



Firehouse Subs Public Safety Foundation, Inc.

Financial Statements

Years Ended December 31, 2020 and 2019



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Independent Auditors' Report

Board of Directors
Firehouse Subs Public Safety Foundation, Inc.
Jacksonville, FL

We have audited the accompanying financial statements of Firehouse Subs Public Safety Foundation, Inc. (the "Foundation"), a non-profit corporation, 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.

Auditors' 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 auditors' 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 Foundation as of December 31, 2020 and 2019, its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

Jacksonville, FL
June 10, 2021

Firehouse Subs Public Safety Foundation, Inc.
Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,424,093	\$ 3,189,888
Marketable securities	10,739,582	9,238,163
Contributions receivable	885,518	533,577
Due from related parties	-	209,724
Other current assets	<u>59,817</u>	<u>54,943</u>
Total current assets	16,109,010	13,226,295
Property and equipment, net	<u>4,500</u>	<u>3,094</u>
Total assets	<u>\$ 16,113,510</u>	<u>\$ 13,229,389</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 93,488	\$ 89,559
Due to related party	135,848	125,790
Grants payable	<u>1,348,639</u>	<u>738,549</u>
Total current liabilities	<u>1,577,975</u>	<u>953,898</u>
Net assets:		
Without donor restrictions		
Board appropriated	10,739,582	9,238,163
Unappropriated	2,381,825	2,152,411
With donor restrictions	<u>1,414,128</u>	<u>884,917</u>
Total net assets	<u>14,535,535</u>	<u>12,275,491</u>
Total liabilities and net assets	<u>\$ 16,113,510</u>	<u>\$ 13,229,389</u>

See accompanying notes.

Firehouse Subs Public Safety Foundation, Inc.
Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenue:						
Contributions	\$ 7,727,720	\$ 1,888,348	\$ 9,616,068	\$ 10,315,922	\$ 1,299,337	\$ 11,615,259
In-kind donations	7,400	-	7,400	7,400	-	7,400
Investment income	601,419	-	601,419	1,513,813	-	1,513,813
Other income	79,426	-	79,426	81,756	-	81,756
Special events	357,632	-	357,632	159,152	-	159,152
Less: direct expenses	(114,373)	-	(114,373)	(70,041)	-	(70,041)
Total support	8,659,224	1,888,348	10,547,572	12,008,002	1,299,337	13,307,339
Net assets released from restrictions	1,359,137	(1,359,137)	-	2,057,008	(2,057,008)	-
Total support and other revenue	10,018,361	529,211	10,547,572	14,065,010	(757,671)	13,307,339
Expenses:						
Program services	7,149,137	-	7,149,137	9,337,403	-	9,337,403
Supporting services:						
Fundraising	749,759	-	749,759	657,531	-	657,531
General and administrative	388,632	-	388,632	384,501	-	384,501
Total support services	1,138,391	-	1,138,391	1,042,032	-	1,042,032
Total expenses	8,287,528	-	8,287,528	10,379,435	-	10,379,435
Change in net assets	1,730,833	529,211	2,260,044	3,685,575	(757,671)	2,927,904
Net assets, beginning of year	11,390,574	884,917	12,275,491	7,704,999	1,642,588	9,347,587
Net assets, end of year	\$ 13,121,407	\$ 1,414,128	\$ 14,535,535	\$ 11,390,574	\$ 884,917	\$ 12,275,491

See accompanying notes.

Firehouse Subs Public Safety Foundation, Inc.
 Statements of Functional Expenses
 Years Ended December 31, 2020 and 2019

