operating activities	1,273,261	847,142
Cash flows from investing activities:		
Purchases of investments, net	(874,167)	(797,523)
Sale of property and equipment	707	(3,162)
Purchases of property and equipment	(1,930)	-
Net cash used in investing activities	(875,390)	(800,685)
Net increase in cash and cash equivalents	397,871	46,457
Cash and cash equivalents at beginning of year	676,000	629,543
Cash and cash equivalents at end of year	\$ 1,073,871	\$ 676,000

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2019

	Program Services				Support Services			Total Expenses	
	Africa Region		Asia Region	Other Programs	Total Program	Management & General	Fund-Raising		Total Support
	Operation Stop Poaching NOW	Zimbabwe / Lowveld Rhino Region							
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,872	\$ -	\$ 31,872	\$ 31,872
Contract services	-	105,800	95,580	-	201,380	-	-	-	201,380
Fundraising expenditures	-	-	870	-	870	451	34,199	34,650	35,520
Grants and other related expenditures	117,119	291,111	1,684,218	258,481	2,350,929	-	-	-	2,350,929
Insurance	-	-	-	-	-	13,172	-	13,172	13,172
Depreciation	-	-	-	-	-	1,816	688	2,504	2,504
Miscellaneous	221	-	5,013	15	5,249	7,659	45,273	52,932	58,181
Office expenditures	58	10,936	1,294	-	12,288	20,794	12,172	32,966	45,254
Other professional services	-	-	-	66,858	66,858	-	36,347	36,347	103,205
Salaries and benefits	20,000	20,000	244,562	12,500	297,062	263,947	59,772	323,719	620,781
Travel	-	3,446	60,923	-	64,369	34,729	18,653	53,382	117,751
Total expenses	\$ 137,398	\$ 431,293	\$ 2,092,460	\$ 337,854	\$ 2,999,005	\$ 374,440	\$ 207,104	\$ 581,544	\$ 3,580,549

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018

	<u>Program Services</u>				<u>Support Services</u>			<u>Total Expenses</u>	
	<u>Africa Region</u>	<u>Zimbabwe /</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>	<u>Management &</u>	<u>Fund-</u>		<u>Total</u>
	<u>Stop Poaching</u>	<u>Lowveld Rhino</u>	<u>Region</u>	<u>Programs</u>	<u>Program</u>	<u>General</u>	<u>Raising</u>	<u>Support</u>	
	<u>NOW</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>	<u>Region</u>
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,001	\$ -	\$ 29,001	\$ 29,001
Contract services	-	93,014	65,354	-	158,368	-	-	-	158,368
Fundraising expenditures	14	-	2,647	-	2,661	1,005	19,382	20,387	23,048
Grants and other related expenditures	280,098	493,888	982,423	30,600	1,787,009	-	-	-	1,787,009
Insurance	-	-	-	-	-	5,906	-	5,906	5,906
Depreciation	-	-	-	-	-	1,463	519	1,982	1,982
Miscellaneous	14	-	4,193	32	4,239	6,673	12,319	18,992	23,231
Office expenditures	931	1,974	6,184	-	9,089	21,003	10,832	31,835	40,924
Other professional services	-	-	-	-	-	27,245	25,228	52,473	52,473
Salaries and benefits	25,585	42,704	170,557	3,500	242,346	168,318	147,032	315,350	557,696
Travel	2,217	4,254	62,951	-	69,422	38,617	19,187	57,804	127,226
Total expenses	\$ 308,859	\$ 635,834	\$ 1,294,309	\$ 34,132	\$ 2,273,134	\$ 299,231	\$ 234,499	\$ 533,730	\$ 2,806,864

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

A. Nature of Activities

The International Rhino Foundation (the “Foundation”) is a not-for-profit organization incorporated under the laws of Texas in 1991. The primary mission of the Foundation is dedicated to the survival of the world’s rhino species through conservation and research. The Foundation’s corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with GAAP.

Net assets of the Foundation and changes therein are classified according to the existence or absence of donor-imposed restrictions and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time, or that are maintained in perpetuity by the Foundation.

