



TIMKEN
MUSEUM
OF ART

THE PUTNAM FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020



Leaf & Cole, LLP
Certified Public Accountants

**THE PUTNAM FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
The Putnam Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of The Putnam Foundation, which comprise the statements of financial position as of March 31, 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.

Auditor's Responsibility

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

To the Board of Directors
The Putnam Foundation

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Putnam Foundation as of March 31, 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.

Leaf & Cole LLP

San Diego, California
November 12, 2021

THE PUTNAM FOUNDATION
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets:</u> (Notes 2 and 5)		
Cash and cash equivalents	\$ 717,008	\$ 391,021
Pledges receivable	1,628,950	1,402,000
Prepaid expenses and other assets	141,630	18,081
Inventory	30,767	30,464
Total Current Assets	<u>2,518,355</u>	<u>1,841,566</u>
<u>Noncurrent Assets:</u> (Notes 2, 4, 5, 6, 7 and 8)		
Pledges receivable, net	2,942,631	5,888,000
Investments and cash - restricted	9,816,905	5,228,737
Property and equipment, net	962,421	469,976
Collections - works of art	13,856,022	13,759,622
Investments - endowment	2,182,859	2,182,859
Perpetual trust held by third-party trustee	15,805,148	13,015,925
Total Noncurrent Assets	<u>45,565,986</u>	<u>40,545,119</u>
TOTAL ASSETS	<u>\$ 48,084,341</u>	<u>\$ 42,386,685</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Notes 2, 10 and 14)		
Accounts payable and accrued expenses	\$ 207,744	\$ 185,899
Deferred revenue	178,125	-
Current portion of note payable	3,263	9,788
Total Current Liabilities	<u>389,132</u>	<u>195,687</u>
<u>Noncurrent Liabilities:</u> (Note 10)		
Note payable, less current portion	-	3,264
Total Noncurrent Liabilities	<u>-</u>	<u>3,264</u>
Total Liabilities	<u>389,132</u>	<u>198,951</u>
<u>Commitments and Contingencies</u> (Notes 9 and 14)		
<u>Net Assets:</u> (Notes 2, 11, 12 and 13)		
Without Donor Restrictions:		
Undesignated	15,016,505	14,073,951
Board designated funds	550,000	585,000
Total Without Donor Restrictions	<u>15,566,505</u>	<u>14,658,951</u>
With Donor Restrictions:		
Purpose restrictions	7,435,107	7,686,262
Time restrictions	6,705,590	4,643,737
Perpetual in nature	17,988,007	15,198,784
Total With Donor Restrictions	<u>32,128,704</u>	<u>27,528,783</u>
Total Net Assets	<u>47,695,209</u>	<u>42,187,734</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,084,341</u>	<u>\$ 42,386,685</u>

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

**THE PUTNAM FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Investment income (loss)	\$ (5,322)	\$ 2,442,739	\$ 2,437,417	\$ 309	\$ (550,318)	\$ (550,009)
Contributions	316,462	295,906	612,368	706,210	7,480,132	8,186,342
Government grants	266,822	-	266,822	150,275	-	150,275
Other income	141,579	-	141,579	291,669	-	291,669
In-kind contributions	110,000	-	110,000	11,525	-	11,525
Loss on sale of collection items	(13,600)	-	(13,600)	-	-	-
Net assets released from restrictions	1,644,558	(1,644,558)	-	1,135,307	(1,135,307)	-
Total Revenue and Support	<u>2,460,499</u>	<u>1,094,087</u>	<u>3,554,586</u>	<u>2,295,295</u>	<u>5,794,507</u>	<u>8,089,802</u>
Expenses:						
Program Services:						
Program and exhibits	1,311,729	-	1,311,729	1,959,793	-	1,959,793
Total Program Services	<u>1,311,729</u>	<u>-</u>	<u>1,311,729</u>	<u>1,959,793</u>	<u>-</u>	<u>1,959,793</u>
Supporting Services:						
Management and general	175,522	-	175,522	185,890	-	185,890
Fundraising	65,694	-	65,694	128,465	-	128,465
Total Supporting Services	<u>241,216</u>	<u>-</u>	<u>241,216</u>	<u>314,355</u>	<u>-</u>	<u>314,355</u>
Total Expenses	<u>1,552,945</u>	<u>-</u>	<u>1,552,945</u>	<u>2,274,148</u>	<u>-</u>	<u>2,274,148</u>
Other Income:						
Change in fair value of perpetual trust held by third-party trustee	-	3,505,834	3,505,834	-	(466,240)	(466,240)
Total Other Income	<u>-</u>	<u>3,505,834</u>	<u>3,505,834</u>	<u>-</u>	<u>(466,240)</u>	<u>(466,240)</u>
Change in Net Assets	907,554	4,599,921	5,507,475	21,147	5,328,267	5,349,414
Net Assets at Beginning of Year	14,658,951	27,528,783	42,187,734	14,637,804	22,200,516	36,838,320
NET ASSETS AT END OF YEAR	<u>\$ 15,566,505</u>	<u>\$ 32,128,704</u>	<u>\$ 47,695,209</u>	<u>\$ 14,658,951</u>	<u>\$ 27,528,783</u>	<u>\$ 42,187,734</u>

