



REPORT OF INDEPENDENT AUDITORS  
AND FINANCIAL STATEMENTS

**SAG-AFTRA FOUNDATION**

September 30, 2020

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## **Report of Independent Auditors**

To the Board of Directors  
SAG-AFTRA Foundation

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

We have audited the accompanying financial statements of SAG-AFTRA Foundation (the “Foundation”), which comprise the statement of financial position as of September 30, 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 SAG-AFTRA Foundation as of September 30, 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.

**Other Matter**

*Prior Period Financial Statements and Summarized Comparative Information*

We have previously audited the Foundation's September 30, 2019 financial statements, and our report, dated March 2, 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 September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it was derived.

*Moss Adams LLP*

Los Angeles, California  
March 10, 2021

**SAG-AFTRA Foundation**  
**Statements of Financial Position**

<b>ASSETS</b>		September 30,	
		2020	2019
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	4,575,751	\$ 848,278
Investments		20,210,908	20,484,221
Contributions and grants receivable		1,255,826	830,502
Prepaid expenses and other current assets		90,344	173,972
Total current assets		26,132,829	22,336,973
Investments, net of current		29,282	28,176
Equipment and leasehold improvements, net		4,724,609	5,253,935
Receivables, net of current		21,000	24,000
Other assets		101,492	115,190
Total assets		\$ 31,009,212	\$ 27,758,274
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$	457,727	\$ 450,880
Deferred rent		41,141	82,401
Total current liabilities		498,868	533,281
Deferred rent, net of current		856,124	842,929
Loan payable		563,100	-
Total liabilities		1,918,092	1,376,210
<b>COMMITMENTS AND CONTINGENCIES (Note 13)</b>			
<b>NET ASSETS</b>			
Without donor restrictions		27,120,103	25,953,077
With donor restrictions		1,971,017	428,987
Total net assets		29,091,120	26,382,064
Total liabilities and net assets		\$ 31,009,212	\$ 27,758,274

# SAG-AFTRA Foundation

## Statements of Activities

	For the Year Ended September 30, 2020			Summarized Comparative Information for the Year Ended September 30, 2019
	Without Donor Restriction	With Donor Restriction	Total	Total
	<b>REVENUE, GAINS (LOSSES), AND OTHER SUPPORT</b>			
Claim settlements	\$ 1,763,687	\$ -	\$ 1,763,687	\$ 2,201,508
Contributions	1,677,481	5,281,894	6,959,375	1,402,914
In-kind contributions	126,330	-	126,330	20,128
Grants	1,337,925	2,724,750	4,062,675	1,115,000
Special events, net	(106,389)	-	(106,389)	7,973
Rental income	100,922	-	100,922	264,863
Commercials contract	1,574,823	-	1,574,823	345,309
Interest and dividend income, net	479,578	-	479,578	297,651
Realized and unrealized gains (loss) on investments	(13,725)	-	(13,725)	509,525
Net assets released from restrictions	6,464,614	(6,464,614)	-	-
<b>Total revenue, gains (losses), and other support</b>	<b>13,405,246</b>	<b>1,542,030</b>	<b>14,947,276</b>	<b>6,164,871</b>
<b>EXPENSES</b>				
Program service expenses	10,611,547	-	10,611,547	4,362,108
Administrative service expenses	1,112,884	-	1,112,884	1,325,028
Fundraising expenses	513,789	-	513,789	541,041
<b>Total expenses</b>	<b>12,238,220</b>	<b>-</b>	<b>12,238,220</b>	<b>6,228,177</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,167,026</b>	<b>1,542,030</b>	<b>2,709,056</b>	<b>(63,306)</b>
<b>NET ASSETS, beginning of year</b>	<b>25,953,077</b>	<b>428,987</b>	<b>26,382,064</b>	<b>26,445,370</b>
<b>NET ASSETS, end of year</b>	<b>\$ 27,120,103</b>	<b>\$ 1,971,017</b>	<b>\$ 29,091,120</b>	<b>\$ 26,382,064</b>

