

GreatSchools, Inc.

Financial Statements

December 31, 2020
(With Comparative Totals for 2019)



TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15



INDEPENDENT AUDITOR'S REPORT

Board of Directors
GreatSchools, Inc.
Oakland, California

We have audited the accompanying financial statements of GreatSchools, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020, 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 GreatSchools, Inc. as of December 31, 2020, 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.



An independent firm
associated with Moore
Global Network Limited

Report on Summarized Comparative Information

We have previously audited GreatSchools, Inc. and Subsidiary's 2019 financial statements, and our report dated July 20, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Francisco, California

September 10, 2021

GreatSchools, Inc.
Statement of Financial Position
December 31, 2020
(With Comparative Totals for 2019)

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,137,382	\$ 2,894,417
Accounts receivable, net	807,453	856,223
Grants receivable	1,727,646	600,000
Prepaid expenses	250,537	169,744
Total current assets	6,923,018	4,520,384
Non-current assets		
Property and equipment, net	45,065	10,771
Deposits	39,900	39,900
Grants receivable, net of current portion	-	300,000
Total non-current assets	84,965	350,671
Total assets	\$ 7,007,983	\$ 4,871,055
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 113,406	\$ 35,391
Accrued expenses	123,319	34,257
Accrued vacation payable	246,768	152,100
Deferred revenue	462,797	439,308
Total current liabilities	946,290	661,056
Net assets		
Without donor restrictions	3,596,051	2,774,610
With donor restrictions	2,465,642	1,435,389
Total net assets	6,061,693	4,209,999
Total liabilities and net assets	\$ 7,007,983	\$ 4,871,055

The accompanying notes are an integral part of these financial statements.

GreatSchools, Inc.
Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues, gains and other support				
Contributions and grants	\$ 9,946	\$ 4,174,646	\$ 4,184,592	\$ 2,229,196
Donated services	21,135	-	21,135	81,903
Licensing/royalty/co-branding	1,756,663	-	1,756,663	1,997,140
Website activity	1,458,621	-	1,458,621	1,568,126
Grade by Grade Newsletter	9,200	-	9,200	-
Government grant - Paycheck Protection Program	742,506	-	742,506	-
Other	1,967	-	1,967	25,438
Total revenues, gains and other support	<u>4,000,038</u>	<u>4,174,646</u>	<u>8,174,684</u>	<u>5,901,803</u>
Net assets released from restriction	<u>3,144,393</u>	<u>(3,144,393)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>7,144,431</u>	<u>1,030,253</u>	<u>8,174,684</u>	<u>5,901,803</u>
Functional expenses				
Program services	5,006,633	-	5,006,633	5,047,995
Management and general	788,671	-	788,671	1,048,001
Fundraising	527,686	-	527,686	356,790
Total functional expenses	<u>6,322,990</u>	<u>-</u>	<u>6,322,990</u>	<u>6,452,786</u>
Change in net assets from operations	821,441	1,030,253	1,851,694	(550,983)
Contribution of membership interest in FEL, LLC (Note 3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,725)</u>
Change in net assets	821,441	1,030,253	1,851,694	(789,708)
Net assets, beginning of year	<u>2,774,610</u>	<u>1,435,389</u>	<u>4,209,999</u>	<u>4,999,707</u>
Net assets, end of year	<u>\$ 3,596,051</u>	<u>\$ 2,465,642</u>	<u>\$ 6,061,693</u>	<u>\$ 4,209,999</u>

The accompanying notes are an integral part of these financial statements.

GreatSchools, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries and benefits	\$ 4,059,436	\$ 558,998	\$ 442,983	\$ 5,061,417	\$ 4,419,728
Consultants	144,801	19,940	15,801	180,542	603,171
Travel and events	6,769	1,653	736	9,158	117,361
Content	53,252	7,333	5,811	66,396	84,954
Data center and web hosting	197,351	27,176	21,536	246,063	232,946
Technology and software	59,905	7,125	3,835	70,865	96,223
Advertising and marketing	15,090	2,078	1,646	18,814	27,689
Research and analytics	24,144	3,325	2,634	30,103	12,293
Printing	-	-	-	-	8,300
Professional fees	30,901	105,878	3,372	140,151	289,472
Rent and occupancy	239,988	28,545	15,361	283,894	370,688
Office expense	53,197	6,867	3,620	63,684	15,484
Professional development	20,718	2,853	2,260	25,831	9,000
Recruiting	11,705	1,612	1,277	14,594	70,646
Insurance, fees and other	24,850	7,178	1,639	33,667	48,630
Phones and internet	23,143	3,187	2,526	28,856	27,904
Depreciation expense	6,808	810	436	8,054	18,297
Bad debt expense	34,575	4,113	2,213	40,901	-
	<u>\$ 5,006,633</u>	<u>\$ 788,671</u>	<u>\$ 527,686</u>	<u>\$ 6,322,990</u>	<u>\$ 6,452,786</u>

The accompanying notes are an integral part of these financial statements.