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS *(continued)*

B. Summary of Significant Accounting Policies – continued

Contribution Revenue and Revenue Recognition

The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All contributions are considered to be available for use unless specifically restricted by the donor. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions upon which they depend have been met.

A portion of the Foundation's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Accordingly, the Foundation recognizes the unexpended payments from these federal contracts and grants as deferred revenue until the qualifying expenditures have been made.

Donated Assets and Services

Contributed services are reflected in the financial statements at the fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. From time to time, a number of people have contributed their time to the activities of the Foundation without compensation. The accompanying financial statements do not reflect the value of such contributed services because they do not meet the criteria for recording under GAAP. Contributed assets are reflected as contributions in the accompanying statements of activities at their estimated value at the date of receipt.

Cash and Cash Equivalents

The Foundation considers all highly liquid, unrestricted investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2019 and 2018, the Foundation had no such investments. The Foundation maintains deposits in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Foundation has not experienced any losses related to amounts in excess of FDIC limits.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Investments

Investments with readily determinable fair values are stated at fair value with realized and unrealized gains and losses included in the statement of activities.

The Foundation measures its investments at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions for inputs used in the valuation methodologies in measuring fair value as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Investments – continued

At December 31, 2019 and 2018, the Foundation’s investments consisted of actively traded money market funds that have daily quoted net asset values for identical assets that the Foundation can access. These securities are classified within Level 1 of the fair value hierarchy.

	December 31,	
	2019	2018
	Level 1	Level 1
Money market funds	\$ 4,240,936	\$ 3,366,769

The Foundation maintains its investments in the money market funds in primarily one financial institution that is a covered member of the Securities Investor Protection Corporation (“SIPC”), which may at times exceed amounts covered by insurance provided by the SIPC. The Foundation has not experienced any losses related to amounts in excess of SIPC limits.

Contributions Receivable

Contributions receivable represent unconditional promises to give, which are recorded when pledges are made by the respective donors. Promises to give in excess of one year are recorded at their net present value. The contributions receivable at December 31, 2019 and 2018, are measured at the present value of the estimated future cash flows using a discount rate of 2.4% and 2.7%, respectively, resulting in an unamortized discount of approximately \$1,300 and \$1,300, respectively. Management evaluates the adequacy of an allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts, and other specific information known to management that may affect collectability. No allowance for doubtful accounts was considered necessary at December 31, 2019 and 2018.

Collections of the contributions receivable is expected through 2027, with approximately \$547,000 expected to be collected within one year, \$8,000 in two-to-five years, and the remaining \$6,000 collected in eight years.

Property and Equipment

Property and equipment are carried at cost, if purchased, or if donated, at the estimated fair value at the date of donation. Depreciation is provided on the straight-line method over the assets’ estimated service lives. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. The cost of assets sold or abandoned and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the accompanying statement of activities of the respective period. The Foundation’s property and equipment is comprised of computer and office equipment, which have estimated useful lives of 5-7 years.

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS (*continued*)

B. Summary of Significant Accounting Policies – continued

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations, specifically for salaries and benefits, are determined by management based on estimates of time and effort. Generally, the Foundation records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage.

Federal Income Taxes

The Foundation is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation. The Foundation follows the guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic No. 740, *Income Taxes*, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Management believes that it has not taken a tax position that, if challenged, would have a material effect on the Foundation’s financial statements.

The Foundation files Form 990 in the United States federal jurisdiction, and no tax returns are currently under examination by any tax authorities. The Foundation did not incur any penalties or interest during the years ended December 31, 2019 or 2018.

New Accounting Pronouncements

The FASB Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), was effective during 2019, which supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of this ASU is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. The new revenue guidance defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing GAAP. The guidance requires improved disclosures to help users of the financial statements better understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation assessed the new standard and determined that it was not applicable to the Foundation, as the Foundation’s sources of revenue are cash donations, pledged donations, in-kind donations, and grant contributions. Therefore, there is no impact on the financial statements.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

New Accounting Pronouncements – continued

During 2019, the Foundation adopted FASB ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU aims to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Specifically, this ASU assists entities in: (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Not-for-Profit Entities* (Topic 958), or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The Foundation adopted this guidance on January 1, 2019. There is no adjustment necessary to beginning net assets as a result of the adoption.

