American Diabetes Assocation Research Foundation, Inc.

Financial Statements
Year Ended December 31, 2019

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Financial Statements

Year Ended December 31, 2019

American Diabetes Assocation
Research Foundation, Inc.

Contents

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Independent Auditor's Report

The Board of Directors
American Diabetes Association Research Foundation, Inc.
Arlington, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of American Diabetes Association Research Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 American Diabetes Association Research Foundation, Inc. as of December 31, 2019, 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.

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the year ended December 31, 2018 has been derived from the 2018 audited financial statements. Those financial statements were audited by other auditors, whose report dated May 28, 2019 expressed an unmodified opinion on those audited financial statements.

BDO USA, LLP

McLean, Virginia
May 27, 2020

Financial Statements

American Diabetes Association
Reseach Foundation, Inc.

Statement of Financial Position
December 31, 2019 (With Summarized Comparative Totals for 2018)

December 31,		**2019**		2018 (Summarized)
Assets				
Cash and cash equivalents	**$**	**448,604**	$	119,717
Receivable from the American Diabetes Association (note 4)		**32,831,409**		50,215,101
Contributions receivable, net (note 6)		**1,116,962**		358,458
Interest in perpetual trust (note 5)		**88,495**		79,445
Total assets		**34,485,470**		50,772,721
Liabilities and Net Assets				
Research grants payable		**13,201,125**		23,510,548
Total liabilities		**13,201,125**		23,510,548
Commitments				
Net assets				
Without donor restrictions		**-**		-
With donor restrictions		**21,284,345**		27,262,173
Total net assets		**21,284,345**		27,262,173
Total liabilities and net assets	**$**	**34,485,470**	$	50,772,721

See accompanying notes to financial statements.

American Diabetes Association
Reseach Foundation, Inc.

Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2019 (With Summarized Comparative Totals for 2018)

December 31,	**Without Donor Restrictions**	**With Donor Restrictions**	**2019 Total**	2018 Total (Summarized)
Revenue:				
Donations, bequests, and change in value of perpetual trusts	**$ 2,944,446**	**$ 347,143**	**$ 3,291,589**	$ 3,526,520
Contributed professional services	**643,924**	**-**	**643,924**	874,032
Grant from the American Diabetes Association (note 4)	**15,090,372**	**2,569,695**	**17,660,067**	12,910,264
Total contributions and grants	**18,678,742**	**2,916,838**	**21,595,580**	17,310,816
Net assets released from restrictions	**8,894,666**	**(8,894,666)**	**-**	-
Total revenue	**27,573,408**	**(5,977,828)**	**21,595,580**	17,310,816
Expenses:				
Program activities:	**26,936,035**	**-**	**26,936,035**	27,109,703
Supporting services:				
Management and general	**239,015**	**-**	**239,015**	259,451
Fundraising	**398,358**	**-**	**398,358**	432,418
Total supporting services	**637,373**	**-**	**637,373**	691,869
Total expenses	**27,573,408**	**-**	**27,573,408**	27,801,572
Change in net assets	**-**	**(5,977,828)**	**(5,977,828)**	(10,490,756)
Net assets, beginning of year	**-**	**27,262,173**	**27,262,173**	37,752,929
Net assets, end of year	**$ -**	**$ 21,284,345**	**$ 21,284,345**	$ 27,262,173

See accompanying notes to financial statements.

American Diabetes Association
Reseach Foundation, Inc.

Statement of Functional Expenses
For The Year Ended December 31, 2019 (With Summarized Comparative Totals for 2018)

December 31,	**Program activities research**	**Supporting services: Management and general**	**Supporting services: Fundraising**	**2019 Total**	2018 Total (Summarized)
Research grants	**$ 26,292,111**	**$ -**	**$ -**	**$ 26,292,111**	$ 26,235,671
American Diabetes Association management fee	**-**	**239,015**	**398,358**	**637,373**	691,869
Contributed professional services	**643,924**	**-**	**-**	**643,924**	874,032
Total expenses	**$ 26,936,035**	**$ 239,015**	**$ 398,358**	**$ 27,573,408**	$ 27,801,572

See accompanying notes to financial statements.

American Diabetes Association
Reseach Foundation, Inc.