GreatSchools, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 1,851,694	\$ (789,708)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	8,054	18,297
Loss on disposal of property and equipment	-	3,581
Changes in operating assets and liabilities		
Accounts receivable, net	48,770	116,320
Grants receivables	(827,646)	429,000
Prepaid expenses	(80,793)	88,838
Deposits	-	(2,042)
Accounts payable	78,015	(110,486)
Accrued expenses	89,062	(9,151)
Accrued vacation payable	94,668	(56,891)
Deferred revenue	<u>23,489</u>	<u>65,539</u>
Net cash provided by (used in) operating activities	<u>1,285,313</u>	<u>(246,703)</u>
Cash flows from investing activities		
Redemption of certificates of deposit	-	483,810
Acquisition of property of equipment	(42,348)	(9,706)
Proceeds from sale of property and equipment	<u>-</u>	<u>6,000</u>
Net cash provided by (used in) investing activities	<u>(42,348)</u>	<u>480,104</u>
Net increase in cash and cash equivalents	1,242,965	233,401
Cash and cash equivalents, beginning of year	<u>2,894,417</u>	<u>2,661,016</u>
Cash and cash equivalents, end of year	<u>\$ 4,137,382</u>	<u>\$ 2,894,417</u>

The accompanying notes are an integral part of these financial statements.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

1. NATURE OF OPERATIONS

GreatSchools, Inc. (the "Organization" or "GreatSchools") is a nonprofit corporation that was organized in the State of California in 1998. The mission of the Organization, a 501(c)(3) tax-exempt entity, is to provide parents with the information and resources they need to choose schools, support their children's education and advocate for educational excellence. The Organization provides, via its web site, an online guide to elementary, middle and high schools in addition to resources (like Guided Search and "Milestones") for parents to choose better schools and help their children be more successful in school.

GreatSchools is the leading national source of school information for parents. With a Webby-award winning website, GreatSchools.org reached over 47 million unique visitors and over half of American families with school-age children in 2020. GreatSchools.org contains in-depth profiles of over 200,000 Pre K-12 schools and more than 1.5 million parent and community ratings and reviews of schools.

GreatSchools.org also provides resources for parents to see how their kids are progressing in their education. These parenting resources contain videos, articles and other resources that help parents understand what educational excellence looks like at each step of their child's learning journey and address both academic, social and emotional development by providing parents with tips about what their children should be learning, how to cultivate character strengths such as persistence and character development, and how to partner effectively with teachers.

Millions of parents come to GreatSchools for advice, and our thousands of articles, worksheets and videos answer their questions and help them encourage and support learning.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying financial statements are prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions.

- *Net assets without donor restrictions* - represent the portion of net assets which do not have donor-imposed stipulations and are available to support the Organization's operations.
- *Net assets with donor restrictions* - represent the portion of net assets for which use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization. When the purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the financial statements as net assets released from restriction.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the statement of cash flows, all highly liquid investments with original maturity dates of three months or less are considered to be cash and cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may be in excess of federally insured limits. Management believes it is not exposed to any significant risks on cash accounts.

Receivables

Website and licensing receivables are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is maintained based on past experiences and other circumstances. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. The allowance for doubtful accounts amounted to \$20,000 at December 31, 2020.

Property and equipment

Purchased property and equipment is carried at cost. Donated property and equipment is recorded at fair value as of the date of receipt. Assets acquired with a cost or fair value greater than \$1,500 are capitalized. Maintenance and repairs are expensed as incurred. Assets retired or sold are removed from the property accounts, with gains or losses on disposal included in income.

Depreciation of property and equipment is provided by use of the straight-line method over the lesser of the estimated three to seven year useful lives of the equipment or the related lease term. Purchased intangible assets are carried at cost. These assets include the domain name and web site development costs. Amortization of intangible assets is provided by use of the straight-line method over the estimated three to five year useful lives of the intangibles. Intangible assets are fully amortized as of December 31, 2020.