## SAG-AFTRA Foundation

### Statements of Functional Expenses

	For the Year Ended September 30, 2020				Summarized Comparative Information for the Year Ended September 30, 2019
	Program Services	General and Administrative	Fundraising	Total	Total
<b>PERSONNEL EXPENSES</b>					
Salaries	\$ 1,797,005	\$ 373,337	\$ 242,899	\$ 2,413,241	\$ 2,328,183
Employee benefits	401,624	83,892	51,983	537,499	507,702
Payroll taxes	144,656	30,381	19,367	194,404	187,781
<b>OTHER EXPENSES</b>					
Accounting and legal	-	181,145	-	181,145	167,110
Depreciation expense	513,040	44,762	-	557,802	548,834
DVD duplication and tape storage	10,800	-	-	10,800	10,200
Insurance	20,236	43,328	3,619	67,183	40,640
Miscellaneous	5,008	25,013	3,499	33,520	41,784
Security and parking	39,683	9,335	5,036	54,054	81,194
Utilities	63,421	6,715	2,568	72,704	71,737
Office expenses	26,470	43,675	1,170	71,315	65,998
Postage and mailing service	870	999	4,009	5,878	3,595
Printing	5,836	2,129	6,769	14,734	8,500
Production expenses					
Producer fees	93,213	-	-	93,213	86,929
Other production expenses	35,600	-	-	35,600	38,025
Professional fees	229,456	44,339	109,653	383,448	361,486
Janitorial	22,175	28	-	22,203	39,901
Rent	599,113	81,943	43,765	724,821	723,156
Scholarships and grants	6,461,424	-	-	6,461,424	716,900
Taxes and licenses	562	31,970	17,290	49,822	44,870
Telephone and internet	13,342	31,322	-	44,664	27,531
Travel and meals	7,136	31,360	-	38,496	63,298
Website and streaming	18,511	5,464	2,162	26,137	15,922
Installation and maintenance	26,331	2,811	-	29,142	35,055
Advertising and promotion	76,035	38,936	-	114,971	11,846
<b>Total expenses</b>	<b>\$ 10,611,547</b>	<b>\$ 1,112,884</b>	<b>\$ 513,789</b>	<b>\$ 12,238,220</b>	<b>\$ 6,228,177</b>

## SAG-AFTRA Foundation

### Statements of Cash Flows

	Years Ended September 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,709,056	\$ (63,306)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation expense	557,802	548,834
Net realized and unrealized loss (gains) on investments	13,725	(509,525)
Change in deferred rent	(28,065)	13,192
Changes in operating assets and liabilities		
Contributions and grants receivable	(422,324)	(389,957)
Prepaid expenses and other current assets	83,628	(52,040)
Other assets	13,698	667
Accounts payable and accrued expenses	6,847	(29,017)
Net cash provided by (used in) operating activities	<u>2,934,367</u>	<u>(481,152)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	1,164,080	1,701,582
Purchases of investments	(905,598)	(999,406)
Purchases of equipment and leasehold improvements	<u>(28,476)</u>	<u>(37,129)</u>
Net cash provided by investing activities	<u>230,006</u>	<u>665,047</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	<u>563,100</u>	<u>-</u>
Net cash provided by financing activities	<u>563,100</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	3,727,473	183,895
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>848,278</u>	<u>664,383</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 4,575,751</u>	<u>\$ 848,278</u>



**Note 1 – Organization**

**General** – The SAG-AFTRA Foundation (the “Foundation”) provides vital assistance and educational programming to the professionals of SAG-AFTRA while serving the public at large through its signature children’s literacy programs.

The Foundation envisions a world where all artists can realize their dreams, and children are empowered to create their own.

**Description of programs** – The SAG-AFTRA Foundation programs offer an array of free educational classes and resources in Los Angeles, New York, across the country, and online. Programs are broken down into three main categories: Performers Programs, Assistance, and Literacy.

**Performers programs** – From audition technique to voiceover instruction, career talks with legendary actors to panels with leading directors, the Foundation’s Performers Programs focus on the nuts and bolts of both craft and career in order to better prepare a robust talent pool for success in an ever-changing entertainment and media landscape. The Foundation’s Performers’ Programs encourage performing artists to take charge of their careers, hone their craft and learn new skills, and develop a habit of lifelong learning and self-focused professional development. After providing these programs primarily in our LA and NY facilities throughout the first six months of FY 2019-20, we responded to the onset of the COVID-19 pandemic by discontinuing all in-person programming on March 11, 2020, rapidly transitioning to online & virtual formats.

- *The Business* – Provides participating members with understanding and practical guidance on the business of acting and the greater industry as a whole. *The Business* curriculum is presented partly in large-format moderated panel discussions during which established professionals and industry leaders share their seasoned insights into the intersection of the art of performance with the financial and operational arenas of the entertainment industry. Our *Small Group Sessions* compliment the panel discussions by providing members with a space for breaking down concepts introduced in the larger format programs into practical action items they can individually apply to their professional pursuits.
- *Conversations* – Providing moderated discussions with successful peers in film and television who explore the process and profession of acting with an audience of fellow artists. Program formats traditionally include content screenings followed by Q&A’s with ensemble casts and principals discussing valuable information and advice on the working lives of actors, as well as *Career Conversations*, which feature actors who have made lasting artistic and professional contributions to the industry.
- *CASTING ACCESS* – Offering critical insight into the casting process, providing members with cold reading experience in an interactive class setting. Participants receive feedback from respected industry casting professionals they may not otherwise have had the opportunity to meet and learn from.

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 1 – Organization (continued)

- *Computer Lab (N.Y. only)* – Providing instruction that gives performers access to professional-grade video and audio editing programs, writing software, and professional websites and industry trades, all of which are important self-marketing elements for a successful career in the performing arts. Classes are designed to help participants understand and become comfortable utilizing these technologies.
- *Voice Over Lab* – The state-of-the art recording facilities combine the professionalism and quality of a commercial recording studio with the innovation and educational focus of a classroom environment. Performing artists record voice tracks on demo reels, learn how to use industry standard audio recording software, and train with top voiceover instructors.
- *On Camera* – facilities offering performers the opportunity to gain valuable experience practicing in front of the camera and a space for recording high quality auditions tapes.