	Program Services					Supporting Services		Total
	Public Safety Equipment	Prevention and Education	Scholarships: Firefighters and Law Enforcement	Disaster Relief	U.S. Military	Fundraising	General and Administrative	
<u>Year ended December 31, 2020</u>								
Cash donations	\$ 2,732,764	\$ 50,988	\$ 63,812	\$ 171,657	\$ 50,000	\$ -	\$ -	\$ 3,069,221
Equipment donations	3,286,136	84,492	-	70,458	6,473	-	-	3,447,559
Food and supplies	-	-	-	286,516	-	-	-	286,516
Rent	-	-	-	-	-	-	5,000	5,000
Advertising and promotions	317	800	-	-	6	319,411	750	321,284
Insurance	-	-	-	-	-	-	2,522	2,522
Licenses and permits	-	-	-	-	-	-	18,279	18,279
Salaries and benefits	230,334	32,793	11,408	41,437	26,266	255,157	173,615	771,010
Professional fees	-	-	-	-	-	-	46,013	46,013
Telephone	1,804	156	61	243	146	2,009	1,599	6,018
Travel	70	-	-	-	-	210	5,618	5,898
Awards and prizes	-	-	-	-	-	103,739	-	103,739
Other expenses	-	-	-	-	-	69,233	135,236	204,469
Total expenses	<u>\$ 6,251,425</u>	<u>\$ 169,229</u>	<u>\$ 75,281</u>	<u>\$ 570,311</u>	<u>\$ 82,891</u>	<u>\$ 749,759</u>	<u>\$ 388,632</u>	<u>\$ 8,287,528</u>
<u>Year ended December 31, 2019</u>								
Cash donations	\$ 4,880,534	\$ 171,509	\$ 20,000	\$ 289,709	\$ -	\$ -	\$ -	\$ 5,361,752
Equipment donations	3,419,840	117,201	-	15,334	13,844	-	-	3,566,219
Food and supplies	-	375	-	4,790	-	-	-	5,165
Rent	-	-	-	-	-	-	5,000	5,000
Advertising and promotions	4,499	2,675	-	-	-	300,271	45	307,490
Insurance	-	-	-	-	-	-	2,400	2,400
Licenses and permits	-	-	-	-	-	-	17,073	17,073
Salaries and benefits	256,866	76,501	12,333	9,256	8,501	160,021	167,977	691,455
Professional fees	-	-	-	-	-	460	56,621	57,081
Telephone	2,151	547	86	56	64	1,414	1,894	6,212
Travel	19,402	2,818	30	-	-	5,109	8,490	35,849
Awards and prizes	-	-	-	-	-	105,919	-	105,919
Other expenses	5,958	2,524	-	-	-	84,337	125,001	217,820
Total expenses	<u>\$ 8,589,250</u>	<u>\$ 374,150</u>	<u>\$ 32,449</u>	<u>\$ 319,145</u>	<u>\$ 22,409</u>	<u>\$ 657,531</u>	<u>\$ 384,501</u>	<u>\$ 10,379,435</u>

See accompanying notes.

Firehouse Subs Public Safety Foundation, Inc.
 Statements of Cash Flows
 Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,260,044	\$ 2,927,904
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	1,619	22,491
Bad debt expense	2,469	3,825
Unrealized gain on marketable securities	(601,419)	(1,513,813)
Changes in operating assets and liabilities:		
Contributions receivable	(354,410)	196,497
Other current assets	(4,874)	(29,465)
Accounts payable and accrued expenses	3,929	5,737
Grants payable	610,090	390,286
Net cash provided by operating activities	<u>1,917,448</u>	<u>2,003,462</u>
Cash flows from investing activities:		
Purchase of marketable securities	(900,000)	(1,850,000)
Purchase of property and equipment	(3,025)	(1,845)
Net cash used by investing activities	<u>(903,025)</u>	<u>(1,851,845)</u>
Cash flows from financing activities:		
Net loans (to) repayments from related parties	219,782	(128,402)
Net cash provided (used) by financing activities	<u>219,782</u>	<u>(128,402)</u>
Net change in cash	1,234,205	23,215
Cash and cash equivalents, beginning of year	<u>3,189,888</u>	<u>3,166,673</u>
Cash and cash equivalents, end of year	<u>\$ 4,424,093</u>	<u>\$ 3,189,888</u>

See accompanying notes.

Notes to Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Firehouse Subs Public Safety Foundation, Inc. (the "Foundation"), a nonprofit corporation, was incorporated under the laws of the State of Florida on September 7, 2005 and started conducting operations in 2006. Its purpose is to support public safety organizations and disaster relief by providing lifesaving equipment, education scholarships and other financial support, and provide support to the veterans of the United States military. The majority of revenue sourcing for the Foundation's purpose is obtained through donations from restaurant patrons and vendors of the Firehouse Restaurant Group, Inc. locations ("Firehouse Subs").

The financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net assets and revenue, gains, expenses and losses are required to be classified as without or with donor restrictions based upon the following criteria:

1. Net assets without donor restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
2. Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, net assets are reclassified to without donor restrictions and are reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

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 (1) the reported amounts of assets and liabilities; (2) disclosure of contingent assets and liabilities at the date of the financial statements; and, (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Cash and cash equivalents

The Foundation considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. The Company maintains cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) limit from time to time.

