



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 and 2018**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
SEG Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of SEG Foundation (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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



Tulsa, Oklahoma  
May 28, 2020

**SEG FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Cash	\$ 665,946	\$ 1,502,211
Pledges receivable, net	1,510,259	1,355,808
Investments	20,842,476	17,948,942
Exhibits	131,736	131,736
Other assets	58,001	13,156
Total assets	\$ 23,208,418	\$ 20,951,853
<b>Liabilities and Net Assets</b>		
Liabilities:		
Due to affiliate	\$ 1,005,097	\$ 921,566
Accounts payable and accrued liabilities	6,452	9,720
Total liabilities	1,011,549	931,286
Net assets:		
Without donor restrictions	4,673,285	4,226,786
With donor restrictions	17,523,584	15,793,781
Total net assets	22,196,869	20,020,567
Total liabilities and net assets	\$ 23,208,418	\$ 20,951,853

**SEG FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**Year ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	\$ 133,107	\$ 1,515,172	\$ 1,648,279
In-kind support from affiliate	16,279	-	16,279
Investment income, net	542,098	2,638,130	3,180,228
Loss on bad debts	-	(250,000)	(250,000)
Net assets released from restriction	2,173,499	(2,173,499)	-
Total revenues, gains and other support	2,864,983	1,729,803	4,594,786
Expenses:			
Program services:			
Grant awards to affiliate	2,010,533	-	2,010,533
Supporting services:			
Management and general	214,616	-	214,616
Fundraising	193,335	-	193,335
Total supporting services	407,951	-	407,951
Total expenses	2,418,484	-	2,418,484
Change in net assets	446,499	1,729,803	2,176,302
Net assets, beginning of year	4,226,786	15,793,781	20,020,567
Net assets, end of year	<u>\$ 4,673,285</u>	<u>\$ 17,523,584</u>	<u>\$ 22,196,869</u>

**SEG FOUNDATION**

**STATEMENT OF ACTIVITIES**

**Year ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	\$ 108,830	\$ 1,592,778	\$ 1,701,608
In-kind support from affiliate	46,461	-	46,461
Investment income, net	(269,122)	(1,283,302)	(1,552,424)
Loss on bad debts	(2,000)	(8,000)	(10,000)
Net assets released from restriction	2,537,609	(2,537,609)	-
Total revenues, gains and other support	2,421,778	(2,236,133)	185,645
Expenses:			
Program services:			
Grant awards to affiliate	2,318,796	-	2,318,796
Supporting services:			
Management and general	220,427	-	220,427
Fundraising	135,855	-	135,855
Total supporting services	356,282	-	356,282
Total expenses	2,675,078	-	2,675,078
Change in net assets	(253,300)	(2,236,133)	(2,489,433)
Net assets, beginning of year	4,480,086	18,029,914	22,510,000
Net assets, end of year	\$ 4,226,786	\$ 15,793,781	\$ 20,020,567

**SEG FOUNDATION**

**STATEMENTS OF CASH FLOWS**

**Years ended December 31, 2019 and 2018**

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,176,302	\$ (2,489,433)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions with donor restrictions in perpetuity	(124,478)	(177,701)
Donated stock	-	(78,867)
Net (gain) loss on investments	(2,366,856)	2,049,642
Loss on bad debt	250,000	10,000
Change in operating assets and liabilities:		
Pledges receivable, net	(387,826)	578,877
Other assets	(44,845)	8,613
Due to affiliate	83,531	403,272
Accounts payable and accrued liabilities	(3,268)	9,720
Net cash provided by (used in) operating activities	(417,440)	314,123
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	12,191,685	5,740,298
Purchases of investments	(12,718,363)	(6,010,682)
Net cash used in investing activities	(526,678)	(270,384)
<b>Cash Flows from Financing Activities</b>		
Proceeds from contributions with donor restrictions in perpetuity	107,853	79,318
Net increase (decrease) in cash	(836,265)	123,057
Cash, beginning of year	1,502,211	1,379,154
Cash, end of year	\$ 665,946	\$ 1,502,211

## SEG FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

#### Note 1 – Nature of Operations and Summary of Significant Accounting Policies

##### Nature of operations

SEG Foundation (the Foundation), is a not-for-profit corporation affiliated with the Society of Exploration Geophysicists (the Society) (see Note 8). The Foundation encourages and supports scientific, educational and charitable activities of benefit to geophysicists. The Foundation provides funding to the Society, who in turn provides funding directly to students and others. Awards to the Society support major programs including student programs, professional development and digital knowledge support. Awards to students include scholarships and travel grants. The Foundation also provides funding through the Society for grants to other organizations for summer field camps and the Geoscientists *Without* Borders program. Contributions are received primarily from members of the Society and corporations.