**Assistance programs** – Through its assistance programs, the Foundation safeguards the health and well-being of performing artists and provides lifesaving emergency health and financial assistance for artists in times of need and crisis:

- *Emergency Assistance* – During times of crisis, the SAG-AFTRA Foundation **Emergency Assistance** program provides emergency financial assistance to eligible SAG-AFTRA members and their families for basic expenses, including but not limited to rent, mortgage payments, utilities, health insurance premiums, car payments and car insurance.
- *COBRA Assistance* – The SAG-AFTRA Foundation **COBRA Assistance** program provides short-term financial grants to eligible SAG-AFTRA members and their families who have lost their earned eligibility through SAG-AFTRA yet wish to continue their health insurance coverage through the 18-month COBRA (Consolidated Omnibus Budget Reconciliation Act) Assistance program.
- *Catastrophic Health Fund* – Provides insurance premium payment grants to eligible SAG-AFTRA members and their dependents who suffer from catastrophic illness or injury and have qualified through SAG-AFTRA Pension and Health for this program.
- *The Scholarship Programs* – Provides opportunities for SAG-AFTRA members and their dependents for study at accredited institutions of higher education; or pursue related professions within the entertainment industry, or change their career paths.
  - *The John L. Dales Standard Scholarship* is awarded to eligible SAG-AFTRA members and their dependents for study at accredited institutions of higher education; *The John L. Dales Transitional Scholarship* is awarded to eligible SAG-AFTRA members to pursue related professions within the entertainment industry or change their career paths.
  - *The George Heller Memorial Scholarship* is awarded to eligible SAG-AFTRA members and their dependents for study at accredited institutions of higher education.

**Note 1 – Organization (continued)**

- *Ken Orsatti Scholarship Fund*: provides one scholarship annually to a SAG-AFTRA employee who is pursuing a college or graduate degree.
- *Disaster Relief Fund* – The Foundation and the SAG-AFTRA Motion Picture Players Welfare Fund (MPPWF) have a **Disaster Relief Fund** to provide urgent financial support to SAG-AFTRA members and their families affected by natural disasters.
- *COVID 19 Disaster Relief Fund* – In rapid response to the COVID-19 crisis, the Foundation launched the **COVID-19 Disaster Relief Fund** in partnership with the Motion Picture Players Welfare Fund (MPPWF) on March 16, 2020. This fund contributes emergency aid directly to SAG-AFTRA artists who are reeling from the economic effects of the pandemic, providing confidential financial assistance grants to help cover the costs of food, medical bills, housing, and utilities.

**Literacy Initiatives** – Promotes reading and literacy skill development in children. Initiatives include:

- *Storyline Online* – Our digital literacy program available at no cost and ad-free to the public, continues to be a vital resource for elementary school teachers providing lessons remotely, as well as for the many parents and caregivers who are taking a much larger daily role in their children’s educational activities. The **Storyline Online** library has grown to 61 videos designed to build reading capacity at the K through 4 level, with acclaimed actors volunteering their time to read children’s books aloud alongside imaginatively produced illustrations. Episodes run between seven and 15 minutes, with each video focusing on topics including community spirit, honesty, perseverance, responsibility, and kindness and compassion for others, encouraging young learners to explore these concepts and identify commonalities in human experiences that on the surface may seem very different from their own. Supplemental Activity Guides developed by a credentialed elementary educator and aligned with English Language Arts (ELA) Common Core Standards accompany every video for use in the virtual classroom, hospitals, and at home.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of presentation** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Reclassifications** – Certain amounts included in the prior year totals have been reclassified to conform to the current year presentation. Such reclassifications did not have any effect on the reported net assets.

**Summarized comparative information** – The statements of activities include prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended September 30, 2019, from which the summarized information was derived.

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 2 – Summary of Significant Accounting Policies (continued)

**Financial statement presentation** – The Foundation follows the Financial Statements of the Not-for-Profit Organizations topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) for presentation of its financial statements, which requires that net assets, revenues, gains, and losses be classified as net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor restrictions that are placed by donors, as follows:

- *Net assets without donor restrictions* represent expendable funds available for operations that are not otherwise limited by donor criteria.
- *Net assets with donor restrictions* consist of contributed funds subject to specific restrictions contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds or recognize the support. Net assets with donor restrictions also consist of contributed funds subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

**Use of estimates** – 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** – For the purpose of the statements of cash flows, the Foundation considers investments with maturities of three months or less at the purchase date to be cash equivalents, except those held for investment.

**Investments** – Investments in equity securities, debt securities, private investment funds, and variable annuities are reported at their fair value. The fair value of alternative investments, including private investment funds, is based on information provided by partnerships and fund managers at the most recent valuation date prior to fiscal year end adjusted for certain cash flows. Management agrees with the assumptions used and fair values determined by the fund managers. Management monitors the activity of the alternative investment managers and performs reconciliations and other procedures to assure that the valuations used in the financial statements are accurately stated. The net realized and unrealized appreciation (depreciation) in fair value of investments is reflected in the statements of activities.