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

THE PUTNAM FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

	Supporting Services				Total
	Programs and Exhibits	Management and General	Fundraising	Total Supporting Services	
<u>Salaries and Related Expenses:</u>					
Salaries and wages	\$ 571,097	\$ 97,850	\$ 24,115	\$ 121,965	\$ 693,062
Payroll taxes	37,654	8,017	1,674	9,691	47,345
Employee benefits	78,124	19,438	3,543	22,981	101,105
Total Salaries and Related Expenses	686,875	125,305	29,332	154,637	841,512
<u>Nonsalary Related Expenses:</u>					
Advertising	-	-	19,200	19,200	19,200
Bank fees and other charges	6,744	1,068	465	1,533	8,277
Cost of goods sold - Museum store	18,547	-	-	-	18,547
Depreciation	34,958	-	-	-	34,958
Equipment expense	264	995	13	1,008	1,272
Events and donor recognition	1,840	-	-	-	1,840
Exhibition costs	44,000	-	-	-	44,000
Insurance	61,064	2,110	435	2,545	63,609
Occupancy	210,446	15,177	6,620	21,797	232,243
Other expenses	75,252	8,784	-	8,784	84,036
Outside services	135,316	21,166	9,518	30,684	166,000
Program expenses	3,247	-	-	-	3,247
Repairs and maintenance	23,404	445	-	445	23,849
Supplies and materials	9,772	472	111	583	10,355
Total Nonsalary Related Expenses	624,854	50,217	36,362	86,579	711,433
Total Expenses	\$ 1,311,729	\$ 175,522	\$ 65,694	\$ 241,216	\$ 1,552,945

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

THE PUTNAM FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

	Supporting Services				Total
	Programs and Exhibits	Management and General	Fundraising	Total Supporting Services	
<u>Salaries and Related Expenses:</u>					
Salaries and wages	\$ 767,841	\$ 85,316	\$ 20,720	\$ 106,036	\$ 873,877
Payroll taxes	59,730	8,204	1,556	9,760	69,490
Employee benefits	76,140	21,597	2,596	24,193	100,333
Total Salaries and Related Expenses	903,711	115,117	24,872	139,989	1,043,700
<u>Nonsalary Related Expenses:</u>					
Advertising	-	-	16,400	16,400	16,400
Bank fees and other charges	12,740	2,011	879	2,890	15,630
Cost of goods sold - Museum store	46,906	-	-	-	46,906
Depreciation	35,103	-	-	-	35,103
Equipment expense	3,195	2,512	-	2,512	5,707
Events and donor recognition	61,706	-	-	-	61,706
Exhibition costs	212,536	-	-	-	212,536
In-kind expenses	11,525	-	-	-	11,525
Insurance	63,472	2,222	410	2,632	66,104
Occupancy	205,272	14,655	6,260	20,915	226,187
Other expenses	91,352	19,896	9,719	29,615	120,967
Outside services	179,734	27,189	15,696	42,885	222,619
Program expenses	68,984	-	-	-	68,984
Repairs and maintenance	37,916	142	-	142	38,058
Special events	-	-	53,975	53,975	53,975
Supplies and materials	25,641	2,146	254	2,400	28,041
Total Nonsalary Related Expenses	1,056,082	70,773	103,593	174,366	1,230,448
Total Expenses	\$ 1,959,793	\$ 185,890	\$ 128,465	\$ 314,355	\$ 2,274,148