##### Basis of presentation

The Foundation's information regarding its financial position and changes in net assets according to two classes of net assets based on the existence or absence of donor-imposed restrictions, is as follows:

*Without donor restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. See Note 6 for more information on the composition of net assets without donor restrictions.

*With donor restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting SEG Foundation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. See Note 6 for more information on the composition of net assets with donor restrictions.

The Foundation maintains a pool of investment funds for net assets without donor restrictions and net assets with donor restrictions. Investment returns are allocated to net asset classifications based upon the percentage of the balance of net assets held in each classification. Investment returns on net assets with donor restrictions and board-designated matching funds are restricted for the purposes stipulated by donors. Investment returns on board-designated funds that are not associated or matched with a restricted gift are unrestricted. Investment losses on net assets with donor restrictions in excess of accumulated nonexpended returns are allocated to net assets without donor restrictions. Recoveries of such losses are first allocated to 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash

Cash consists of deposit balances maintained at high quality financial institutions. Typically, cash exceeds federally insured limits, but management believes any possible risk of loss is minimal.

### Contributions and pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the estimated present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received.

Management determines the allowance for doubtful accounts based on periodic assessment of outstanding pledges, particularly those pledges which are past due, as well as consideration of historical experience on collection of pledges. Pledge receivables are written off when deemed uncollectible.

### Investments

Investments are carried at estimated fair value as reported by the asset custodians. See Note 4 for a description of the fair value inputs and methodologies utilized.

### Income tax status

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is considered an organization that is not a private foundation.

### Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. Change in net assets and total net assets are not modified.

### Subsequent events

Management has evaluated subsequent events through May 28, 2020, the date the financial statements were available to be issued. See additional information in Note 11.

## Note 2 – Financial Assets and Liquidity Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures as of December 31, are as follows:

	2019	2018
Assets:		
Cash	\$ 665,946	\$ 1,502,211
Pledge receivables due within one year	473,600	651,700
Investments	20,842,476	17,948,942
Interest receivable	58,001	13,156
Total financial assets available within one year	22,040,023	20,116,009
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(3,709,405)	(2,454,346)
Restricted by donors in perpetuity	(12,766,019)	(12,621,278)
Amounts unavailable to management without Board's approval	(2,771,587)	(2,771,587)
Total financial assets available to management for general expenditures within one year	\$ 2,793,012	\$ 2,268,798

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation follows the practice of maintaining a cash reserve of 90% of its current year operating budget, pass thru donations and the annual spending rate and annual management fee. In addition, the Foundation has approximately \$2.8 million of Board Designated assets without donor restrictions, while the Foundation does not intend to spend these for purposes other than as identified, the amounts could be made available for current operations if necessary and upon Board approval. Additionally, the Foundation expects to collect pledges of \$473,600 during 2020.

## Note 3 – Pledges Receivable

Pledges receivable consist of the following unconditional promises to give at December 31:

	2019	2018
Due in less than one year	\$ 473,600	\$ 651,700
Due in one to five years	1,097,500	755,500
	1,571,100	1,407,200
Allowance for doubtful accounts	(11,500)	(12,700)
Unamortized discount	(49,341)	(38,692)
	(60,841)	(51,392)
	\$ 1,510,259	\$ 1,355,808

#### Note 4 – Investments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The quality and reliability of the information used to determine fair values is prioritized into three broad categories, with the highest priority given to Level 1 inputs and the lowest to Level 3 inputs. These inputs are summarized in three broad levels:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than Level 1 prices, 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 assets or liabilities.

There were no investment transfers due to changes in the observability of significant inputs between Level 1, Level 2 and Level 3 assets during the years ended December 31, 2019 or 2018.

Investments measured at fair value on a recurring basis consisted of the following:

	Fair Value Measurements as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 8,568,108	\$ -	\$ -	\$ 8,568,108
Corporate bonds	-	1,055,814	-	1,055,814
Government securities	-	1,908,106	-	1,908,106
Bond mutual funds	3,036,984	-	-	3,036,984
Equity mutual funds	6,273,464	-	-	6,273,464
Total investments at fair value	\$ 17,878,556	\$ 2,963,920	\$ -	\$ 20,842,476

  

	Fair Value Measurements as of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 5,692,910	\$ -	\$ -	\$ 5,692,910
Corporate bonds	-	923,198	-	923,198
Government securities	-	1,765,504	-	1,765,504
Bond mutual funds	4,736,075	-	-	4,736,075
Equity mutual funds	4,831,255	-	-	4,831,255
Total investments at fair value	\$ 15,260,240	\$ 2,688,702	\$ -	\$ 17,948,942

Investment income (losses) consists of the following for the year ended December 31:

	2019	2018
Interest and dividends	\$ 959,522	\$ 644,129
Realized and unrealized gains (losses)	2,366,856	(2,049,642)
Investment expenses	(146,150)	(146,911)
	\$ 3,180,228	\$ (1,552,424)

## Note 5 – Exhibits

Exhibits consist of historical geophysical equipment and a "Doodlebugger" statue commemorating the geophysical tradition.