**Equipment and leasehold improvements** – Equipment and leasehold improvements purchased are stated at cost, while donated assets are capitalized at their fair value at the date of the gift. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation and amortization of equipment and leasehold improvements are computed using the straight-line method over the estimated useful lives of three to ten years (computer equipment – 3 years; equipment – 5 years; furniture – 5 to 10 years) or the expected terms of the leases, whichever is shorter. The Foundation's capitalization policy is to capitalize purchases of equipment and leasehold improvements in excess of \$1,000 that have a useful life greater than one year.

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Impairment of long-lived assets** – The Foundation accounts for its long-lived assets with definite useful lives in accordance with FASB ASC Topic No. 360, *Property, Plant, and Equipment (ASC 360)*. ASC 360 requires impairment losses to be recorded on long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Pursuant to ASC 360, an impairment loss is to be recorded when the net book value of the asset exceeds its fair value. If the asset is determined to be impaired, the asset is written down to its realizable value, and the loss is recognized in income from continuing operations in the period when determination is made. No impairment charges have been recorded for the years ended September 30, 2020 and 2019.

**Deferred rent** – Rent expense is recognized on the straight-line basis. The differences between cash payments under the lease agreements and straight-lined rent have been recognized as deferred rent in the accompanying statements of financial position.

**Claim settlements revenue** – The Foundation receives claim settlement revenue from SAG-AFTRA, which is recorded as revenue when notified by SAG-AFTRA. The claim settlement funds result from claims under SAG-AFTRA Commercials Contract when signatory employers violate the contract and SAG-AFTRA negotiates, as settlement of the claim, a donation to the SAG-AFTRA Foundation. In certain circumstances, when a non-SAG-AFTRA member does a commercial spot, the producers are required to contribute to the nonprofit organization that provides assistance benefits to the members of SAG-AFTRA. Management regularly reviews claim settlements receivable balances for collectability. As of September 30, 2020 and 2019, management believed all amounts were collectible.

**Contributions, grants, and other revenue** – Unconditional contributions and grants received or pledged are recorded as with donor restrictions or without donor restrictions support depending on the existence and/or nature of any donor restrictions. Conditional contributions in which there is a barrier to overcome and a right of return exists are recorded as support in the period in which the condition is met.

The Foundation records contributions and grants receivable, net of allowances for uncollectible amounts, whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. Grants receivable consist of amounts due from private donors based on the terms of the related grant agreements. Management periodically reviews the status of all contributions and grants receivable for collectability. Each balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. There was no allowance for unconditional promises to give and grants receivable at September 30, 2020 or 2019.

## **SAG-AFTRA Foundation**

### **Notes to Financial Statements**

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

Contributions and grants receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions and grants receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution or grant revenue. Unconditional contributions or grants receivable to be received in future periods greater than one year are discounted to net present value at an appropriate discount rate, if significant. Of the contribution and grants receivable at September 30, 2020, \$1,255,826 is expected to be realized in one year or less, and \$21,000 is expected to be realized within one to five years. Of the contribution and grants receivable at September 30, 2019, \$830,502 is expected to be realized in one year or less, and \$24,000 is expected to be realized within one to five years. No discount has been provided in 2020 or 2019.

The Foundation conducts several special events during the year to raise money in support of its operations. The amounts reflected in these financial statements represent special events revenue net of related direct costs. Revenue from special events is recognized on an accrual basis when earned or when the event takes place.

The Foundation receives revenue based on agreed-upon terms when its members appear in commercials. Revenue from the commercial's contract is recognized on an accrual basis when earned.

The Foundation receives revenue on rental of property owned by the Foundation for various events. Rental income is recognized on an accrual basis when earned.

**In-kind contributions** – In-kind contributions of donated non-cash assets are recorded at fair value in the period in which they are received. In-kind contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation and are recorded at fair value in the period received. In-kind contributions of services and assets consist of services and products provided for special events held by the Foundation. In-kind contributions for the years ended September 30, 2020 and 2019, were approximately \$126,000 and \$20,000, respectively.

**Functional allocation of expenses** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management, including time and effort.

**Concentrations of credit risk** – Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, contributions and grants receivable, and investments. The Foundation believes that its credit risk relating to cash and cash equivalents, contributions and grants receivable, and investments is not significant.

**Note 2 – Summary of Significant Accounting Policies (continued)**

The Foundation maintains its cash with high credit quality financial institutions. At times, such deposits may be in excess of amounts insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash.

The Foundation invests in investments, which are subject to appreciation/depreciation depending on various factors which affect the investment portfolio. The Foundation has a professional investment firm manage the investments.

Contributions and grants receivable as of September 30, 2020, are primarily due from four major contributors. Contributions and grants receivable as of September 30, 2019, were primarily due from two major contributors.

