

American Society of Cataract and Refractive Surgery Foundation

Financial Report
August 31, 2020

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Independent Auditor's Report

Governing Board
American Society of Cataract and Refractive Surgery Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of American Society of Cataract and Refractive Surgery Foundation (the Foundation), which comprise the statement of financial position as of August 31, 2020, the related statements of activities 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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 American Society of Cataract and Refractive Surgery Foundation as of August 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of American Society of Cataract and Refractive Surgery Foundation, as of and for the year ended August 31, 2019, were audited by other auditors whose report dated December 9, 2019, expressed an unmodified opinion on those statements.

RSM US LLP

Washington, D.C.
August 9, 2021

American Society of Cataract and Refractive Surgery Foundation

**Statements of Financial Position
August 31, 2020 and 2019**

	2020	2019
Assets		
Cash and cash equivalents	\$ 883,151	\$ 19,615
Investments	5,235,249	7,952,001
Prepaid expenses	1,600	378
Promises to give	-	121,993
	<u> </u>	<u> </u>
Total assets	\$ 6,120,000	\$ 8,093,987
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 24,737	\$ 75,642
Due to the Society	42,621	15,016
Total liabilities	67,358	90,658
 Contingency (Note 8)		
Net assets:		
Without donor restrictions	<u>1,048,980</u>	<u>2,703,717</u>
With donor restrictions		
Specified purpose or time	2,131,865	2,429,815
Held in perpetuity	<u>2,871,797</u>	<u>2,869,797</u>
Total net assets with donor restrictions	5,003,662	5,299,612
	<u> </u>	<u> </u>
Total net assets	6,052,642	8,003,329
	<u> </u>	<u> </u>
Total liabilities and net assets	\$ 6,120,000	\$ 8,093,987

See notes to financial statements.

American Society of Cataract and Refractive Surgery Foundation

**Statements of Activities
Years Ended August 31, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	Donor Restrictions	Total	Without Donor Restrictions	Donor Restrictions	Total
Contributions	\$ 459,712	\$ 155,775	\$ 615,487	\$ 379,162	\$ 248,225	\$ 627,387
Investment income	194,606	328,340	522,946	269,187	184,728	453,915
Special events:						
Sponsorships	-	-	-	65,000	-	65,000
Registration fees	-	-	-	13,923	-	13,923
Less direct benefit to donors	-	-	-	(74,016)	-	(74,016)
Total special events revenue	-	-	-	4,907	-	4,907
	654,318	484,115	1,138,433	653,256	432,953	1,086,209
Net assets released from restriction:						
Satisfaction of program restrictions	780,065	(780,065)	-	550,976	(550,976)	-
Total revenue and support	1,434,383	(295,950)	1,138,433	1,204,232	(118,023)	1,086,209
Expenses:						
Program services:						
Physician education	2,024,293	-	2,024,293	-	-	-
Charitable eye care/humanitarian	726,792	-	726,792	549,499	-	549,499
Research	-	-	-	10,000	-	10,000
Total program services	2,751,085	-	2,751,085	559,499	-	559,499
Supporting services:						
General and administrative	282,873	-	282,873	337,602	-	337,602
Fund raising	55,162	-	55,162	52,156	-	52,156
Total supporting services	338,035	-	338,035	389,758	-	389,758
Total expenses	3,089,120	-	3,089,120	949,257	-	949,257
Change in net assets	(1,654,737)	(295,950)	(1,950,687)	254,975	(118,023)	136,952
Net assets:						
Beginning	2,703,717	5,299,612	8,003,329	2,448,742	5,417,635	7,866,377
Ending	\$ 1,048,980	\$ 5,003,662	\$ 6,052,642	\$ 2,703,717	\$ 5,299,612	\$ 8,003,329

See notes to financial statements.

American Society of Cataract and Refractive Surgery Foundation

Statements of Cash Flows
Years Ended August 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (1,950,687)	\$ 136,952
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributions restricted for endowment fund	(123,993)	-
Realized and unrealized gain on investments	(326,070)	(257,963)
Changes in assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses	(1,222)	122
Promises to give	121,993	-
Increase (decrease) in:		
Accounts payable	(50,905)	26,089
Due to ASCRS	27,605	(341,547)
Net cash used in operating activities	(2,303,279)	(436,347)
Cash flows from investing activities:		
Sales and maturities of investments	3,889,200	1,351,813
Purchases of investments	(846,378)	(1,343,234)
Net cash provided by investing activities	3,042,822	8,579
Cash flows from financing activities:		
Endowment contributions received	123,993	411,165
Net cash provided by financing activities	123,993	411,165
Net increase (decrease) in cash and cash equivalents	863,536	(16,603)
Cash and cash equivalents:		
Beginning	19,615	36,218
Ending	\$ 883,151	\$ 19,615

See notes to financial statements.

