

THE MIDORI FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Midori Foundation, Inc.

We have audited the accompanying financial statements of The Midori Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 Midori Foundation, Inc. as of June 30, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 11d to the financial statements, in March 2020, the United States of America declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, The Midori Foundation, Inc. has suspended some of its program activities at the direction of state and local governmental authorities. Our opinion is not modified with respect to this matter.

Lotz + Carr, LLP

New York, New York
February 10, 2022

THE MIDORI FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents (Notes 1b and 7a)	\$ 352,301	\$1,277,232
Contributions receivable (Notes 1c, 4 and 7b)		
Without donor restrictions	819,450	86,335
With donor restrictions	110,000	204,300
Accounts receivable	10,408	26,236
Prepaid expenses	16,684	22,210
Property and equipment, at cost, net of accumulated depreciation (Notes 1d and 5)	2,891	9,936
Security deposit	<u>36,434</u>	<u>36,434</u>
Total Assets	<u><u>\$1,348,168</u></u>	<u><u>\$1,662,683</u></u>
Liabilities and Net Assets		
Liabilities		
Loans payable (Note 6)	\$ 97,800	\$ 101,400
Accounts payable and accrued expenses	262,662	120,654
Deferred revenue (Note 1f)	5,125	1,876
Total Liabilities	<u>365,587</u>	<u>223,930</u>
Commitments and Contingencies (Notes 10 and 11)		
Net Assets (Note 3)		
Without Donor Restrictions		
Operating	672,581	925,294
Board designated - working capital reserve	<u>200,000</u>	<u>200,000</u>
Total Without Donor Restrictions	872,581	1,125,294
With Donor Restrictions	<u>110,000</u>	<u>313,459</u>
Total Net Assets	<u>982,581</u>	<u>1,438,753</u>
Total Liabilities and Net Assets	<u><u>\$1,348,168</u></u>	<u><u>\$1,662,683</u></u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Support and Revenue (Note 7b)						
Contributions						
Individuals	\$ 69,635	\$ -	\$ 69,635	\$ 121,160	\$ -	\$ 121,160
Foundations and trusts	35,100	15,700	50,800	60,360	311,800	372,160
Corporations	51,175	-	51,175	29,761	-	29,761
Government	1,104,650	-	1,104,650	1,005,181	1,659	1,006,840
Benefit income (Note 8)	31,300	-	31,300	10,500	-	10,500
Less: Direct benefit expenses (Note 8)	-	-	-	(7,031)	-	(7,031)
In-kind contributions (Note 9)	5,000	-	5,000	44,248	-	44,248
Education revenue	3,965	-	3,965	137,841	-	137,841
Other revenue	8,650	-	8,650	885	-	885
	<u>1,309,475</u>	<u>15,700</u>	<u>1,325,175</u>	<u>1,402,905</u>	<u>313,459</u>	<u>1,716,364</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	219,159	(219,159)	-	28,000	(28,000)	-
	<u>1,528,634</u>	<u>(203,459)</u>	<u>1,325,175</u>	<u>1,430,905</u>	<u>285,459</u>	<u>1,716,364</u>
Expenses						
Program Services	1,324,650	-	1,324,650	1,136,917	-	1,136,917
Supporting Services						
Management and general	232,593	-	232,593	218,863	-	218,863
Fundraising	224,104	-	224,104	153,931	-	153,931
	<u>1,781,347</u>	<u>-</u>	<u>1,781,347</u>	<u>1,509,711</u>	<u>-</u>	<u>1,509,711</u>
Increase (decrease) in net assets	(252,713)	(203,459)	(456,172)	(78,806)	285,459	206,653
Net assets, beginning of year	<u>1,125,294</u>	<u>313,459</u>	<u>1,438,753</u>	<u>1,204,100</u>	<u>28,000</u>	<u>1,232,100</u>
Net Assets, End of Year	<u>\$ 872,581</u>	<u>\$ 110,000</u>	<u>\$ 982,581</u>	<u>\$ 1,125,294</u>	<u>\$ 313,459</u>	<u>\$ 1,438,753</u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020					
	Program Services	Supporting Services Management and General	Supporting Services Fundraising	Total Expenses	Program Services	Supporting Services Management and General	Supporting Services Fundraising	Total Expenses	
Salaries, payroll taxes and employee benefits	\$ 317,312	\$ 76,970	\$ 47,154	\$124,124	\$ 636,930	\$ 48,571	\$ 41,848	\$ 90,419	\$ 727,349
Interim executive director	110,622	41,516	21,462	62,978	-	-	-	-	-
Artist fees	556,712	474	4,214	4,688	70,096	-	-	-	70,096
Professional fees	101,719	16,916	109,611	126,527	142,721	91,847	67,109	158,956	301,677
Occupancy	116,702	25,033	11,277	36,310	111,126	25,994	12,207	38,201	149,327
Accounting and legal	19,677	26,973	5,968	32,941	21,741	22,551	484	23,035	44,776
Marketing and promotion	54,318	8,633	6,471	15,104	6,009	1,408	1,762	3,170	9,179
Insurance	7,745	1,661	748	2,409	7,749	1,818	853	2,671	10,420
Travel	706	152	68	220	5,297	87	1,822	1,909	7,206
Programming supplies	-	-	-	-	53,552	-	-	-	53,552
Postage and mailing	1,354	52	50	102	616	86	1,928	2,014	2,630
Office expenses	33,133	7,070	8,049	15,119	73,154	13,052	22,168	35,220	108,374
Meals and entertainment	-	266	5,083	5,349	1,263	1,974	892	2,866	4,129
Miscellaneous expenses	2,305	799	1,300	2,099	4,885	971	1,740	2,711	7,596
Dues and subscription	2,345	381	2,649	3,030	1,778	-	1,118	1,118	2,896
Bad debt expense	-	18,652	-	18,652	-	403	-	403	403
Total expenses before depreciation	1,324,650	225,548	224,104	449,652	1,136,917	208,762	153,931	362,693	1,499,610
Depreciation	-	7,045	-	7,045	-	10,101	-	10,101	10,101
Total Expenses	\$1,324,650	\$ 232,593	\$ 224,104	\$456,697	\$1,136,917	\$ 218,863	\$ 153,931	\$372,794	\$1,509,711