**Scholarships and grants** – The Foundation awards scholarships and grants to members of SAG-AFTRA and their children. These grants are recorded as grant expense incurred in the period in which they have been authorized by the Board of Directors. Scholarships and grants for the years ended September 30, 2020 and 2019, were approximately \$6,461,000 and \$717,000, respectively. Of these amounts, approximately \$55,500 and \$10,000 remained unpaid at September 30, 2020 and 2019, respectively, and is included in accounts payable and accrued expenses.

**Income taxes** – The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the state of California. Accordingly, no provision for income taxes is included in the accompanying financial statements. In addition, the Foundation pays taxes on unrelated business income, which management anticipates to be zero in tax expense for the years ended September 30, 2020 and 2019, respectively.

FASB ASC Topic No. 740, *Accounting for Uncertainty in Income Taxes (ASC 740)*, clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In accordance with ASC 740, the Foundation recognizes the impact of tax positions in the financial statements if that position is more-likely-than-not to be sustained on audit, based on the technical merits of the position. As of and for the years ended September 30, 2020 and 2019, the Foundation had no unrecognized/derecognized tax benefits or tax penalties or interest.

**Recent accounting pronouncements** – In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2014-09, making it effective for annual reporting periods beginning after December 15, 2019. The Foundation has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

## **SAG-AFTRA Foundation**

### **Notes to Financial Statements**

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02, making it effective for annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Foundation is currently evaluating the impact of the adoption of this standard on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies guidance on revenue recognition of grants and contracts received by not-for-profit entities. The ASU scopes out grants and similar contracts that have no reciprocal exchanges with the resource provider, and requires the Foundation to evaluate non-reciprocal transactions as either conditional or unconditional for meeting revenue recognition criteria. A transaction is considered conditional (and therefore not eligible for revenue recognition) if a barrier must be overcome and either a right of return of the asset is required or a right of release to a promisor's obligation to transfer assets is required. The Foundation adopted ASU 2018-08 as of and for the year ended September 30, 2020, and it has been applied using the modified prospective method.

#### **Note 3 – Fair Value Measurements**

ASC 820 defines fair value 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. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, for investment not measured at net asset value per share. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date;

**Level 2** – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active;

**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.



**Note 3 – Fair Value Measurements (continued)**

The Foundation carries all of their investments at fair value in accordance with generally accepted accounting principles. Inputs are used in applying the valuation techniques and broadly refer to the assumptions that the Foundation uses to make valuation decisions, including assumptions about risk.

Inputs may include quoted market prices, recent transactions, manager statements, provisions within agreements with investment managers, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Foundation's perceived risk of the investment.

The investments of the Foundation in Level 1 include cash and cash equivalents, corporate bond funds, and equity funds and are valued based on quoted market prices of identical assets.

The investments of the Foundation in Level 2 include variable annuities and are valued based on quoted market prices of comparable assets.

The Foundation has no Level 3 investments.

The investments of the Foundation in Assets Held at Net Asset Value (or equivalent) include one Private Investment Fund, which invests in private investment companies. The Foundation's Investment Committee, along with its investment advisors, monitor the valuations periodically and conduct a performance analysis quarterly. The Finance Committee reports to the Board of Directors. The fair value is determined by the fund as reflected on their audited financial statements. For interests in investment partnerships and investment funds, fair value considers, among other factors, the reported net asset value (NAV) of the fund's investment as determined in good faith by the general partner or managing member of the respective investment partnership or fund. Because of inherent uncertainty in valuing investment funds or investment in partnerships for which no active market exists, the estimated value may differ significantly from the value that could be realized in a secondary market transaction, and the ultimate amounts realized could be significantly different from the values reported.

Transfers between hierarchy levels are recognized at the end of the fiscal year. There were no transfers for the years ended September 30, 2020 or 2019.

## SAG-AFTRA Foundation

### Notes to Financial Statements

#### Note 3 – Fair Value Measurements (continued)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the ASC 820 value hierarchy in which the fair value measurements fall at September 30, 2020 and 2019:

	2020				Assets Held at Net Asset Value (or Equivalent)
	Total Fair Value	Level 1	Level 2	Level 3	
ASSETS					
Cash and cash equivalents	\$ 38,334	\$ 38,334	\$ -	\$ -	\$ -
Corporate bonds funds	7,100,487	7,100,487	-	-	-
Equity funds	9,790,600	9,790,600	-	-	-
Private investment fund	3,281,487	-	-	-	3,281,487
Variable annuities	29,282	-	29,282	-	-
	<u>\$ 20,240,190</u>	<u>\$ 16,929,421</u>	<u>\$ 29,282</u>	<u>\$ -</u>	<u>\$ 3,281,487</u>
	2019				Assets Held at Net Asset Value (or Equivalent)
	Total Fair Value	Level 1	Level 2	Level 3	
ASSETS					
Cash and cash equivalents	\$ 502,470	\$ 502,470	\$ -	\$ -	\$ -
Corporate bond funds	6,831,648	6,831,648	-	-	-
Equity funds	9,811,811	9,811,811	-	-	-
Private investment fund	3,338,292	-	-	-	3,338,292
Variable annuities	28,176	-	28,176	-	-
	<u>\$ 20,512,397</u>	<u>\$ 17,145,929</u>	<u>\$ 28,176</u>	<u>\$ -</u>	<u>\$ 3,338,292</u>