## Note 6 – Net Assets

### Without donor restrictions

Net assets without donor restrictions are comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
General operating fund	\$ 1,901,698	\$ 1,455,199
Board-designated funds	2,771,587	2,771,587
	<u>\$ 4,673,285</u>	<u>\$ 4,226,786</u>

In previous years, contributions of \$2,771,587 were designated by the Board to match permanently restricted contributions received from donors. The Board has designated these funds for investment and is obligated to use the returns in compliance with donor restrictions for the matched gift. No contributions were designated by the Board for the year ended 2019.

### With donor restrictions

Net assets with donor restrictions net assets are available for the following purposes at December 31, 2019:

<u>Program</u>	<u>For a Specific Purpose/Time</u>	<u>Held in Perpetuity</u>	<u>Total</u>
General	\$ 359,456	\$ 1,495,000	\$ 1,854,456
Geoscientists <i>Without Borders</i>	898,376	1,715,287	2,613,663
Professional development	743,650	541,495	1,285,145
Student support	1,277,467	1,968,421	3,245,888
Scholarships	1,213,302	6,333,210	7,546,512
Field Camps and Travel Grants	188,185	679,145	867,330
Near surface	3,749	33,461	37,210
Other	73,380	-	73,380
	<u>\$ 4,757,565</u>	<u>\$ 12,766,019</u>	<u>\$ 17,523,584</u>

Net assets with donor restrictions net assets are available for the following purposes at December 31, 2018:

Program	For a Specific Purpose/Time	Held in Perpetuity	Total
General	\$ 46,101	\$ 1,494,101	\$ 1,540,202
Geoscientists <i>Without Borders</i>	783,109	1,707,457	2,490,566
Professional development	833,624	541,092	1,374,716
Student support	504,011	1,940,219	2,444,230
Scholarships	732,334	6,242,380	6,974,714
Field Camps and Travel Grants	208,175	662,769	870,944
Near surface	(844)	33,260	32,416
Other	65,993	-	65,993
	\$ 3,172,503	\$ 12,621,278	\$ 15,793,781

### **Note 7 – Endowment Funds**

The Foundation's endowment consists of 14 individual programs established for a variety of purposes. Its endowment includes both donor restricted funds and funds designated by the Board to function as endowments.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) for Oklahoma 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 permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) excess accumulated investment earnings in accordance with the applicable donor gift instruments and policy.

Accumulated earnings on the endowment is held as net assets with donor restrictions until those amounts are appropriated for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

#### Investment return objectives, risk parameters and strategies

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those investment earnings over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a diversified asset mix that is intended to produce a target return, net of fees, of at least 5% per annum. Actual returns in any given year may vary from this amount.

#### Spending policy

The Foundation's spending policy is consistent with its investment objective of achieving long-term real growth in its assets. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The

Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate, which is consistent with the Foundation's objective to maintain the purchasing power as well as to provide additional real growth through new gifts and investment returns. The annual spending rate is approved annually by the board. The spending rate was set at 3.2% and 3.0% for the years ended December 31, 2019 and 2018, respectively.

These annual fees cannot exceed 25% of the designated spending rate set by the Board of Directors. Annual management fee for the years ended December 31, 2019 and 2018, was 0.80% and 0.75%, respectively. Total amount of these fees was \$122,797 and \$112,512 for the years ended December 31, 2019 and 2018, respectively.

In addition to approved spending policy amounts and the annual management fees, the Foundation also appropriates funds for investment fees and other expenses directly related to the endowment assets. Total amounts appropriated for these purposes were \$139,697 and \$146,913 for the years ended December 31, 2019 and 2018, respectively.

Donor agreements allow for a portion of the donor restricted contributions to be used for management, administration and development expenses. The development fee is 5% of the restricted contribution.

Endowment net asset composition by type of fund as of December 31, is as follows:

2019	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted - in perpetuity	\$ -	\$ 12,766,019	\$ 12,766,019
Donor restricted - unappropriated earnings	-	2,232,047	2,232,047
Board restricted	2,771,587	-	2,771,587
	<u>\$ 2,771,587</u>	<u>\$ 14,998,066</u>	<u>\$ 17,769,653</u>
2018	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted - in perpetuity	\$ -	\$ 12,621,278	\$ 12,621,278
Donor restricted - unappropriated earnings	-	285,125	285,125
Board restricted	2,771,587	-	2,771,587
	<u>\$ 2,771,587</u>	<u>\$ 12,906,403</u>	<u>\$ 15,677,990</u>