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: American Society of Cataract and Refractive Surgery Foundation (the Foundation) works to support physician education and to provide humanitarian cataract surgery in the United States and Africa. Through its programs and partnerships, the Foundation works to maximize the benefits of modern ophthalmology and to treat thousands of needy patients both at home and abroad.

A summary of the Foundation's significant accounting policies follows:

Basis of presentation: The Foundation follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Foundation is required to report information regarding its net assets and its activities according to two categories: 1) net assets without donor restrictions, and 2) net assets with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions include net assets without board designation that are available for the Foundation's activities and not subject to any donor restrictions.

Net assets with donor restriction – specified purpose or time: These net assets include donor-restricted net assets with a purpose or time restriction and consist of funds restricted for humanitarian projects and research.

Net assets with donor restrictions – held in perpetuity: These net assets must be maintained in perpetuity by the Foundation. The investment earnings on the endowment contributions have been restricted for certain donor restricted purposes.

Income tax status: The Foundation is exempt from the payment of income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation under Section 509(a)(2) of the Internal Revenue Code.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

Investments: Investments with readily determinable fair values are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to net investment return.

Financial risk: The Foundation maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Foundation.

The Foundation also invests funds in a professionally managed portfolio that contains various types of marketable securities. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in these risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Promises to give: Promises to give that are unconditional are initially recorded at their fair value, which is generally the present value of their estimated future cash flows. The accretion of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions: Unconditional contributions are recognized when promised to, or received by, the Foundation. Contributions are classified as support with donor restrictions or without donor restrictions depending upon the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor, or that have an implied time restriction, are reported as increases in net assets with donor restrictions. Within net assets with donor restrictions, amounts are reclassified to net assets without donor restrictions upon satisfaction of the donor's purpose restriction or when time restrictions expire.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain management and general costs have been allocated among the programs and supporting services benefits based on estimated level of effort. Direct costs are charged to each program as incurred. Salary and benefits are allocated based on level of effort.

Adoption of recent accounting pronouncements: In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (an exchange transaction) or nonreciprocal (a contribution). ASU 2018-08 also provided guidance for distinguishing between conditional and unconditional contributions. The Foundation adopted the contributions received portion of the new standard effective for the year ended August 31, 2020, using the modified prospective method. The Foundation will adopt the contributions made portion of the new standard when it is required during the year ending August 31, 2021. Based on management's review of its contributions received, the timing of the amount of contributions recognized previously is consistent with how contributions are recognized under this new standard. Therefore, the adoption of this standard had no impact on the financial statements, but the standard does require additional disclosures related to conditional contributions when they are present.

Subsequent events: Subsequent events have been evaluated through August 9, 2021, which is the date the financial statements were available to be issued.

Note 2. Fair Value Measurements and Investment Income

In accordance with U.S. generally accepted accounting principles, the Foundation uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 2. Fair Value Measurements and Investment Income (Continued)

The following is a summary of input levels used to determine fair values, measured on a recurring basis, at August 31, 2020 and 2019:

	2020			
	Total	Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds	\$ 1,672,877	\$ 1,672,877	\$ -	\$ -
Fixed income mutual funds	3,562,372	3,562,372	-	-
	<u>\$ 5,235,249</u>	<u>\$ 5,235,249</u>	<u>\$ -</u>	<u>\$ -</u>
	2019			
	Total	Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds	\$ 2,351,011	\$ 2,351,011	\$ -	\$ -
Fixed income mutual funds	5,600,990	5,600,990	-	-
	<u>\$ 7,952,001</u>	<u>\$ 7,952,001</u>	<u>\$ -</u>	<u>\$ -</u>

Investments classified within Level 1 include mutual funds which were valued based on quoted prices for identical assets in active markets.

Note 3. Liquidity and Availability

The Foundation invests cash balances in excess of immediate liquidity needs in accordance with its investment policy. The following provides a summary of financial assets available for general expenditure within one year as of August 31, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 883,151	\$ 19,615
Investments	5,235,249	7,952,001
Unconditional promises to give	-	121,993
	<u>6,118,400</u>	<u>8,093,609</u>
Less those unavailable for general expenditures within one year:		
Net assets with donor restrictions	(5,003,662)	(5,299,612)
	<u>\$ 1,114,738</u>	<u>\$ 2,793,997</u>

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of August 31, 2020 and 2019:

	2020	2019
Endowment funds*	\$ 2,871,797	\$ 2,869,797
Charitable eye care/humanitarian	2,131,865	2,421,542
Physician education	-	8,273
	<u>\$ 5,003,662</u>	<u>\$ 5,299,612</u>

* See Note 5 for detail of the endowment funds.