The following table represents the liquidity and redemption restrictions on the above investments that do not have a readily determinable fair value and utilize net asset value, or its equivalent, per share to determine fair value as of September 30, 2020:

	2020			
	Fair Value at Year End	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Investment Fund	\$ 3,281,487	\$ -	Quarterly	90 day written notice

Private Investment Funds' investment is a fund of hedge funds, consisting entirely of investments in private investment companies. The investment's objective and strategy is to deliver a high level of absolute return consistent with preservation of capital through investments in private investment companies.

**SAG-AFTRA Foundation**  
**Notes to Financial Statements**

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**Note 4 – Investments**

Investments at September 30, 2020 and 2019, consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 38,334	\$ 502,470
Corporate bonds	7,100,487	6,831,648
Equity funds	9,790,600	9,811,811
Private investment fund	3,281,487	3,338,292
Variable annuities	<u>29,282</u>	<u>28,176</u>
Total fair value	<u>\$ 20,240,190</u>	<u>\$ 20,512,397</u>

The Foundation incurred investment management fees of approximately \$99,000 and \$127,000, which were netted against interest and dividend income for the years ended September 30, 2020 and 2019, respectively.

**Note 5 – Equipment and Leasehold Improvements**

Equipment and leasehold improvements at September 30, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 1,915,153	\$ 1,889,325
Leasehold improvements	<u>6,947,706</u>	<u>6,945,058</u>
	8,862,859	8,834,383
Less: accumulated depreciation	<u>(4,138,250)</u>	<u>(3,580,448)</u>
Total	<u>\$ 4,724,609</u>	<u>\$ 5,253,935</u>

Total depreciation expense for the years ended September 30, 2020 and 2019, amounted to approximately \$558,000 and \$549,000, respectively.

**Note 6 – Loan Payable**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) was signed into U.S. law. Under the CARES Act, management applied for a loan under the Paycheck Protection Program (PPP). On April 21, 2020, the Company entered into a PPP loan for \$563,100 with a financial institution. The PPP loan bears interest at a fixed rate of 1%. The loan is not collateralized and requires repayment within two years from loan origination unless some or all is determined to meet certain provisions of the CARES Act to be forgiven.

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 7 – Net Assets

At September 30, 2020 and 2019, net assets without donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 15,121,007	\$ 14,439,486
Board-designated net assets	<u>11,999,096</u>	<u>11,513,591</u>
	<u>\$ 27,120,103</u>	<u>\$ 25,953,077</u>

At September 30, 2020 and 2019, net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure when a specific event occurs		
Actors center	\$ 1,906	\$ 1,906
Emergency assistance fund	153,880	209,124
Health programs	126,583	142,421
Disaster relief	1,595,106	-
Staff assistance fund	<u>68,542</u>	<u>50,536</u>
	1,946,017	403,987
Perpetually restricted		
Actors program	<u>25,000</u>	<u>25,000</u>
	<u>\$ 1,971,017</u>	<u>\$ 428,987</u>

#### Note 8 – Endowment

The Foundation has funds that are functioning as an endowment solely through designation by the Board of Directors (quasi-endowment). The earnings of the Foundation's quasi-endowment funds support actors' assistance and scholarship programs.

The Foundation has adopted investment and spending policies for its quasi-endowment assets that attempt to provide a predictable stream of funding to activities supported by its quasi-endowment while seeking to maintain the purchasing power of the quasi-endowment assets. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner to earn, over the long term, an annualized return (net of investment management fees) that exceeds inflation and meets or outperforms the target asset mix relative to the assigned benchmark indices. Actual returns in any given year may vary from these amounts.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividend). The Foundation targets a diversified asset allocation that currently places a greater emphasis on fixed income (bond) based investments to achieve its long-term return objectives within prudent risk constraints.

**SAG-AFTRA Foundation**  
**Notes to Financial Statements**

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**Note 8 – Endowment (continued)**

Changes in the Foundation’s quasi-endowment net assets at September 30, 2020 and 2019, consist of the following:

	Without donor restrictions	
	2020	2019
Net assets without donor restriction–board designated, beginning of year	\$ 11,513,591	\$ 11,275,797
Investment gain	309,406	637,929
Other board-designated allocations	1,000,000	45,503
Withdrawals	(823,901)	(445,638)
Net assets without donor restriction–board designated, end of year	\$ 11,999,096	\$ 11,513,591

The Foundation currently has a practice of appropriating for distribution each year approximately the earnings of its quasi-endowment funds.