Statement of Cash Flow
For The Year Ended December 31, 2019 (With Summarized Comparative Totals for 2018)

December 31,	2019	2018 (Summarized)
Cash flows from operating activities:		
Change in net assets	**$ (5,977,828)**	$ (10,490,756)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for doubtful receivables and discounts	**(992,117)**	72,706
Unrealized (gain) loss in interest in perpetual trust and funds held in remainder trust	**(9,050)**	17,800
(Increase) decrease in:		
Receivable from the American Diabetes Association	**17,383,692**	13,074,364
Contributions receivable	**233,613**	(25,620)
Increase (decrease) in:		
Research grants payable	**(10,309,423)**	(3,387,251)
Net cash provided by (used in) operating activities	**328,887**	(738,757)
Cash and cash equivalents, beginning of year	**119,717**	858,474
Cash and cash equivalents, end of year	**$ 448,604**	$ 119,717

See accompanying notes to financial statements.

1. Organization

The American Diabetes Association (ADA) is a not for profit voluntary health agency that works to prevent and cure diabetes and to improve the lives of all people affected by diabetes. In October 1994, the Association's board of directors established the American Diabetes Association Research Foundation, Inc. (the Foundation), as a subsidiary of the Association. The objective of the Foundation is to fund diabetes related research leading to:

- The prevention and cure of diabetes
- The prevention and cure of the complications of diabetes
- New and improved therapies for individuals affected by diabetes

The Foundation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and charitable contributions to the Foundation qualify for charitable tax deductions as described in the Code. The Foundation is subject to taxation on any net unrelated business income and has been classified as an organization that is not a private foundation under Section 509(a) of the Code.

The Foundation recognizes the effect of income tax positions only if those positions more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation has analyzed the tax positions taken and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation is still open to examination by taxing authorities from its year ended December 31, 2016 and forward.

The Tax Cuts and Jobs Act (the Tax Act) was signed into law on December 22, 2017. The Tax Act includes several changes relevant to tax-exempt organizations, primarily related to unrelated business income, net operating losses, certain new excise taxes, and changes affecting the deductibility of certain expenses. Management has determined that the new law will not have a significant impact on the Foundation's financial statements.

The Foundation has been and continues to be dependent on the continued financial support of the Association to operate its core programs. The Association is committed to continue such support as necessary in order for the Foundation to sustain its research activities and to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation has been prepared on the accrual basis in conformity with accounting principles generally acceopted in the United States of America (U.S. GAAP).

Net Assets

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. These net assets generally result from providing services and receiving contributions without donor restrictions, restricted gifts whose donor-imposed restrictions were met during the fiscal year less expenses incurred in providing services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – Net assets with donor restrictions are subject to stipulations imposed by donors. These net assets generally result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use the income earned on related investments for operations or specific purposes.

When a donor restriction expires as a result of a stipulated time restriction ending or purpose restriction being accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are defined as currency on hand, demand deposits with banks or financial institutions, and financial instruments with original maturities of less than three months.

Contributions Receivable

Unconditional promises to give, including donations and and bequests that are expected to be collected within one year, are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a risk-adjusted rate at the time of the contribution of 3.0%. Amortization of the discount is included in contribution revenue. The Foundation records an allowance for doubtful accounts on its outstanding receivables based on its collection history, analysis of subsequent collections and specific identification of uncollectible accounts. Such allowance of $143,000 and $1,133,000 was deemed necessary as of December 31, 2019 and 2018, respectively.

Split-Interest Agreements

The Foundations receives certain planned gift donations that benefit not only the Foundation, but also the donor or another beneficiary designated by the donor. These contributions are termed split-interest agreements and are generally gifts to be received by the Foundation in the future. The Foundation benefits from the following types of split-interest agreements: perpetual trusts, and charitable lead and remainder trusts.

The Foundation's share of split-interest agreements is included in contributions receivable and interest in perpetual trusts. Assets of $258,436 and $249,386 are reported on the statement of financial position as of December 31, 2019 and 2018, respectively. When applicable, amounts to be received in future periods are discounted using a risk-adjusted rate based on the expected term of the split-interest agreements. The rate for 2019 and 2018 was 3.0%.

Measure of Operations

The Foundation's operating revenue in excess of expenses and transfers include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures. The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Donations, bequests and perpetual trusts

All unconditional donations are recognized when received and are considered available for the research program of the Foundation unless specifically restricted by the donor. The research program is the sole program of the Foundation. Therefore, all contributions to the general research program are reported as revenues without donor restrictions unless further restricted by the donor. Generally, there is no time restriction presumed on unconditional promises to give as it is the practice of the Foundation to spend these contributions on the research program in the same year as received. Contributions recognized in 2019 with donor restrictions are more specifically restricted than the broad research mission of the Foundation. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction.