Net assets released from restrictions consist of the following during the years ended August 31, 2020 and 2019:

	2020	2019
Charitable eye care/humanitarian	\$ 771,792	\$ 550,976
Physician education	8,273	-
	<u>\$ 780,065</u>	<u>\$ 550,976</u>

Note 5. Endowment

The Foundation's endowment consists of three individual donor-restricted endowment funds held in perpetuity. The first fund called The John E. Gilmore and Kathleen E. Gilmore Fund has an agreement requiring that investment earnings be used for international humanitarian eye care projects, such as for the education or training of ophthalmic surgeons from developing countries and transportation for visiting instructors. The second fund, Sinskey Clinic Travel Fund stipulates that earnings be used for travel involving physician instructors or Ethiopian administrative or medical personnel associated with the Sinskey Eye Institute. The third fund, The David & Victoria Chang Endowment Fund, states that the investment earnings be used for an annual humanitarian award that recognizes outstanding work and accomplishments related to humanitarian eye care. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law: The Foundation Governing Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the Commonwealth of Virginia as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets held in perpetuity: a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment and c) 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 as net assets held in perpetuity is classified as restricted for a specified purpose or time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 5. Endowment (Continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation.

Return objectives and risk parameters: The Foundation has adopted an investment policy for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Foundation Governing Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a composite market index which best represents the style and asset allocation of the endowment fund's overall investment structure while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average real rate of return (in excess of inflation) within approximately 5% of the overall market rate of return. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives: 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 targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy: The Foundation has a policy of appropriating for distribution each year amounts from the permanent endowment in accordance with the donor instructions when expenses are available to meet the purpose restriction on the income of the funds. The Sinskey Clinic Travel Fund stipulates a maximum appropriation of 5% of the endowment balance. The David & Victoria Chang Endowment Fund states that no more than one award shall be given annually for a maximum amount of \$50,000. Until the corpus of the David & Victoria Chang Endowment Fund reaches its goal of \$1,000,000, the donor will make a separate annual \$50,000 contribution to fund the award. This goal was met during the year ended August 31, 2020.

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 5. Endowment (Continued)

Endowment net assets: Endowment net assets consisted of the following as of August 31, 2020 and 2019:

	2020			
	Without Donor Restrictions	Restricted for Specified Purpose/Time	Held in Perpetuity	Total
The John E. Gilmore and Kathleen E. Gilmore Fund	\$ -	\$ 1,595,947	\$ 1,719,797	\$ 3,315,744
Sinskey Clinic Travel Fund	-	17,712	150,000	167,712
The David & Victoria Chang Endowment Fund Investment	-	59,143	1,002,000	1,061,143
	<u>\$ -</u>	<u>\$ 1,672,802</u>	<u>\$ 2,871,797</u>	<u>\$ 4,544,599</u>
	2019			
	Without Donor Restrictions	Restricted for Specified Purpose/Time	Held in Perpetuity	Total
The John E. Gilmore and Kathleen E. Gilmore Fund	\$ -	\$ 1,338,817	\$ 1,719,797	\$ 3,058,614
Sinskey Clinic Travel Fund	-	7,015	150,000	157,015
The David & Victoria Chang Endowment Fund Pledge receivable	-	-	121,993	121,993
The David & Victoria Chang Endowment Fund Investment	-	-	878,007	878,007
	<u>\$ -</u>	<u>\$ 1,345,832</u>	<u>\$ 2,869,797</u>	<u>\$ 4,215,629</u>

Endowment activity: Changes in endowment net assets consisted of the following for the years ended August 31, 2020 and 2019:

	Without Donor Restrictions	Restricted for Specified Purpose/Time	Held in Perpetuity	Total
Endowment net assets, August 31, 2018	\$ -	\$ 1,311,197	\$ 2,869,797	\$ 4,180,994
Contributions	-	-	-	-
Investment return	-	190,982	-	190,982
Appropriations	-	(156,347)	-	(156,347)
Endowment net assets, August 31, 2019	-	1,345,832	2,869,797	4,215,629
Contributions	-	-	2,000	2,000
Investment return	-	328,340	-	328,340
Appropriations	-	(1,370)	-	(1,370)
Endowment net assets, August 31, 2020	<u>\$ -</u>	<u>\$ 1,672,802</u>	<u>\$ 2,871,797</u>	<u>\$ 4,544,599</u>

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 6. Transactions With Related Party

Some members of the Foundation Governing Board overlap with the Board of Directors of American Society of Cataract and Refractive Surgery (the Society), a tax-exempt organization established under Section 501(c)(6) of the Internal Revenue Code. However, the Society's Board of Directors does not appoint the members of the Foundation Governing Board. Accordingly, the Foundation's financial statements are not consolidated with the Society's financial statements.