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

**THE PUTNAM FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 5,507,475	\$ 5,349,414
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	34,958	35,103
Net realized and unrealized (gains) losses from investments	(2,352,426)	668,710
Distributions from perpetual trust held by third-party trustee	716,611	694,530
Change in fair value of perpetual trust held by third-party trustee	(3,505,834)	466,240
Loss on sale of collection items	13,600	-
Donation of artwork for collection	(110,000)	-
(Increase) Decrease in:		
Pledges receivable, net	2,718,419	(7,270,000)
Prepaid expenses and other assets	(123,549)	(7,628)
Inventory	(303)	3,731
Increase (Decrease) in:		
Accounts payable and accrued expenses	67,514	(52,663)
Deferred revenue	178,125	-
Net Cash Provided by (Used in) Operating Activities	<u>3,144,590</u>	<u>(112,563)</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of investments	(2,869,091)	(118,392)
Proceeds from sale of investments	703,741	436,629
Purchase of property and equipment	(573,072)	(57,490)
Change in perpetual trust held by third-party trustee, net	(2,789,223)	1,160,770
Net Cash (Used in) Provided by Investing Activities	<u>(5,527,645)</u>	<u>1,421,517</u>
<u>Cash Flows From Financing Activities:</u>		
Distributions from perpetual trust held by third-party trustee	(716,611)	(694,530)
Change in fair value of perpetual trust held by third-party trustee	3,505,834	(466,240)
Payments on note payable	(9,789)	(9,788)
Net Cash Provided by (Used in) Financing Activities	<u>2,779,434</u>	<u>(1,170,558)</u>
Net Increase in Cash and Cash Equivalents and Restricted Cash	396,379	138,396
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>539,726</u>	<u>401,330</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 936,105</u>	<u>\$ 539,726</u>

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

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 1 - Organization:

The Putnam Foundation (the “Foundation”) is a non-profit organization whose primary activity is the education of the public in fine arts, through the operation of the Timken Museum of Art (the “Museum”) located in Balboa Park in San Diego, California, and is the only fine art museum in San Diego that does not charge admission. Accessibility, whether through our free-admission policy or through outreach to underserved groups in the community, is at the heart of the Timken. In addition to contributions, the Foundation receives income from endowment funds and a perpetual trust, which provide restricted and unrestricted income. The Museum is open to the public free of charge.

Collections

The world-class Putnam Foundation collection of European old masters, 19th century American art, and Russian icons is on permanent display at the Museum. The Museum’s collection spans nearly 700 years of art history, from early Italian Renaissance devotional paintings to late nineteenth-century paintings from the United States, and includes important examples of French, Dutch, and Flemish paintings in addition to Italian and American. Notable works in the Timken’s collection include: Rembrandt’s *Saint Bartholomew*, the only oil painting by the Dutch master on display in San Diego; Pieter Bruegel the Elder’s *Parable of the Sower*; John Singleton Copley’s *Portrait of Mrs. Thomas Gage*; Eastman Johnson’s classic, *The Cranberry Harvest: Island of Nantucket*; and Jean-Baptiste-Camille Corot’s *View of Volterra*. A special feature of the Museum is the significant collection of Russian icons, many from the Moscow and Novgorod Schools, ranging from the fifteenth to the nineteenth century.

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

- Net Assets Without Donor Restrictions - Net assets available for use in general operations, and not subject to donor (or certain grantor) restrictions. The governing board has designated net assets without donor restrictions, as described in Note 11.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires—that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 2 - Significant Accounting Policies: (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Foundation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term, and such changes could materially affect the amounts reported in the statements of financial position.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value, and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy), and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The Foundation's statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in equities and mutual funds are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.
- Investments in corporate and government bonds are considered Level 2 assets and are reported at fair value using matrix pricing or market corroborated pricing, and inputs such as yield curves and indices.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 2 - Significant Accounting Policies: (Continued)

Fair Value Measurements (Continued)

- The beneficial interest in the perpetual trust held by a third-party trustee (the “Trust”) is considered a Level 3 asset and is recorded at fair value based on the fair value of the underlying Trust assets, as determined by the third-party trustee and reported to the Foundation. The statements provided by the third-party trustee are reviewed monthly by the Foundation’s Controller, and quarterly by the Investment Committee, for reasonableness of reported values. The Trust assets are valued at fair value based on quoted market prices, except for investments in hedge funds, which are valued at the net asset value of the funds. The third-party trustee controls the investments in the Trust and makes all management and investment decisions.