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the date of gift using risk-adjusted interest rates applicable to the years in which the promised funds are expected to be received. Accretion of the discounts is recognized as contribution revenue.

Conditional promises to give are those with a measurable performance or other barrier and right of return. The Foundation recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

The Foundation is the beneficiary under various wills and trust agreements. Contributions received under such arrangements are recorded when a will is declared valid by a probate court and the proceeds are measurable.

Contributed Professional Services

Contributed services are reported in the statement of activities and changes in net assets at the fair value of the services received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or if the services require specialized skills and would typically need to be purchased if not provided by donation. Contributed services reported by the Foundation relate to the panel review of research grant applications and are recorded as both contributed professional services revenue and expense on the statement of activities.

Research Grants

Research grants awarded by the Foundation generally extend over a period of one to five years, subject to renewal on an annual basis. The liability and related expense is recorded when the recipient is notified of the annual award amount, and the liability is recorded as research grants payable in the balance sheet.

Management Estimates and Uncertainties

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Functional Allocation of Expenses

Expenses have been reported on a functional basis in the statement of activities. Expenses that are specifically associated with a programmatic activity or supporting service are allocated to that activity. All management and general and fundraising expenses is provided by the ADA.

Concentrations of credit risk

The Foundation maintains its cash balance in bank deposit accounts, which, at times, may exceed Federal Deposit Insurance Corporation limits up to $250,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

Credit risk with respect to contributions receivable is mitigated by the Foundation through the creation of allowances for uncollectible receivables and the discounting of long-term contributions to present value. The Foundation also believe the credit risk is limited due to the diversity of its donor and customer base and the size of the amount owed.

Summarized Financial Information

The statements of financial position, statements of activities and changes in net assets and functional expenses include certain summarized comparative information for the year ended December 31, 2018. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, contributions receivable and research grant payable approximate fair value because of the short maturity of these instruments.

Recently Adopted Authoritative Guidance

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU will assist in the determination of the nature of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. The effective date of this standard varies based on whether an organization is a resource recipient or a resource provider. As a resource recipient, for contributions received, management adopted this update on a prospective basis for the year ended December 31, 2019. Contribution revenue was accounted for under Accounting Standard Codification (ASC) Topic 958-605, *Not-for-Profit Entities, Revenue Recognition*, before the implementation of the new standard. With the clarifications outlined in ASU 2018-08, the Foundation's management reviewed existing agreements as of the effective date, as well as new agreements for 2019, and concluded that there were no material changes in revenue related to contributions received.

Recent Accounting Pronouncements Not Yet Adopted

As noted previously herein, ASU 2018-08 provides guidance how grants and other contracts received and made are classified, as either an exchange transaction or a contribution, for both resource recipients and resource providers. For resource providers, the standard assists in the determination of the nature of the transaction which will then govern the expense recognition methodology and timing of the transactions. The Foundation has adopted the guidance pertinent to resource recipients for the year ended December 31, 2019. The ASU is effective for transactions in which the entity serves as the resource provider to annual periods beginning after December 15, 2019. The Foundation is currently evaluating the impact of the remainder of this standard on the Foundation's financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement* (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. The update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The ASU is effective for the Foundaiton's financial statements for fiscal years beginning after December 15, 2019. The Foundation's management is currently evaluating the impact of this ASU on the Foundation's financial statements.

The Foundation has assessed other accounting pronouncements issued or effective during the year ended December 31, 2019 and deemed they were not applicable to the Foundation or are not anticipated to have a material effect on the financial statements.

3. Liquidity and Availability

The Foundation funds its operations through contributions from donors and from a grant from the ADA, to the extent that private donations are not sufficient to meet its research grant commitments. Cash required to meet operating needs is invested in short term accounts.

The following is a reconciliation of the Foundation's financial assets as of December 31,2019 and 2018 to financial assets available to fund the Foundation's general expenditures for the following fiscal year. General expenditures include all programmatic and supporting operating expenditures.

December 31,	**2019**	2018
Financial assets at year-end:		
Cash and cash equivalents	**$ 448,604**	$ 119,717
Receivable from the American Diabetes Association	**32,831,409**	50,215,101
Contributions receivable, net	**1,116,962**	358,458
Total financial assets	**34,396,975**	50,693,276
Adjustment for amounts not available for general expenditure within one year:		
Contributions receivable due after one year, net	**(47,841)**	(240,665)
Donor restricted net assets that are not expected to be spent within one year	**(13,366,849)**	(18,055,729)
	$ 20,982,285	$ 32,396,882

4. Transactions with the American Diabetes Association

Research Program

The Foundation facilitates ADA's research program. Accordingly, all contributions for research raised by ADA are granted to the Foundation. These research restricted contributions to ADA totaled $3,063,138 and $4,781,101 in 2019 and 2018, respectively. The Foundation also receives gifts for research directly from donors, which are reported as contributions in the statement of activities and changes in net assets.