Net assets with donor restrictions include a contribution of \$25,000 that is restricted by a donor. The initial contribution was received in February 2013 and immediately invested in a variable annuity that guarantees a fixed income so that the program can be sustainable over time and the principal amount of the gift will stay intact in perpetuity. Any earnings on the annuity are considered donor-restricted and will be used to support the Actors Program. All earnings are appropriated for expenditure each year in full; as such, the inflow and outflow are presented within the net assets without donor restrictions column on the statements of activities.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation 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 net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 8 – Endowment (continued)

The remaining portion of the donor-restricted endowment fund is classified as restricted until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the following factors are to be considered in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Changes in the Foundation's donor-restricted endowment at September 30, 2020 and 2019, consist of the following:

	<u>2020</u>	<u>2019</u>
	With Donor Restriction	With Donor Restriction
Net assets, beginning of year	\$ 25,000	\$ 25,000
Investment gain	-	-
Appropriation of assets for expenditure	-	-
Net assets, end of year	<u>\$ 25,000</u>	<u>\$ 25,000</u>

**SAG-AFTRA Foundation**  
**Notes to Financial Statements**

**Note 9 – Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, occurrence of other events specified by donors, and for reclassifications and redesignations. Revenues and releases of net assets with donor restrictions at September 30, 2020 and 2019, consisted of the following:

	2020			
	September 30, 2019	Contributions and Revenues	Release from Restriction	September 30, 2020
Actors center	\$ 1,906	\$ -	\$ -	\$ 1,906
Actors program	25,000	-	-	25,000
Emergency assistance fund	209,124	37,475	(92,719)	153,880
Health programs	142,421	6,662	(22,500)	126,583
Staff assistance fund	50,536	26,629	(8,623)	68,542
Disaster relief fund	-	7,935,878	(6,340,772)	1,595,106
Total	<u>\$ 428,987</u>	<u>\$ 8,006,644</u>	<u>\$ (6,464,614)</u>	<u>\$ 1,971,017</u>
	2019			
	September 30, 2018	Contributions and Revenues	Release from Restriction	September 30, 2019
Actors center	\$ 1,906	\$ -	\$ -	\$ 1,906
Actors program	25,000	-	-	25,000
Emergency assistance fund	394,164	41,946	(226,986)	209,124
Health programs	-	215,994	(73,573)	142,421
John L. Dales Scholarship Fund	141,706	18,895	(160,601)	-
Staff Assistance fund	37,366	26,794	(13,624)	50,536
Disaster relief fund	-	33,230	(33,230)	-
Total	<u>\$ 600,142</u>	<u>\$ 336,859</u>	<u>\$ (508,014)</u>	<u>\$ 428,987</u>

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 10 – Liquidity

The following table reflects the financial assets of the Foundation as of September 30, 2020 and 2019, reduced by amounts not available for general expenditure within one year. Financial assets may be unavailable because of contractual or donor-imposed restrictions within one year.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,575,751	\$ 848,278
Investments	20,240,190	20,512,397
Contributions and grants receivable	<u>1,255,826</u>	<u>830,502</u>
Total financial assets	26,071,767	22,191,177
Less:		
Receivables not scheduled to be collected within one year	(21,000)	(24,000)
Perpetually restricted investments	<u>(25,000)</u>	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 26,025,767</u>	<u>\$ 22,142,177</u>

The Foundation operates with a balanced budgeting process and anticipates collection of sufficient revenue to cover general expenditures. As part of the Foundation's liquidity management plan, it considers the composition of its financial assets to ensure sufficient funds are available as obligations come due. The Foundation does not normally spend from its quasi-endowment other than amounts appropriated for general expenditure; however, amounts from the quasi-endowment could be made available through Board of Directors approval, and are included in the table above.

#### Note 11 – Related-Party Transactions

In addition to claim settlements received from SAG-AFTRA, the Foundation on occasion receives contributions and donations from SAG-AFTRA. For the years ended September 30, 2020 and 2019, the amounts of these contributions and donations totaled \$38,000 and \$83,000, of which \$0 remained uncollected, and is included in contributions receivable, respectively. In addition, the Foundation also receives in-kind contributions from SAG-AFTRA. The amount of these contributions totaled approximately \$10,000 for the years ended September 30, 2020 and 2019.

SAG-AFTRA provides certain reimbursable administrative services to the Foundation. For the years ended September 30, 2020 and 2019, the Foundation incurred administrative expenses of approximately \$27,000 and \$33,000, respectively. Of these amounts, approximately \$7,000 and \$1,000 remained unpaid at September 30, 2020 and 2019, respectively, and is included in accounts payable and accrued expenses.



## SAG-AFTRA Foundation Notes to Financial Statements

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### Note 11 – Related-Party Transactions (continued)

The Foundation entered into a 15-year noncancelable agreement to sublease programming and administrative space from SAG-AFTRA in the SAG-AFTRA offices at 1900 Broadway, New York, New York, through 2029. This lease will provide for staggered annual lease payments over the term of the lease, which will range from approximately \$179,000 to \$219,000. In addition, the Foundation will have an option to renew the lease for an additional five years. For the years ended September 30, 2020 and 2019, the Foundation incurred related rent expense of approximately \$212,000 and \$214,000, respectively, of which none remained unpaid as of year end. Deferred rent related to the New York office space totaled approximately \$111,000 and \$113,000 for the years ended September 30, 2020 and 2019, respectively.