Inventory

Inventory of gift shop items are valued at the lower of average cost (first-in, first-out) or net realizable value.

Capitalization and Depreciation

The Foundation capitalizes all expenditures in excess of \$2,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property is depreciated using the straight-line method over the estimated useful asset lives as follows:

Building improvements	11 - 15 years
Equipment	5 - 7 years

Depreciation totaled \$34,958 and \$35,103 for the years ended March 31, 2021 and 2020, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Valuation of Long-Lived Assets

The Foundation reviews its long-lived assets for impairment at least annually. Whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, recoverability of the asset to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Based on an evaluation of existing long-lived assets, the Foundation believes no impairment exists at March 31, 2021 and 2020.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 2 - Significant Accounting Policies: (Continued)

Collections - Works of Art

The Foundation has capitalized its works of art since its inception. If purchased, items accessioned into works of art are capitalized at cost and, if donated, they are capitalized at their appraised or fair value on the accession date, the date on which the item is accepted by the Board of Directors (the "Board"). Gains or losses on the deaccession of works of art are classified in the statements of activities as with donor restrictions or without donor restrictions depending on donor restrictions, if any, placed on the item at the time of accession. Accession of works of art totaled \$110,000 and \$-0- for the years ended March 31, 2021 and 2020, respectively. Deaccession of works of art from the collection totaled \$13,600 and \$-0- during the years ended March 31, 2021 and 2020, respectively, with no proceeds received for each year ended resulting in a loss on sale of \$13,600 and \$-0- for the years ended March 31, 2021 and 2020, respectively. The collection totaled \$13,856,022 and \$13,759,622 at March 31, 2021 and 2020, respectively.

The collection is subject to a policy that requires proceeds from their sales to be used to acquire other items for collections or to support the direct care of collections. Direct care of collections is defined by the Foundation as costs that prolong the life and usefulness of the collection, costs providing benefits that enhance the quality and protection of the collection, and costs that make a physical impact on collection objects, increasing or restoring their cultural or scientific value. Routine and ongoing expenditures are not considered direct care of collections. Costs incurred in connection with the acquisition and conservation of works of art are expensed in the period incurred.

An independent appraisal made during 2015, adjusted for accessions and deaccessions at cost, valued the works of art held by the Foundation at \$275,283,000. Subsequent to the issuance of the appraisal report, the museum made acquisitions and received donated works of art totaling in the amount of \$1,954,599. Management believes that the value at March 31, 2021 has not declined since the 2015 appraisal.

Compensated Absences

Accumulated unpaid vacation and other employee benefit amounts totaling \$41,207 and \$24,747 at March 31, 2021 and 2020, respectively, are accrued when incurred, and included in accounts payable and accrued expenses.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional. 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. 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. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 2 - Significant Accounting Policies: (Continued)

Donated Services and Materials

The Foundation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services by volunteers for the years ended March 31, 2021 and 2020 did not meet the requirements above; therefore, no amounts were recognized in the financial statements for volunteer time.

In-kind contributions, which consists of donated artwork with an estimated value of \$110,000 and \$-0-, for the years ended March 31, 2021 and 2020, respectively, are included in in-kind contributions and also included in Collections - works of art in the accompanying statements of financial position.

The Foundation received donated security consulting services. The donated consulting services are recorded at fair value and totaled \$-0- and \$11,525 for the years ended March 31, 2021 and 2020, respectively, and have been included in in-kind contributions and also included in expenses in the accompanying statements of activities.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. The Foundation allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Foundation's management.

Income Taxes

The Foundation is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, except on net income derived from unrelated business activities. The Foundation's unrelated business activity did not generate taxable income, and no tax liability has been recorded at March 31, 2021 and 2020. The Foundation believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation is not a private foundation.

The Foundation's Return of Organization Exempt from Income Tax and Exempt Organization Business Income Tax Returns for Tax for the years ended March 31, 2021, 2020, 2019, and 2018 are subject to examination by Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentration of Credit Risk

The Foundation's policy is to place cash and cash equivalents with high-credit-quality financial institutions. Amounts placed with FDIC and SIPC insured institutions and covered by insurance may at times exceed the insured deposit limit. The Foundation has not experienced any losses in such accounts.

THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 2 - Significant Accounting Policies: (Continued)

Cash and Cash Equivalents and Restricted Cash

For purposes of the statements of cash flows, the Foundation considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents and restricted cash consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents - operations	\$ 717,008	\$ 391,021
Investments and cash - restricted	219,097	148,705
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 936,105</u>	<u>\$ 539,726</u>

Accounting Pronouncements Adopted

In March 2019, the FASB issued ASU 2019-03, *Not-for-Profit Entities – Updating the Definition of Collections*. This standard addresses the use of deaccessioned funds not only for the acquisition of new collection items, but also for direct care of the collection. This standard is applied on a prospective basis. The adoption had no effect on the 2021 financial statements.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 12, 2021, the date the financial statements were available to be issued and concluded that there were no events or transaction that need to be disclosed.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 3 - Liquidity and Availability:

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The table below presents financial assets available for general expenditures within one year at March 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 717,008	\$ 391,021
Pledges receivable	28,950	2,000
Appropriation of operating reserve and endowment earnings	420,000	400,000
Distributions from perpetual trust	715,000	690,000
Financial assets available for general expenditures within one year	<u>\$ 1,880,958</u>	<u>\$ 1,483,021</u>

In addition to financial assets available to meet general expenditures over the next 12 months the Foundation has a line-of-credit agreement with available borrowings totaling \$450,000 as described in Note 9 and operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Foundation's governing board has designated a portion of its resources without donor restrictions for an operating reserve, as described in Note 11. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board of Directors. The earnings from the operating reserve expected to be used within one year are identified in the table above.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for available for general use. Appropriations of endowment fund earnings are made in accordance with the spending policy as described in Note 13. Donor-restricted endowment funds are not available for general expenditure.

The beneficial interest in the Putnam Foundation Trust is a perpetual trust (Note 8). Income from the perpetual trust is available for general use and is distributed to the Foundation based on a spending policy established by the trustee.

THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 4 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at March 31:

	2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2021
Equities:				
Domestic	\$ 4,915,529	\$ -	\$ -	\$ 4,915,529
International	1,031,951	-	-	1,031,951
Fixed Income:				
Domestic	3,060,895	2,681,521	-	5,742,416
International	90,771	-	-	90,771
Perpetual trust held by third-party trustee (Note 8)	-	-	15,805,148	15,805,148
	<u>\$ 9,099,146</u>	<u>\$ 2,681,521</u>	<u>\$ 15,805,148</u>	<u>\$ 27,585,815</u>
	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2020
Equities:				
Domestic	\$ 3,344,058	\$ -	\$ -	\$ 3,344,058
International	704,540	-	-	704,540
Fixed Income:				
Domestic	755,133	2,167,020	-	2,922,153
International	292,140	-	-	292,140
Perpetual trust held by third-party trustee (Note 8)	-	-	13,015,925	13,015,925
	<u>\$ 5,095,871</u>	<u>\$ 2,167,020</u>	<u>\$ 13,015,925</u>	<u>\$ 20,278,816</u>

The reconciliation for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are included in Note 8, as indicated above.

THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 4 - Fair Value Measurements: (Continued)

The following table represents the Foundation's Level 3 financial instrument, the valuation techniques used to measure the fair value of the financial instrument, and the significant unobservable inputs and the range of values for those inputs for the years ended March 31:

2021				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Perpetual trust held by third party trustee	\$ 15,805,148	Valuation of underlying assets as provided by the third-party trustee	Base price	N/A
2020				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Perpetual trust held by third party trustee	\$ 13,015,925	Valuation of underlying assets as provided by the third-party trustee	Base price	N/A

Note 5 - Pledges Receivable:

Pledges receivable consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Receivables due in less than one year - capital campaign	\$ 1,600,000	\$ 1,400,000
Receivables due in less than one year - operating	28,950	2,000
Total Pledges Receivable - Current	<u>1,628,950</u>	<u>1,402,000</u>
Receivables due in one-to-five years - capital campaign	3,200,000	6,400,000
Less: Discount to present value	<u>(257,369)</u>	<u>(512,000)</u>
Total Pledges Receivable, Net – Noncurrent	<u>2,942,631</u>	<u>5,888,000</u>
Total Pledges Receivable, Net	<u>\$ 4,571,581</u>	<u>\$ 7,290,000</u>

Pledges receivable have been discounted to their present value using a discount rate of 3% for the years ended March 31, 2021 and 2020.

THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

Note 6 - Investments:

Investments consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Equities	\$ 5,947,480	\$ 4,048,598
Fixed income	<u>5,833,187</u>	<u>3,214,293</u>
Total Investments	<u>\$ 11,780,667</u>	<u>\$ 7,262,891</u>

Investments are classified as follows:

	<u>2021</u>	<u>2020</u>
Investments and cash - restricted	\$ 9,597,808	\$ 5,080,032
Investments - endowment	<u>2,182,859</u>	<u>2,182,859</u>
Total Investments	<u>\$ 11,780,667</u>	<u>\$ 7,262,891</u>

The following schedule summarizes the investment income (loss) for the years ended March 31:

	<u>2021</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividend income	\$ 73	\$ 183,894	\$ 183,967
Net realized and unrealized income	(5,395)	2,357,790	2,352,395
Investment management fees	<u>-</u>	<u>(98,945)</u>	<u>(98,945)</u>
Net Investment Income (Loss)	<u>\$ (5,322)</u>	<u>\$ 2,442,739</u>	<u>\$ 2,437,417</u>
	<u>2020</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividend income	\$ 309	\$ 224,238	\$ 224,547
Net realized and unrealized losses	-	(668,710)	(668,710)
Investment management fees	<u>-</u>	<u>(105,846)</u>	<u>(105,846)</u>
Net Investment Income (Loss)	<u>\$ 309</u>	<u>\$ (550,318)</u>	<u>\$ (550,009)</u>

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 7 - Property and Equipment:

Property and equipment consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Building improvements	\$ 1,368,381	\$ 1,368,381
Equipment	132,065	132,065
Construction in progress	632,468	105,065
Subtotal	<u>2,132,914</u>	<u>1,605,511</u>
Less: Accumulated depreciation	<u>(1,170,493)</u>	<u>(1,135,535)</u>
Property and Equipment, Net	<u>\$ 962,421</u>	<u>\$ 469,976</u>

Note 8 - Perpetual Trust Held by Third-Party Trustee:

The Foundation has a beneficial interest in the Putnam Foundation Trust, a perpetual trust, which is held by JP Morgan and is classified as with donor restrictions, as these investments must be maintained in perpetuity. The assets held in the Putnam Foundation Trust consists of 59% publicly traded U.S. and International equities traded on the open markets, 31% U.S. and International fixed income mutual funds traded on open markets, and 10% alternative investments consisting of two hedge funds, at March 31, 2021.

The activity in the beneficial interest in the Putnam Foundation Trust consisted of the following for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Balance at Beginning of Year	\$ 13,015,925	\$ 14,176,695
Distributions to the Foundation	(716,611)	(694,530)
Change in fair value	3,505,834	(466,240)
Balance at End of Year	<u>\$ 15,805,148</u>	<u>\$ 13,015,925</u>

Note 9 - Line-of-Credit:

The Foundation has a line-of-credit with Torrey Pines Bank in the amount of \$450,000, with interest at the Wall Street Journal prime rate plus 1.50% (4.75% as of March 31, 2021). The line-of-credit matures on December 27, 2022. There were no outstanding advances under the line-of-credit at March 31, 2021 and 2020.

Note 10 - Note Payable:

Note payable consists of the following at March 31:

	<u>2021</u>	<u>2020</u>
Note payable to San Diego Gas & Electric in the original amount of \$93,523, for energy-efficient upgrades that will lower energy levels and counteract the planned rate increases. The note is noninterest-bearing, and requires a monthly payment of \$1,695, matures June 30, 2021. Unsecured.	3,263	13,052
Less: Current Portion	<u>(3,263)</u>	<u>(9,788)</u>
Note Payable, Net	<u>\$ -</u>	<u>\$ 3,264</u>

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 10 - Note Payable: (Continued)

Future principal payments on the note payable are as follows:

Years Ended March 31	
2022	\$ <u>3,263</u>
	\$ <u>3,263</u>

Note 11 - Board-Designated Funds:

The Foundation's governing board has designated a portion of funds without donor restrictions as an operating reserve fund. The operating reserve fund target minimum is equal to three months of average operating costs, adjusted annually based on the annual budget. The funds are available in cash or cash equivalents and are held in the general cash and investment accounts of the Foundation. The operating reserve policy governs the use and replenishment of the operating reserve funds. The operating reserve totaled \$550,000 and \$585,000 at March 31, 2021 and 2020, respectively.