See notes to financial statements.

THE MIDORI FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (456,172)	\$ 206,653
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	7,045	10,101
Bad debt expense	18,652	403
Forgiveness of loan payable - Paycheck Protection Program	(101,400)	-
(Increase) decrease in:		
Contributions receivable	(638,815)	43,160
Accounts receivable	(2,824)	104,663
Prepaid expenses	5,526	(5,724)
Increase (decrease) in:		
Accounts payable and accrued expenses	142,008	(35,373)
Deferred revenue	3,249	(2,524)
Net Cash Provided (Used) By Operating Activities	<u>(1,022,731)</u>	<u>321,359</u>
Cash Flows From Financing Activities		
Proceeds from loan payable	<u>97,800</u>	<u>101,400</u>
Net increase (decrease) in cash and cash equivalents	(924,931)	422,759
Cash and cash equivalents, beginning of year	<u>1,277,232</u>	<u>854,473</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 352,301</u></u>	<u><u>\$1,277,232</u></u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Midori Foundation, Inc. (the "Foundation") is a nonprofit corporation formed under the General Law of Delaware. The primary purpose of the Foundation is to serve New York City's schools and community organizations by providing, at no cost to the individual student, comprehensive music education of the highest quality. Focusing on children with little or no access to the arts, the Foundation, which operates as Midori & Friends, offers music programming that enhances the existing educational curricula by exposing children to diverse cultures and uncovering new means of self-expression through general music studies, instrument instruction, and on-site professional ensemble performances.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Amounts received that are designated for future periods and all other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Foundation uses the allowance method to determine uncollectible promises to give. The allowance, if any, is based on prior years' experience and management's analysis of specific promises made.

d - Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

f - Revenue Recognition

Education revenues are recognized when the services are performed.

g - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Foundation's expenses are directly related to program activities. The expenses that are allocated include salaries, payroll taxes and benefits, insurance, general office expenses, and occupancy costs, which are allocated based on employee time and effort.

h - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i - Tax Status

The Midori Foundation, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has also been designated as an organization which is not a private foundation.

j - Subsequent Events

The Foundation has evaluated subsequent events through February 10, 2022, the date that the financial statements are considered available to be issued.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

k - Recent Accounting Pronouncements

During 2021, the Foundation adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*, which requires entities to recognize revenue through the application of a five-step model, which includes identification of the contract, identification of the performance obligation(s), determination of the transaction price, allocation of the transaction price to the performance obligations, and recognition of revenue as the Foundation satisfies the performance obligations. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Adoption of ASU 2014-09 had no impact on the Foundation's financial statements.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*”. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than 12 months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact of ASU 2016-02 on its financial statements.