The Organization reviews long-lived tangible and intangible assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the fair value of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Deferred revenues

Licensing revenue received that relates to future periods is recorded as deferred revenue and amortized into income as earned.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give for the year ended December 31, 2020. Unconditional promises to give that are expected to be collected in excess of one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. There is no discount recorded for the year ended December 31, 2020 as the discount calculated was immaterial to the financial statements. An allowance for doubtful contributions receivable is provided based upon management's judgment including factors such as prior collection history, type of contribution and current aging of contributions receivable. Management has determined that an allowance for doubtful contributions receivable is not necessary at December 31, 2020.

Donated goods and services

Donated goods and services that would typically need to be purchased if not donated are recognized in the accompanying financial statements as contributions when such goods and services (a) enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills. Usually the Organization receives such donated goods and services for software, computer parts and legal services.

Website activity income and expense

The Company accounts for website activity income under the provisions of Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, which, among other things, requires entities to assess the products or services promised in contracts with customers at contract inception to determine the appropriate amount at which to record revenue, which is referred to as a performance obligation. Revenue is recognized when control of the promised products or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the products or services.

Revenue from contracts with customers is recognized using the following five steps:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the contract price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the Company satisfies a performance obligation.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Website activity income and expense (continued)

Website activity income generated on the Organization's website from advertisement placements is a function of website page views and price. The Organization's current partners are education-related firms, real estate and mortgage professionals, consumer companies, Google and Freestar. Website activity income is recognized as it is earned and for the year ended December 31, 2020 amounted to \$1,458,621. Related website activity expenses are recognized as incurred and consist of expenses allocable against website activity income based on managerial assumptions.

The Organization also incurs website development costs and has determined that no website development costs were eligible for capitalization. Website development costs amounted to approximately \$1,400,000 for the year ended December 31, 2020, which is included in salaries and wages on the statement of functional expenses.

Functional expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated amongst program services and supporting services based on management estimates utilizing allocated time and full time equivalents ("FTE") of each program.

Advertising costs

Advertising costs are charged to expense as incurred and amounted to \$17,505 for the year ended December 31, 2020.

Income taxes

There is no provision for federal or state taxes on income since the Organization is a tax-exempt entity under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code 23701(d). The Organization has evaluated its current tax positions and has concluded that as of December 31, 2020, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary and that no unrelated business taxable income arising from its website activity is subject to taxation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prior year summarized information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such summarized information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Subsequent events

The Organization has evaluated events subsequent to December 31, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 10, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the Organization's financial statements except as disclosed in Note 7

3. FAMILY ENGAGEMENT LAB, LLC

Family Engagement Lab, LLC ("FEL LLC") was formed in 2016 to enable teachers in low-income communities to engage with families of students to support enhanced student learning. GreatSchools was the sole member of FEL LLC and previously consolidated the accounts of FEL LLC.

On December 6, 2019, GreatSchools entered into a Donation Agreement with FEL LLC and Family Engagement Lab (FEL), a California nonprofit public benefit corporation with a purpose to provide programs and tools that advance education for children. In accordance with the Donation Agreement, GreatSchools donated (i) the membership interests in FEL LLC, (ii) certain contracts and grants, and (iii) cash of \$25,420, along with the cancellation of certain liabilities (collectively the "Donated Assets") to FEL. GreatSchools deconsolidated FEL LLC as of the date of the Donation Agreement and recognized a contribution expense of \$238,725 for the year ended December 31, 2019.

4. GRANTS RECEIVABLE

Grants receivable consisted of the following:

Receivable in less than one year	\$ 1,727,646
Receivable in greater than one year	<u>-</u>
	<u>\$ 1,727,646</u>

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Equipment	\$ 309,667
Software	30,979
	<u>340,646</u>
Less accumulated depreciation and amortization	<u>(295,581)</u>
	<u>\$ 45,065</u>

Depreciation and amortization expense for 2020 amounted to \$8,054.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted by donors to the following purposes:

GreatSchools College Success Award	\$ 658,637
General support - time restricted	300,000
R&D	279,558
Best Practices & Insights	270,835
Parent Guidance	241,670
School Information Pages	224,743
Non-CSA Data	193,070
GBG	192,887
RAC	57,025
Advocacy	31,371
Character Virtues/Parenting	<u>15,846</u>
	<u>\$ 2,465,642</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

GreatSchools College Success Award	\$ 930,551
General support - time restricted	600,000
R&D	325,134
Best Practices & Insights	271,042
School Information Pages	246,383
Parent Guidance	233,884
Non-CSA Data	211,660
GBG	211,459
RAC	62,516
Advocacy	34,392
Character Virtues/Parenting	<u>17,372</u>
	<u>\$ 3,144,393</u>

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

7. GOVERNMENT GRANT - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization qualified and received a loan pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, from a qualified bank, in the principal amount of \$742,506. The term on the loan is two years with an annual interest rate of 1%. Subject to SBA provisions and guidelines, payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under the PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses, and the maintenance of workforce and compensation levels with certain limitations.