Note 12 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by the Foundation, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at March 31:

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Capital improvements	\$ 7,102,444	\$ 7,288,000
Acquisition fund	313,738	298,738
Exhibits and educational programs	18,925	99,524
Total Subject to Expenditure For Specified Purpose	<u>7,435,107</u>	<u>7,686,262</u>
Subject to the Passage of Time:		
Accumulated earnings on endowment assets	<u>6,705,590</u>	<u>4,643,737</u>
Perpetual in Nature:		
Endowments (Note 13)	<u>17,988,007</u>	<u>15,198,784</u>
Total Net Assets with Donor Restrictions	<u>\$ 32,128,704</u>	<u>\$ 27,528,783</u>

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 12 - Net Assets With Donor Restrictions: (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, or by the occurrence of the passage of time or other events specified by the donors, are as follows for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions Accomplished:		
Capital improvements	\$ 433,979	\$ -
Exhibits and educational programs	106,873	107,312
Curatorial fellowship	-	15,000
Time Restrictions Fulfilled:		
Perpetual trust distributions	716,611	694,530
Appropriation of accumulated earnings on endowment assets	422,095	408,465
Accumulated earnings transferred from operating reserve	<u>(35,000)</u>	<u>(90,000)</u>
Total Net Assets Released From Restrictions	<u>\$ 1,644,558</u>	<u>\$ 1,135,307</u>

Note 13 - Endowment Net Assets:

The Foundation's endowment was established for a general purpose. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies donor-restricted net assets of a perpetual nature as (1) the original value of gifts donated to the permanent endowment; (2) the original value of subsequent gifts donated to the permanent endowment; (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets of a perpetual nature is classified as donor-restricted net assets with time restriction 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 Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted 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 effect 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.

THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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Note 13 - Endowment Net Assets: (Continued)

The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Foundation has no underwater endowment funds at March 31, 2021 and 2020.

The Foundation has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for operations. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under the Foundation’s investment policy, as approved by the Board, the endowment assets are invested in a manner which attempts to achieve a pre-tax absolute real return, in excess of inflation and after fees and expenses, of 5% for all endowment assets of a perpetual nature. 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 dividends). The Foundation has a spending policy of appropriating for distribution 5% of its endowment fund’s three-year, moving-average fair value as of the most recent fiscal year end.

The Foundation targets a diversified asset allocation, primarily focused on equity and fixed-income-based investments, to achieve its long-term return objectives within prudent risk constraints. If the accumulated gains/losses fund has a debit balance, the endowment is “underwater” and no endowment appropriations are allowed until the endowment value has returned to a credit balance, unless this limitation is waived by the Board.

Endowment composition by type of fund at March 31:

	2021		
	With Donor Restrictions	With Donor Restrictions - Perpetual	Total
Perpetual trust held by third-party trustee	\$ -	\$ 15,805,148	\$ 15,805,148
Timken Ames Endowment	6,704,511	612,341	7,316,852
Roon Endowment	1,079	760,518	761,597
Walter Fitch Education Endowment	-	750,000	750,000
Outreach Español Endowment	-	60,000	60,000
Total Endowment Net Assets	<u>\$ 6,705,590</u>	<u>\$ 17,988,007</u>	<u>\$ 24,693,597</u>
	2020		
	With Donor Restrictions	With Donor Restrictions - Perpetual	Total
Perpetual trust held by third-party trustee	\$ -	\$ 13,015,925	\$ 13,015,925
Timken Ames Endowment	4,642,658	612,341	5,254,999
Roon Endowment	1,079	760,518	761,597
Walter Fitch Education Endowment	-	750,000	750,000
Outreach Español Endowment	-	60,000	60,000
Total Endowment Net Assets	<u>\$ 4,643,737</u>	<u>\$ 15,198,784</u>	<u>\$ 19,842,521</u>

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 13 - Endowment Net Assets: (Continued)

Endowment composition by type of fund and changes in endowment net assets as of, and for, the years ended March 31:

	<u>With Donor Restrictions</u>	<u>With Donor Restrictions - Perpetual</u>	<u>Total</u>
Endowment net assets, March 31, 2019	\$ 5,512,520	16,359,554	21,872,074
Investment loss	(550,318)	(466,240)	(1,016,558)
Appropriation of accumulated earnings on endowment assets	(408,465)	(694,530)	(1,102,995)
Transfer to operating reserve	90,000	-	90,000
Endowment net assets, March 31, 2020	<u>4,643,737</u>	<u>15,198,784</u>	<u>19,842,521</u>
Investment income	2,448,948	3,505,834	5,954,782
Appropriation of accumulated earnings on endowment assets	(422,095)	(716,611)	(1,138,706)
Transfer from operating reserve	35,000	-	35,000
Endowment net assets, March 31, 2021	<u>\$ 6,705,590</u>	<u>\$ 17,988,007</u>	<u>\$ 24,693,597</u>

Note 14 - Commitments and Contingencies:

Leases

The Foundation leases office space under an operating lease that expires in January 2023. Rent expense totaled \$84,396 and \$78,447 for the years ended March 31, 2021 and 2020, respectively.

The Foundation leases equipment and storage space under operating leases that expire in February 2024 and May 2022, respectively. Rent expense totaled \$38,309 and \$28,261 for the years ended March 31, 2021 and 2020, respectively.

The building and land where the Foundation is located are owned by the City of San Diego (the “City”) and leased to the Foundation, and therefore are not assets of the Foundation and are not reflected in the accompanying financial statements. Additions and renovations to the original building are assets of the Foundation and are reflected as leasehold improvements in the accompanying financial statements. The Foundation operates the museum under a 20-year lease with the City through June 30, 2039. In addition, the Foundation has the option to extend the term of the lease for two periods of five years each. As part of this agreement, the Foundation is to make the premises available to the public, without charge, one day per month. Under the agreement, the Foundation pays annual rent of \$3,598, increasing by the CPI annually, as well as provides for the continuous operation, development, and maintenance of the premises.

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 14 - Commitments and Contingencies (Continued):

Leases (Continued)

Future minimum lease payments are as follows:

<u>Years Ended March 31</u>	
2022	\$ 113,073
2023	85,387
2024	7,725
2025	3,598
2026	3,598
Thereafter	46,768
Total	<u>\$ 260,149</u>

Pension Plan

The Foundation sponsors a 401(k) pension plan (the “Plan”) covering employees over 21 years of age after they have six months of service. Each employee’s total contribution may not exceed the maximum allowable under current regulations. The Foundation also pays all administrative costs of the Plan. All beneficiaries of the Plan are responsible for their own investment decisions. The Foundation’s matching contributions to the Plan totaled \$7,142 and \$8,743 for the years ended March 31, 2021 and 2020, respectively.

Retirement Agreement

The Foundation had a retirement agreement with a retired employee to provide for an annual pension payment of \$28,800. The annual measurement date was March 31 for the retirement agreement. The agreement terminated on March 31, 2020. The following provides further information about the Foundation’s retirement agreement for the years ended March 31:

	<u>2021</u>	<u>2020</u>
<u>Obligation and Funded Status:</u>		
Retirement agreement payable at March 31	\$ -	\$ 33,008
Benefit payments	-	(28,800)
Actuarial change in retirement obligation	-	(4,208)
Retirement Agreement Payable at March 31, included in accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ -</u>

**THE PUTNAM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

Note 14 - Commitments and Contingencies (Continued):

Payroll Protection Program Loan

In May 2020, the Foundation received a loan totaling \$115,500 from the U.S. Small Business Administration, under the CARES Act Paycheck Protection Program (“PPP”). The loan is forgivable to the extent that the Foundation meets the terms and conditions of the PPP. Any portion of the loan that is not forgiven bears interest at 1% and is due in May 2022. The Foundation has recognized \$115,500 as revenue for the year ended March 31, 2021, since subsequent to year end, the full loan amount was forgiven by the U.S. Small Business Administration.

Consolidated Appropriations Act Payroll Protection Program

In February 2021, the Foundation obtained a loan totaling \$178,125 from the U.S. Small Business Administration, under the Consolidated Appropriations Act Payroll Protection Program (PPP2). The loan is forgivable to the extent that the Foundation meets the terms and conditions of PPP2. Any portion of the loan that is not forgiven bears interest at 1% and is due in February 2026. The Foundation has included the loan totaling \$178,125 in deferred revenue at March 31, 2021. The Foundation expects to satisfy the terms and conditions of forgiveness of the PPP2 and will recognize the \$178,125 as revenue when forgiveness is granted, which is expected to occur during the year ended March 31, 2022.

Coronavirus Pandemic Contingency

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Foundation’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Foundation’s donors, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.