Marketable securities

Marketable securities are recorded at fair value. The fair value of marketable securities is based on the last sales price on the valuation date for those securities traded on national securities exchanges. For securities traded over-the-counter, the last bid price is used. Realized and unrealized gains or losses are determined by comparison of cost to either proceeds received from sales or market values.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded when earned. Dividends are recorded on the ex-dividend date. See Note 4.

Investment return objectives, risk parameters and strategies

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to Foundation while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to produce total returns sufficient to grow the fund balance in perpetuity and to support future spending for the purposes approved by the Board of Directors or as originally directed by the donor. Endowment assets are invested in a well-diversified asset mix and the Foundation has established allowable ranges by asset class within the portfolio. These asset classes may include: core domestic and international equities, style specific domestic and international equities, small company equities, whether core or style specific, both domestic and international; domestic fixed income securities, global fixed income securities and cash equivalents. In addition, an allocation to hard assets and alternative investments may be included.

Investment performance will be reviewed at least annually by the Board of Directors to determine the continued feasibility of achieving the investment objectives. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Contributions receivable and revenue recognition

Contributions are recognized when the donor makes an unconditional promise to give to the Foundation and are recorded under revenues, gains and other support. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, assets are reclassified to without donor restrictions.

Management evaluates total receivables and includes in the allowance for doubtful accounts an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. The allowance for doubtful accounts was zero at December 31, 2020 and 2019. No interest is charged on receivables that are past due.

Property and equipment

Property and equipment are recorded at cost which was \$123,878 and \$120,853 at December 31, 2020 and 2019, respectively. Depreciation is computed by straight-line methods applied to individual items, based on estimated useful lives of three years. Accumulated depreciation was \$119,378 and \$117,759 at December 31, 2020 and 2019, respectively. Additions exceeding \$750 are capitalized.

Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized.

Grants payable

Grants payable represent amounts due to qualifying organizations and causes as approved by the Foundation's Board of Directors.

Quasi-endowment

The Foundation has established and plans to grow a quasi-endowment fund to provide income for stabilizing operations against fluctuations in the annual campaign revenue; to enhance annual campaign revenue from income generated by the endowed gifts; and to provide program funding flexibility not possible through annual campaign revenue including emergency funding, administrative costs, challenge grants and infrastructure needs.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2020 and December 31, 2019 were \$321,284 and \$307,490, respectively.

Expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

The Foundation is recognized by the Internal Revenue Service as a nonprofit under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

Adoption of new accounting standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation adopted the new standard effective January 1, 2019, the first day of the Foundation's fiscal year, using the modified retrospective approach.

As part of the adoption of the ASU, the Foundation elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation adopted the new standard effective January 1,

Firehouse Subs Public Safety Foundation, Inc.
Notes to Financial Statements

2019, the first day of the Foundation's fiscal year, using the modified retrospective approach. No changes were required to previously reported revenues as a result of the adoption.

2. Availability of Financial Assets

The following reflects the Foundation's financial assets as of the statement of financial position date reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date, as required by the Foundation's application of ASU 2016-14 in 2019.

Financial assets, at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,424,093	\$ 3,189,888
Contributions receivable	885,518	533,577
Marketable securities	<u>10,739,582</u>	<u>9,238,163</u>
	<u>\$ 16,049,193</u>	<u>\$ 12,961,628</u>
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions with time or purpose restrictions	(1,414,128)	(883,376)
Board designations:		
Quasi-endowment fund, primarily for long-term investing	<u>(10,739,582)</u>	<u>(9,238,163)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,895,483</u>	<u>\$ 2,840,089</u>

The Foundation is substantially supported by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Foundation also has a significant degree of flexibility and discretion to manage its costs based on the annual contribution levels and financial assets available. In the event of an unanticipated liquidity need, the Foundation's Board could permit the Foundation's quasi-endowment as described in Note 3 to be available.

3. Marketable Securities

The Board of Directors ("the Board") established a quasi-endowment fund (the "quasi-endowment fund") to invest certain unrestricted contributions as approved by the Board. \$900,000 was transferred from cash to the quasi-endowment fund in 2020 (\$1,850,000 in 2019). The overall value of the quasi-endowment fund is \$10,739,582 at December 31, 2020 (\$9,238,163 at December 31, 2019) with substantially all assets in mutual funds. It is the intention of the Foundation to have this quasi-endowment fund treated as an endowment, with principal to remain intact and only interest to be spent, although any portion may be spent at the Board's discretion. Therefore, the fund has been included in unrestricted net assets.