As of December 31, 2020, the Organization has used the full amount of the PPP loan to fund eligible payroll, rent, and utility expenses under the terms of the PPP loan. As a result, the Organization believes it has met all PPP eligibility criteria for forgiveness and have concluded that the PPP loan represents funds received under a government grant. The Company has recognized the \$742,506 of the PPP loan proceeds as government grant revenue and is included in the accompanying statement of activities.

In January 2021, the Organization received full forgiveness of the PPP loan in the amount of \$742,506.

In April 2021, the Company qualified for and received a second PPP loan from the same bank in the principal amount of \$757,773 under similar terms as the first PPP loan.

8. DONATED SERVICES

The Organization received donated legal services with a fair value of \$21,135 during the year ended December 31, 2020.

9. RETIREMENT PLAN

The Organization has a defined contribution savings plan under the salary deferral provision of Internal Revenue Code Section 403(b). Employees can choose to have a specified dollar amount or a percentage of their salaries invested in mutual funds or a managed plan of their choice each pay period. The Organization provides a matching contribution of \$0.50 for each \$1.00 up to a maximum of \$1,000 per employee per year. The total matching contribution expense for the year ended December 31, 2020 was \$45,558.

10. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Organization leases equipment under long-term operating leases expiring in various years. Additionally, the Organization leased an office space until the lease expired on March 31, 2019.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

10. COMMITMENTS AND CONTINGENCIES (continued)

Lease commitments (continued)

The Organization entered into a membership agreement with WeWork in November 2018. The membership agreement includes the use of office space, conference room credits and print and copy credits. The membership fee is \$21,280 per month and has a term of April 1, 2019 through March 31, 2021. The Organization entered into two additional leases with WeWork for increased office space, with monthly payments ranging from \$2,400 to \$6,377. The lease terms commence in March 2021 through June 2022.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

2021	\$ 105,322
2022	<u>38,259</u>
	<u>\$ 143,581</u>

Rental expense under all operating leases for the year ended December 31, 2020 was \$283,894.

Risks and uncertainties

The Organization depends heavily on contributions, fundraising events and grants for its revenue. The ability of the Organization to attract support and revenues that are comparable to prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of donations to the Organization. While the Organization's Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) had spread to a number of countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, where the Organization is headquartered, have declared a state of emergency. In response, the U.S. government and California enacted several programs to provide relief and assistance to affected organizations. Although the Organization is continuing to monitor and assess the effects of the COVID-19 pandemic on the Organization's operations, the ultimate impact is highly uncertain and subject to change.

GreatSchools, Inc.
Notes to Financial Statements
December 31, 2020

11. CONCENTRATIONS

The Organization's total revenues for 2020 includes \$3,974,646 received from three organizations. This amount represents approximately 49% of total revenues for the year ended December 31, 2020. The Organization's total receivables for 2020 includes \$1,727,646 due from two organizations. This amount represents 68% of total receivables for the year ended December 31, 2020.

Credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash investments and short term investments. The potential concentration of credit risk pertaining to cash investments will vary throughout the year depending upon the level of cash deposits versus amounts insured.

12. LIQUIDITY AND FUNDS AVAILABLE

As a part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Contributions that are considered current will be collected from donors within one year and will be available for general expenditures when received. Funds from current executed grant agreements will be collected upon the date established in the agreement or upon such time as the Organization achieved the metric by which payment of such funds can be initiated.

At a minimum, the Organization's Finance Committee reviews the Organization's financial position on a quarterly basis. The Chief Executive Officer reviews the Organization's financial position monthly.

The following is a quantitative disclosure describing assets available within one year of December 31, 2020, to fund expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 4,137,382
Grants receivable	1,727,646
Accounts receivable, net	<u>807,453</u>
	<u>6,672,481</u>
Less: amounts unavailable for general expenditures within one year	
Restricted contributions and grants	<u>(2,163,231)</u>
	<u>\$ 4,509,250</u>

The Organization has financial assets available at December 31, 2020 to cover approximately seven months of operating expenses based on the Organization's budget for the year ended December 31, 2020.