Note 2 - Information Regarding Liquidity and Availability

The Foundation operates with the goal of a balanced budget for each fiscal year based on contributed income and earned revenues expected to be available to fund anticipated program expenses. The Foundation considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general, administrative and fundraising activities undertaken to support those services. The Foundation regularly monitors liquidity to meet its operating needs and other commitments and obligations.

Management prepares regular cash flow projections to determine liquidity needs and maintains liquid financial assets, including a board designated cash reserve of \$200,000, on an ongoing basis sufficient to cover four to six months of general expenditures. These liquid financial assets are kept at a bank and drawn upon as needed during the year to manage cash flow. The Foundation’s cash flows have seasonal variations during the year attributable to program expenses beginning in the fall and increasing through the spring semester to the end of the school year in June.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 2 - Information Regarding Liquidity and Availability (continued)

The Foundation's financial assets as of June 30, 2021 and 2020 and those available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 352,301	\$1,277,232
Unconditional promises to give	929,450	290,635
Accounts receivable	<u>10,408</u>	<u>26,236</u>
Total Financial Assets	1,292,159	1,594,103
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(110,000)	(313,459)
Plus: Net assets with donor restrictions expected to be met in less than one year	110,000	119,159
Net assets restricted for board designated working capital reserve	<u>(200,000)</u>	<u>(200,000)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,092,159</u>	<u>\$1,199,803</u>

In addition to these financial assets available within one year, the Foundation's board designated working capital reserve could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

Note 3 - Net Assets

a - Board Designated - Working Capital Reserve

The Board has designated a working capital reserve that is used to manage the cyclical nature of the Foundation's cash flow. Borrowings from the working capital reserve are expected to be replenished in full prior to the close of each fiscal year.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 3 - Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are designated for future programs and periods as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Music Inc. program	\$100,000	\$294,300
Music programs	<u>10,000</u>	<u>9,159</u>
	110,000	303,459
Subject to expenditure for specified periods	<u>-</u>	<u>10,000</u>
Total Net Assets With Donor Restrictions	<u>\$110,000</u>	<u>\$313,459</u>

Note 4 - Contributions Receivable

Contributions receivable are due as follows:

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Due within one year	<u>\$819,450</u>	<u>\$110,000</u>	<u>\$929,450</u>
	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Due within one year	\$86,335	\$110,000	\$196,335
Due within two years	<u>-</u>	<u>100,000</u>	<u>100,000</u>
	86,335	210,000	296,335
Less: Discount to present value	<u>-</u>	<u>(5,700)</u>	<u>(5,700)</u>
	<u>\$86,335</u>	<u>\$204,300</u>	<u>\$290,635</u>

Contributions receivable due after one year are discounted to net present value using a discount rate of 3%. Uncollectible contributions receivable are expected to be insignificant.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Furniture and equipment	5-7 years	\$28,445	\$28,445
Leasehold improvements	3 years	3,000	3,000
Website	3 years	<u>10,600</u>	<u>10,600</u>
		42,045	42,045
Less: Accumulated depreciation		<u>(39,154)</u>	<u>(32,109)</u>
		<u>\$ 2,891</u>	<u>\$ 9,936</u>

In fiscal 2018, The City of New York spent \$32,935 relating to the Foundation's IT system. The City's investment of capital funding obligated the recipient organization to maintain equipment for the respective bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of The City of New York for cultural, educational or artistic uses and/or related purposes approved by the City.

Note 6 - Loans Payable

On April 11, 2020, the Foundation received a loan totaling \$101,400 under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loan may be forgiven if the Foundation meets certain employee retention requirements and the funds are used for eligible expenses. The loan was forgiven May 2021 and is included in Government contributions on the Statement of Activities.