Grants from the American Diabetes Association and Management Fee

ADA provides grants to the Foundation for its research purpose as determined annually based on a formal budgeting process, which is approved by ADA's board of directors. The Foundation is reliant on this grant support, as well as donor support, for its continued operations.

The Foundation pays a management fee to ADA equal to twenty percent of contributions. This fee compensates ADA for staff and other administrative services provided to the Foundation. The management fee assessed on contributions for the Pathway to Stop Diabetes research campaign is spread over five years to align with the grant award schedule.

ADA transfers assets to the Foundation based on the timing of grant payments due. As of December 31, 2019 and 2018, ADA owed the Foundation $32,831,409 and $50,215,101, respectively.

5. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

Split-interest obligations are measured as the present value of future cash flows expected to be paid to the donor or the donor's designee. These obligations are adjusted during the term of each annuity for payments to donors, accretion of discounts and changes in life expectancies of the donors. Split-interest obligations are classified as Level 2.

The Foundation's interest in perpetual trusts is carried at the fair value of the Foundation's share of the trust assets, which was $88,495 and $79,445 as of December 31, 2019 and 2018, respectively. These were presented as Level 3 for both 2019 and 2018. Distributions from the trusts are recorded as investment income and the trust values are adjusted annually for changes in the fair value of the trust assets.

Funds held in remainder trusts are measured at the present value of future distributions projected to be received over the expected remaining term of the trust, or upon the trust's expiration. Note 2 includes information about the discount rates used in determining the value of the assets. These were presented as Level 3 for both 2019 and 2018.

The following table is a roll forward for Interest in perpetual trusts and funds held in remainder trusts classified by the Foundaiton within Level 3 of the fair value hierarchy as follows:

	Interest in Perpetual trusts	Fund held in Remainder trusts
Balance, December 31, 2017	$ 85,626	$ 181,560
Contributions	-	-
Investment losses	(6,181)	(11,619)
Distributions	-	-
Balance, December 31, 2018	**79,445**	**169,941**
Contributions	**-**	**-**
Investment gains	**9,050**	**-**
Distributions	**-**	**-**
Balance, December 31, 2019	**$ 88,495**	**$ 169,941**

6. Contributions Receivable

Contributions receivable as of December 31, 2019 and 2018, are expected to be received as follows:

	2019	2018
Within one year	**$ 1,042,180**	$ 1,250,793
In one to five years	**50,000**	75,000
Total contributions receivable	**1,092,180**	1,325,793
Less:		
Allowance for doubtful accounts	**(143,000)**	(1,133,000)
Present value discount	**(2,159)**	(4,276)
Subtotal	**947,021**	188,517
Funds held in remainder trusts	**169,941**	169,941
Contributions receivable, net	**$ 1,116,962**	$ 358,458

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31:

		2019		2018
Subject to expenditure for specified purpose:				
Pathway Campagin	$	**21,194,350**	$	27,182,728
Research		**1,500**		-
Total subject to expenditure for specified purpose and time		**21,195,850**		27,182,728
Perpetual Trusts		**88,495**		79,445
Total net assets with donor restrictions	$	**21,284,345**	$	27,262,173

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purpose as specified by donors or for the passage of time. Such net assets were released as follows:

Years ended December 31,		**2019**		2018
Satisfaction of purpose:				
Pathway Campaign	$	**8,744,489**	$	8,484,428
Other research		**150,177**		143,940
Total release	$	**8,894,666**	$	8,628,368

8. Subsequent Events

The Foundation has evaluated subsequent events through May 27, 2020 the date the financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in the financial statements other than the following events.

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. As of the date of issuance, this public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The COVID-19 pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of COVID-19. Although the Foundation cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Foundation's results of future operations, financial position and liquidity in fiscal year 2020.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods and increased limitations on qualified charitable contributions. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. There is no assurance the Foundation is eligible for these funds or will be able to obtain them. The Foundation continue to examine the impact that the CARES Act may have on its business. Currently, the Foundation is unable to determine the impact that the CARES Act will have on its financial condition, results of operation, or liquidity.