Investment income consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 152,044	\$ 241,249
Market appreciation	512,919	1,340,614
Other expenses	<u>(63,544)</u>	<u>(68,050)</u>
	<u>\$ 601,419</u>	<u>\$ 1,513,813</u>

4. Fair Value Measurements

The Foundation follows accounting standards requiring a framework for measuring fair value. The framework provides a fair value hierarchy that 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 or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management judgment and estimation. Such investment valuations are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. The Foundation uses the market approach valuation technique to value its investments.

The following is a description of the valuation methodologies used for assets measured at fair value.

Level 1 Fair Value Measurements - The fair value of mutual funds is based on quoted net asset values of the shares held by the Foundation at year end. The fair value of money market funds is based on transacted values.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were no changes during the year ended December 31, 2020 and 2019 to the Foundation's valuation techniques used to measure asset and liability fair values on a recurring basis.

At December 31, 2020 and 2019, all marketable securities were equity fund mutual funds classified as Level 1.

The Foundation has \$4,424,093 and \$3,189,888 in cash and cash equivalents as of December 31, 2020 and 2019, which was not classified as a Level as prescribed within the fair value hierarchy.

5. Contributions Receivable

Contribution receivables consist primarily of donations generated by in-restaurant initiatives at Firehouse Subs franchise locations and vendor donations. The majority of these receivables are collected within 90 days after period-end and as such there are no credit terms. The Foundation does not charge interest on past due amounts.

An allowance for uncollectible contribution receivables is estimated based on management's judgment on the collectability of these receivables. At December 31, 2020 and 2019, the Foundation considered all remaining receivables to be fully collectible. Accordingly, there was no allowance for doubtful accounts. There was bad debt expense of \$2,469 in 2020 (\$3,825 in 2019).

6. Related Party Transactions

The Foundation received contributions from Firehouse Subs of approximately \$103,000 and \$113,000 for the years ended December 31, 2020 and 2019, respectively.

The Foundation incurred expenses of approximately \$770,000 (\$690,000 in 2019) paid to Firehouse Subs for reimbursement of the Foundation executive director, senior manager of development, senior manager of marketing and communications, senior manager of finance and compliance, events and outreach coordinator, procurement specialist, and administrative assistant salary and benefits.

The Foundation has certain amounts due to and from related parties that are unsecured and due upon demand. Such transactions were made in the ordinary course of business on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other customers, and did not, in the opinion of management, involve more than normal credit risk or present other unfavorable features.

Firehouse Subs provides office facilities as well as accounting assistance to the Foundation at no charge. These in-kind donations are recorded at their estimated fair value of \$7,400 as revenues and expenses in the Statements of Activities for the years ended December 31, 2020 and 2019, respectively.

Firehouse of America, LLC ("FOA") is in the business of franchising Firehouse Subs branded restaurants. FOA conducted a sales promotion for the years ended December 31, 2020 and 2019, whereby FOA donated to the Foundation a sum equivalent to 0.11% of all gross sales generated during the fiscal years 2020 and 2019. Based upon past sales revenue from the restaurants, the donation amount was a minimum guaranteed annual donation of \$1,000,000. The donation is restricted for life-saving equipment to first responders. \$1,000,000 was contributed to the Foundation in 2020 and 2019 and was recorded with donor restrictions classification.

In addition, the Foundation is allowed to use the Firehouse Subs trademark name in its operations.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 consist of amounts received by the Foundation designated by donors generally for specific disaster relief and United States military veterans' initiatives.

8. Concentrations

The Foundation receives almost all of its support, either directly or indirectly, from the operations of Firehouse Subs.

9. Donated Services

A substantial number of individuals and organizations have made significant contributions of time and expertise in the furtherance of the Foundation's programs. The value of contributed time and expertise is not reflected in these statements, since it does not lend itself to objective measurement.

10. Subsequent Events

The Foundation evaluated the effect subsequent events would have on the financial statements through June 10, 2021, which is the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The Coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors, and governmental, regulatory and private sector responses. The consolidated financial statements do not reflect any adjustments as a result of the increase in economic uncertainty.