On April 26, 2021, the Foundation received a second loan totaling \$97,800 under the Paycheck Protection Program. The loan bears interest at 1% per annum, is due on April 26, 2026, and may be forgiven if the Foundation meets certain employee retention requirements and the funds are used for eligible expenses. This loan was forgiven in November 2021.

The Foundation also received \$10,000 from the Economic Injury Disaster Loan grant administered by the U.S. Small Business Administration during the year ended June 30, 2020, which is not to be repaid.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 7 - Concentrations

- a - The Foundation maintains its cash balances at financial institutions located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to applicable limits.
- b - Contributions and education revenue from city government agencies approximated 75% and 62% during the fiscal years ended June 30, 2021 and 2020, respectively, of the Foundation's total support and revenue. Contributions and accounts receivable from city government agencies at June 30, 2021 and 2020 approximated 88% and 22%, respectively, of the Foundation's total receivables.

Note 8 - Benefit Events

During the year ended June 30, 2021, the Foundation held a virtual gala. A large benefit event was not held during the year ended June 30, 2020, due to the COVID-19 shutdown.

Note 9 - In-Kind Contributions

In-kind contributions consist of:

	<u>2021</u>	<u>2020</u>
Donated digital access tickets	\$5,000	\$ -
Donated software and travel	-	39,298
Donated legal	-	4,950
	<u>\$5,000</u>	<u>\$44,248</u>

Note 10 - Retirement Plans

The Foundation contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 10 - Retirement Plans (continued)

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Foundation chooses to stop participating in its multiemployer plan, the Foundation may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Foundation's participation in this plan is summarized below. The "Plan Number" column provides the three-digit plan number. The most recent Pension Protection Act (PPA) zone status available in 2020 and 2019 is for the plan's year end at March 31, 2020 and 2019, respectively. The zone status is based on information that the Foundation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject, as applicable.

<u>Pension Fund</u>	<u>Plan Number</u>	<u>Pension Protection</u>	<u>FIP/RP</u>	<u>Contributions</u>		<u>Surcharge</u>	<u>Expiration Date</u>
		<u>Act Zone Status</u>	<u>Status</u>	<u>of the Foundation</u>			
		<u>2020</u>	<u>Pending/ Implemented</u>	<u>2021</u>	<u>2020</u>	<u>Imposed</u>	<u>Bargaining Agreement</u>
American Federation of Musicians and Employer's Pension Fund	001	Red	Implemented	\$ -	\$20,562	10%	August 15, 2019

The Foundation's contributions to the plan listed above are not greater than 5% of the total plan contributions.

Note 11 - Commitment and Contingencies

- a - The Foundation is obligated under the terms of a lease for office space through October 31, 2024. Minimum annual rental payments are due as follows:

<u>Year Ending June 30,</u>	
2022	\$146,218
2023	149,142
2024	152,125
Period ending October 31, 2024	51,042

Rent expense for the years ended June 30, 2021 and 2020 was \$147,659 and \$143,747, respectively.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

Note 11 - Commitment and Contingencies (continued)

- b - The Foundation's programs are serviced by teaching artists. All teaching artists are covered by a collective bargaining agreement and are subject to the risks associated with unionized employees.
- c - Government supported programs are subject to audit by the granting agency.
- d - In March 2020, the COVID-19 pandemic was declared a national emergency by the United States of America. The Foundation immediately suspended all of its in school activities and cancelled all other events and planned activities based on mandates from state and local government authorities. Management also immediately began to assess the potential impact of the loss of income, and took initial action to examine opportunities to cut costs, making reductions where feasible. The Executive Director search was postponed and a restructuring consultant was hired to evaluate program and staffing needs. Important position hires were postponed and remaining staff covered responsibilities to run the Foundation in the areas of development, finance, communications and program strategy and staff began working remotely to ensure safety. The Foundation received loans under the Paycheck Protection Program established by the CARES Act. To help offset losses of revenue, appeals were made to major donors to request acceleration of their annual contributions. Management and the Board of Directors are confident that a combination of cost-cutting measures and sufficient reserve funds will see the Foundation through fiscal 2022, so that upon reopening, the Foundation is able to continue its mission.