Changes in endowment net assets for the years ended December 31, is as follows:

2019	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 2,771,587	\$ 12,906,403	\$ 15,677,990
Investment return:			
Interest and dividends	-	621,132	621,132
Net realized and unrealized gains on long-term investments	-	2,017,012	2,017,012
Total investment return	-	2,638,144	2,638,144
Contributions	-	124,476	124,476
Appropriation of endowment assets for expenditure	-	(670,957)	(670,957)
Endowment net assets, end of year	<u>\$ 2,771,587</u>	<u>\$ 14,998,066</u>	<u>\$ 17,769,653</u>
2018	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 2,771,587	\$ 14,490,193	\$ 17,261,780
Investment return:			
Interest and dividends	-	527,074	527,074
Net realized and unrealized loss on long-term investments	-	(1,662,486)	(1,662,486)
Total investment return	-	(1,135,412)	(1,135,412)
Contributions	-	177,701	177,701
Appropriation of endowment assets for expenditure	-	(564,671)	(564,671)
Fund adjustments and transfers	-	(61,408)	(61,408)
Endowment net assets, end of year	<u>\$ 2,771,587</u>	<u>\$ 12,906,403</u>	<u>\$ 15,677,990</u>

## Note 8 – Society of Exploration Geophysicists

The Society is the sole corporate member of the Foundation and appoints the Board. The Foundation supports the Society with contributions and the Society provides services for which it is partially reimbursed by the Foundation. Those transactions for the years ended December 31, are as follows:

	2019	2018
Cash contributions from the Society	\$ -	\$ -
In-kind support from the Society	16,279	46,461
Total support from the Society	\$ 16,279	\$ 46,461
Grant awards to the Society	\$ 2,010,533	\$ 2,318,796
Reimbursement to the Society for fundraising expenses	\$ 138,043	\$ 140,357
Reimbursement to the Society for administration expenses	101,515	68,713
Total reimbursements to the Society	\$ 239,558	\$ 209,070

In-kind support from the Society consists of indirect cost allocation (IDC) and is reflected in the Foundation's financial statements as both revenue and expense, with no net overall financial impact to the statements of activities.

The Foundation began reimbursing the Society on January 1, 2016, for 20% of allocated indirect costs. An additional 20% requirement will be added each year until the Foundation is fully reimbursing the Society.

## Note 9 – Grant Awards and Functional Expenses

As disclosed in Note 1, the Foundation generally carries out its purpose by providing financial support solely to the Society for specific programs. Expenses directly attributable to a specific functional area of SEG Foundation are reported as expenses of those functional areas. Costs that benefit multiple functional areas (indirect costs) have been allocated across programs based on the proportion of revenue relative to the entire entity.

Expenses by function and natural classification for the year ended December 31, are as follows:

2019	Management and General	Fundraising	Total
Expense category:			
Professional development	\$ 58,277	\$ 81,612	\$ 139,889
Meeting expense	421	33,409	33,830
Supplies	2,162	14	2,176
Facilities rental	-	4,320	4,320
Travel	4,303	3,619	7,922
Professional fees	31,931	62,887	94,818
IDC Allocation (see Note 8)	109,251	-	109,251
Depreciation	5,475	-	5,475
Other	2,796	7,474	10,270
	\$ 214,616	\$ 193,335	\$ 407,951

2018	Management and General	Fundraising	Total
Expense category:			
Professional development	\$ 50,034	\$ 86,194	\$ 136,228
Meeting expense	8,219	14,568	22,787
Supplies	2,416	8,375	10,791
Facilities rental	-	5,379	5,379
Travel	5,571	3,097	8,668
IDC allocation (See Note 8)	116,153	-	116,153
Depreciation	890	-	890
Other	37,144	18,242	55,386
	<u>\$ 220,427</u>	<u>\$ 135,855</u>	<u>\$ 356,282</u>

#### **Note 10 – Commitments**

The Foundation has committed approximately \$471,000 to the Society for Geoscientists *Without Borders* awards and grants to various universities as of December 31, 2019. The ultimate amount funded for each award and grant is based on the respective project's performance and actual expenditures. No amounts have been accrued in the accompanying financial statements for these commitments.

#### **Note 11 – Subsequent Events**

During 2020, a strain of coronavirus (COVID-19) was reported worldwide, resulting in decreased economic activity and concerns about the pandemic, which would adversely affect the broader global economy. As a result of the pandemic, the Foundation could also experience losses in its investment portfolio as a result of volatile markets and operating results including obtaining future donations. Significant estimates, including the allowance for doubtful accounts, may be materially adversely impacted by these events. Accordingly, while management cannot quantify the financial and other impact to the Foundation as of May 28, 2020, management believes that a material impact on the Foundation's financial position and results of future operations is possible.