Mind and Life Institute

Financial Statements

December 31, 2020 and 2019

Keiter
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MIND AND LIFE INSTITUTE

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Mind and Life Institute
Charlottesville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Mind and Life Institute (the "Organization") which comprise the statements of financial position as of December 31, 2020 and 2019 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 the financial statements in accordance with accounting principles generally accepted in the United States; 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. Those standards require that we plan and perform the audits 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mind and Life Institute as of December 31, 2020 and 2019, 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.

Keiter

June 7, 2021
Glen Allen, Virginia

MIND AND LIFE INSTITUTE

Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Current assets:		
Cash and cash equivalents	$ 1,261,583	$ 1,007,898
Contributions receivable - current, net	320,940	280,000
Prepaid expenses - current	33,106	75,209
Other current assets	18,390	14,381
Total current assets	1,634,019	1,377,488
Contributions receivable - noncurrent, net	-	24,228
Investments	7,048,745	7,692,817
Prepaid expenses - noncurrent	35,070	-
Property and equipment, net	44,897	65,788
Total assets	$ 8,762,731	$ 9,160,321

Liabilities and Net Assets

	2020	2019
Current liabilities:		
Grants payable	$ 988,779	$ 620,898
Accounts payable and accrued expenses	108,631	138,381
Conditional contributions	1,952,051	2,562,380
Deferred rent	13,281	22,656
Total current liabilities	3,062,742	3,344,315
Net assets:		
Without donor restrictions	4,940,743	5,130,940
With donor restrictions	759,246	685,066
Total net assets	5,699,989	5,816,006
Total liabilities and net assets	$ 8,762,731	$ 9,160,321

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restricitons	With donor restrictions	Total
Support and other revenue:						
Contributions	$ 1,471,752	$ 1,004,822	$ 2,476,574	$ 1,500,489	1,839,915	$ 3,340,404
Sponsorships	13,000	-	13,000	-	-	-
Service fees	119,572	-	119,572	97,783	-	97,783
Publication royalties	5,911	-	5,911	16,775	-	16,775
Investment income	80,845	76,005	156,850	171,968	24,958	196,926
Other income	227,105	-	227,105	16,933	-	16,933
	1,918,185	1,080,827	2,999,012	1,803,948	1,864,873	3,668,821
Net assets released from restrictions:						
Satisfaction of time or purpose restrictions	1,006,647	(1,006,647)	-	2,579,026	(2,579,026)	-
Total support and other revenue	2,924,832	74,180	2,999,012	4,382,974	(714,153)	3,668,821
Expenses:						
Program services	2,272,068	-	2,272,068	2,496,638	-	2,496,638
General and administrative	349,135	-	349,135	518,537	-	518,537
Fundraising	493,826	-	493,826	351,752	-	351,752
Total expenses	3,115,029	-	3,115,029	3,366,927	-	3,366,927
Change in net assets	(190,197)	74,180	(116,017)	1,016,047	(714,153)	301,894
Net assets, beginning of year	5,130,940	685,066	5,816,006	4,114,893	1,399,219	5,514,112
Net assets, end of year	$ 4,940,743	$ 759,246	$ 5,699,989	$ 5,130,940	$ 685,066	$ 5,816,006

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 1,184,488	$ 194,818	$ 267,140	$ 1,646,446
Subcontractor	184,107	119,030	106,455	409,592
Grants	686,499	-	-	686,499
Programs	11,241	-	-	11,241
Travel and meals	3,504	5,185	489	9,178
Administration	14,374	9,936	19,713	44,023
Occupancy and operations	85,218	13,531	18,972	117,721
Communications	73,766	2,113	74,696	150,575
Depreciation	23,591	3,555	5,171	32,317
Insurance	5,280	967	1,190	7,437
	$ 2,272,068	$ 349,135	$ 493,826	$ 3,115,029

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 924,554	$ 317,650	$ 219,863	$ 1,462,067
Subcontractor	295,127	92,544	75,540	463,211
Grants	693,645	-	-	693,645
Programs	182,476	-	-	182,476
Travel and meals	139,026	43,821	13,721	196,568
Administration	25,882	14,306	13,026	53,214
Occupancy and operations	66,604	36,721	15,440	118,765
Communications	140,392	4,456	9,647	154,495
Depreciation	23,043	5,366	3,157	31,566
Insurance	5,889	3,673	1,358	10,920
	$ 2,496,638	$ 518,537	$ 351,752	$ 3,366,927