The following transactions have taken place between the Foundation and the Society:

Services and facilities: The Society provides the Foundation with personnel, office facilities, and other general and administrative expenses in exchange for a fee. An agreement was signed by the Society and the Foundation effective September 1, 2014, in which the Foundation agreed to provide the Society with monthly payments of \$10,000 for overhead and administrative costs as well as partial reimbursements for salary and benefits. In addition, beginning September 1, 2016, the Foundation agreed to reimburse the Society annually for domestic charitable eye care expenses. As such, the Foundation paid fees of \$447,519 and \$367,110 for the years ended August 31, 2020 and 2019, respectively.

Due to the Society: The Society collects and distributes some contributions to the Foundation. The Society also provides services and facilities to the Foundation as described above. It is the policy of these two organizations to periodically liquidate any balances due to each other. The Foundation owed the Society \$42,621 and \$15,016 as of August 31, 2020 and 2019, respectively.

Donation: During the year ended August 31, 2020, the Foundation provided the Society a grant of \$2,000,000 for physicians education programs.

Note 7. Functional Expense

Functional expenses, including natural classifications, consisted of the following for the year ended August 31, 2020:

	Program Services			Supporting Services		
	Physician Education	Charitable Eye Care/ Humanitarian	Total Program Services	General and Administrative	Fundraising	Total
Contributions to others	\$ 2,024,293	\$ 511,511	\$ 2,535,804	\$ 1,335	\$ -	\$ 2,537,139
Management fee	-	202,389	202,389	199,019	46,111	447,519
Consultants	-	-	-	46,870	-	46,870
Legal fees	-	-	-	18,737	-	18,737
Auditing and accounting fees	-	-	-	12,325	-	12,325
Data processing and computer services	-	5,100	5,100	-	5,869	10,969
Supplies	-	5,092	5,092	-	-	5,092
Printing	-	-	-	436	3,182	3,618
Bank and credit card fees	-	-	-	2,782	-	2,782
Travel and entertainment	-	1,370	1,370	306	-	1,676
Education and training	-	1,330	1,330	-	-	1,330
Postage and shipping	-	-	-	1,038	-	1,038
Taxes, licenses, permits and filing fees	-	-	-	25	-	25
Total expenses	\$ 2,024,293	\$ 726,792	\$ 2,751,085	\$ 282,873	\$ 55,162	\$ 3,089,120

American Society of Cataract and Refractive Surgery Foundation

Notes to Financial Statements

Note 7. Functional Expense (Continued)

Functional expenses, including natural classifications, consisted of the following for the year ended August 31, 2019:

	Program Services			Supporting Services		
	Charitable		Total Program Services	General and		Total
	Eye Care/ Humanitarian	Research		Administrative	Fundraising	
Contributions to others	\$ 458,334	\$ -	\$ 458,334	\$ -	\$ -	\$ 458,334
Management fee	69,710	-	69,710	297,400	-	367,110
Consultants	700	-	700	15,035	74,016	89,751
Supplies	13,807	-	13,807	185	534	14,526
Taxes, licenses, permits and filing fees	-	-	-	25	12,971	12,996
Data processing and computer services	-	-	-	765	12,121	12,886
Travel and entertainment	6,808	-	6,808	982	3,336	11,126
Meetings	-	-	-	7,029	3,370	10,399
Grants and awards	-	10,000	10,000	-	-	10,000
Auditing and accounting fees	-	-	-	8,925	-	8,925
Printing	140	-	140	1,628	6,719	8,487
Postage and shipping	-	-	-	-	5,623	5,623
Design, graphics, photos and art	-	-	-	-	5,600	5,600
Gifts	-	-	-	1,858	1,403	3,261
Bank and credit card fees	-	-	-	3,113	-	3,113
Advertising	-	-	-	-	479	479
Legal fees	-	-	-	368	-	368
Subscriptions and books	-	-	-	289	-	289
Total expenses	\$ 549,499	\$ 10,000	\$ 559,499	\$ 337,602	\$ 126,172	\$ 1,023,273

Reconciliation to statement of activities:

Expenses per above schedule:	\$ 126,172	\$ 1,023,273
Less direct benefit to donors	(74,016)	(74,016)
Total expenses per statement of activities	\$ 52,156	\$ 949,257

Note 8. Contingency

COVID-19 pandemic: On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. It is unknown how long these conditions will last and what the complete financial affect will be to the Foundation to date, and it is reasonably possible that the Foundation is vulnerable to the risk of a near-term severe impact.