### Note 12 – Scholarships and Grants

The Foundation awards scholarships and grants to members of SAG-AFTRA and their children. Detail for the years ended September 30, 2020 and 2019, of such amounts by program is as follows:

	<u>2020</u>	<u>2019</u>
John L. Dales Scholarship	\$ 274,000	\$ 275,000
Ken Orsatti Scholarship	-	5,000
George Heller Memorial Scholarship	23,000	24,000
Emergency Assistance Grant	92,718	226,986
Staff Assistance Grant	8,622	13,624
Health Grants	22,501	73,573
Motion Picture and Television Fund Contribution	-	25,000
Disaster Relief	6,006,583	39,717
Other grants	<u>34,000</u>	<u>34,000</u>
Total	<u>\$ 6,461,424</u>	<u>\$ 716,900</u>

### Note 13 – Commitments and Contingencies

**Litigation** – From time to time, the Foundation may be subject to certain claims that arise in the ordinary course of its activities. The Foundation accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. In the opinion of management, there are no pending claims or assertions against the Foundation of which the outcome is expected to result in a material adverse effect on the financial position, results of operations, or cash flows of the Foundation.

**Operating leases** – The Foundation leases its Los Angeles facilities and storage from third parties under noncancelable operating lease agreements, which expire in February 2025. The monthly average rents approximate \$35,000.

## SAG-AFTRA Foundation

### Notes to Financial Statements

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#### Note 13 – Commitments and Contingencies (continued)

In addition, in April 2015, the Foundation entered into a lease agreement for 20 years for a facility in New York, which will be used as a screening room. Monthly rental payments approximate \$12,000. As noted in Note 11, the Foundation also leases programming and administrative space from SAG-AFTRA from their offices in New York.

As of September 30, 2020, minimum lease payments for future years ending September 30 are as follows:

2021	\$	761,835
2022		781,053
2023		797,395
2024		825,903
2025		522,595
Thereafter		<u>2,453,864</u>
Total	\$	<u>6,142,645</u>

Rent expense for the years ended September 30, 2020 and 2019, totaled approximately \$724,000 and \$723,000, respectively. Deferred rent totaled approximately \$897,000 and \$925,000 for the years ended September 30, 2020 and 2019, respectively.

**COVID-19** – In March 2020, the World Health Organization (WHO) declared the novel coronavirus outbreak (“COVID-19”) a public health emergency. The outbreak has disrupted economic markets, and the Foundation has experienced volatility in the fair value of its investments. The duration and severity of the outbreak and the resulting disruption to the Foundation’s operations is uncertain.

#### Note 14 – Multiemployer Plan

The Foundation’s employees are eligible to receive benefits from SAG-AFTRA’s defined-benefit pension plan (the “Plan”). The Foundation makes contributions to the Plan up to seven percent (7%) of each covered employee’s qualifying compensation. The pension is administered by SAG – Producers Pension & Health Plans.

The Multiemployer Pension Plan Amendments Act of 1980 (the “Act”) significantly increased the pension responsibilities of participating employers. Under the provisions of the Act, if the Plan terminates or the Foundation withdraws, the Foundation could be subject to a substantial withdrawal liability. The Foundation has no plans to withdraw from the Plan as of September 30, 2020.

The risks to the Foundation of participating in this multiemployer pension plan are different from single-employer plans in the following aspects:

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

**SAG-AFTRA Foundation**  
**Notes to Financial Statements**

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**Note 14 – Multiemployer Plan (continued)**

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

The Foundation’s participation in the Plan for the annual periods ended September 30, 2020 and 2019, is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number.

Pension Fund	Number	Pension Protection Act Zone		Contributions of Foundation	
		2020	2019	2020	2019
The Screen Actors Guild–Producers Pension Plan	95-2110997-001	Green	Green	\$ 312,326	\$ 304,140

As of September 30, 2020 and 2019, the Foundation’s contributions were less than 5% of the total contributions to the Plan, and there was no surcharge paid on the Plan.

The Plan includes all actors who have performed services in television and theatrical motion pictures, television commercials, or other covered work for an employer under collective bargaining agreements. The Plan has three major collective bargaining agreements: Theatrical Contract, Television Contract, and Commercial Contract, which are renewed every three years. The expiration dates of these collective bargaining agreements are June 30, 2023; June 30, 2023; and March 31, 2022, respectively.

**Note 15 – Concentrations**

The Foundation receives grants and contributions from various donors, with five donors accounting for 53% or \$6,193,853 of grants and contributions received for the year ended September 30, 2020. Three donors accounted for 42% or \$1,314,727 of grants and contributions received for the year ended September 30, 2019. There were \$853,500 and \$352,500 in related receivables from these donors as of September 30, 2020 and 2019, respectively.

**Note 16 – Subsequent Events**

Subsequent events have been evaluated through March 10, 2021, which is the date the financial statements were available to be issued.