C. Availability and Liquidity

The following represents the Foundation's financial assets at December 31:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,073,871	\$ 676,000
Investments	4,240,936	3,366,769
Contributions receivable (due in one year)	546,667	715,954
Miscellaneous receivables	245	922
Total financial assets	<u>5,861,719</u>	<u>4,759,645</u>
Less: those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	2,109,326	2,154,709
Subject to appropriation and satisfaction of grant restrictions	<u>811,658</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,940,735</u>	<u>\$ 2,604,936</u>

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS *(continued)*

C. Availability and Liquidity – continued

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2019 and 2018, the Foundation has approximately \$2,941,000 and \$2,605,000, respectively, of financial assets available within one year of the statement of financial position dates to meet cash needs for general expenditure consisting of cash and cash equivalents, investments, and contributions and miscellaneous receivables. Other than the net assets with donor restrictions and amounts subject to appropriation and satisfaction of grant restrictions, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position dates.

D. Net Assets with Donor Restrictions

Net assets with donor restrictions represent contributions for which donors have imposed restrictions. As of December 31, 2019 and 2018, substantially all of the Foundation's net assets with donor restrictions were comprised of amounts restricted for specific program use within the scope of the Foundation's charitable purpose (see Note A). Approximately \$1,640,000 and \$1,395,000 of the Foundation's cash and cash equivalents and investments were donor restricted at December 31, 2019 and 2018, respectively. Approximately \$469,000 and \$759,000 of the total contributions receivable were donor restricted at December 31, 2019 and 2018, respectively.

E. Commitments and Contingencies

Consulting Agreements

The Foundation has executed consulting agreements with various contractors. The contractors are hired by the Foundation to conduct technical services and support for the Foundation's programs. During the years ended December 31, 2019 and 2018, the Foundation incurred expenses of approximately \$226,000 and \$166,000, respectively, related to these contracts. These contracts are cancelable by either party upon no more than sixty-day notice.

Lease

During 2015, the Foundation entered into an agreement to lease office space under a non-cancelable operating lease, which expired in 2018. In October 2017, the Foundation renewed the lease for three additional years, expiring in 2021, with similar terms as the original lease agreement. Total lease expense was \$9,000 for the years ended December 31, 2019 and 2018. Future minimal annual lease obligations, as of December 31, 2019, are approximately as follows:

2020	\$	9,000
2021		750
		<hr/>
Total future minimum annual lease payments	\$	9,750
		<hr/>

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS *(continued)*

F. Risk Concentrations

For the year ended December 31, 2019, two contributors accounted for approximately 34% of the Foundation's total contributions. For the year ended December 31, 2018, two contributors accounted for approximately 31% of the Foundation's total contributions.

At December 31, 2019, the Foundation had contributions receivable from one contributor that accounted for approximately 54% of total contributions receivable. At December 31, 2018, the Foundation had contributions receivable from two contributors that accounted for approximately 87% of total contributions receivable.

G. Subsequent Events

In preparing the financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through June 18, 2020, the date the financial statements were available for issuance.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. Efforts implemented by local and national governments, as well as businesses, including temporary closures, are expected to have adverse impacts on local, national, and global economies. Although the disruption is currently expected to be temporary, there is uncertainty around the duration and the related economic impact. Therefore, while management expects this matter to have an impact on the Foundation's operations, including possible decrease in government grant funding, contribution revenue, and collectability of receivables, the impact to the Foundation's results of operations and financial position cannot be reasonably estimated at this time.

On March 27, 2020, the U.S. federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which includes provision for a Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration ("SBA"). The PPP allows qualifying businesses to borrow up to \$10 million calculated based on qualifying payroll costs. PPP loans bear a fixed interest rate of 1% over a two-year term, are guaranteed by the federal government, and do not require collateral. The loans may be forgiven, in part or whole, if the proceeds are used to retain and pay employees and for other qualifying expenditures. The Foundation has applied for a PPP loan in the amount of \$109,000, which was approved by the SBA in April 2020. The Foundation expects to use the full proceeds of the PPP loan in accordance with the provisions of the CARES Act.