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

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

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (116,017)	$ 301,894
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	32,317	31,566
Amortization of deferred rent	(9,375)	(9,375)
Net realized and unrealized gains on investments	(20,941)	(43,331)
Reinvestment of interest and dividends	(135,909)	(153,595)
Loss on disposal of property and equipment	673	-
Contributions restricted for long-term endowment purposes	-	(354,680)
Change in operating assets and liabilities:		
Contributions receivable	(16,712)	1,093,491
Prepaid expenses	7,033	(51,443)
Other current assets	(4,009)	10,482
Grants payable	367,881	160,015
Accounts payable and accrued liabilities	(29,750)	(6,810)
Conditional contributions	(610,329)	1,762,827
Net cash (used in) provided by operating activities	(535,138)	2,741,041
Cash flows from investing activities:		
Purchase of investments	(835,219)	(4,403,363)
Proceeds from sale of investments	1,636,141	141,519
Purchases of property and equipment	(12,651)	(10,524)
Proceeds from sale of property and equipment	552	-
Net cash provided by (used in) investing activities	788,823	(4,272,368)
Cash flows from financing activities:		
Contributions restricted for long-term endowment purposes	-	354,680
Change in cash and cash equivalents	253,685	(1,176,647)
Cash and cash equivalents, beginning of year	1,007,898	2,184,545
Cash and cash equivalents, end of year	$ 1,261,583	$ 1,007,898

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies:

Nature of Organization: Mind and Life Institute (the “Organization”), a nonprofit corporation, was incorporated in the state of California on July 2, 1991 and is licensed to conduct business in Virginia. The Organization brings science and contemplative wisdom together to better understand the mind and create positive change in the world. Through grantmaking, in-person and digital events, and strategic partnerships, the Organization seeks to foster insight and inspire action toward flourishing.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Use of Estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and support and expenses and disclosure of contingent assets and liabilities for the reported period. Actual results could differ from those estimates and assumptions.

Classification of Net Assets: The financial statements are presented in accordance with FASB accounting guidance for financial statements of not-for-profit organizations, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets – net assets without donor restrictions and net assets with donor restrictions reflected based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

> **Net Assets Without Donor Restrictions –** Funds that are not subject to donor-imposed stipulations.
>
> **Net Assets with Donor Restrictions –** Funds subject to donor or grant-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents: The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization’s cash equivalents consist of money market funds in the amount of $655,073 and $563,271 as of December 31, 2020 and 2019, respectively.

1. Summary of Significant Accounting Policies, Continued:

Contributions Receivable: Contributions are recorded when pledged or received. An allowance is provided for amounts estimated to be uncollectible. Management does not believe an allowance is necessary at December 31, 2020 and 2019.

Contributions that are due in the next year are recorded at their net realizable value. When required, contributions that are due in subsequent years are reported at the estimated present value using the Organization's investment rate of return applicable to the years in which the promises are to be received, in accordance with FASB ASC 958.

Investments: The Organization invests in a professionally managed portfolio that contains municipal bonds and government obligations. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the financial statements.

Investments are reflected at fair market value as described in Note 5. Realized and unrealized gains and losses are reported in the accompanying statements of activities as investment income.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided by the straight-line method over asset lives ranging from three to six years.

The Organization reviews the carrying value of its property and equipment whenever significant events or changes in circumstances occur that might impair the recovery of these costs. Recovery is evaluated by measuring the carrying value of assets against the associated estimated undiscounted cash flows. During 2020 and 2019, the Organization did not have impairments in its property and equipment.

Contributions: Contributions and other support are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

1. Summary of Significant Accounting Policies, Continued:

Contributions, Continued: Conditional contributions represent support received in advance where the Organization must meet certain conditional requirements subject to the donor approval before being allowed to spend the proceeds in accordance with any applicable donor restrictions. Conditional contributions totaled $1,952,051 at December 31, 2020, and $2,562,380 at December 31, 2019.

In June 2018, the FASB issued Accounting Standard Update (“ASU”) no. 2018-08, “Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made”, which presents a new methodology for determining whether a grant or contribution received or made by a not-for-profit entity should be accounted for as an exchange transaction or as a contribution. This new standard is effective in two parts. The first part is for fiscal years beginning after December 15, 2018, for entities receiving contributions, and the second part is for fiscal years beginning after December 15, 2019, for entities making contributions. The Organization adopted the first part effective January 1, 2019 and the second part effective January 1, 2020, each using the modified prospective approach. The adoption of this ASU did not have a significant impact on the Organization’s financial statements.

Revenue Recognition: In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2019 using the full retrospective approach. The adoption of this ASU did not have a material impact on the financial statements.

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Organization’s products or services. Revenue is measured as the amount of total consideration expected to be received in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer in exchange for payment and is the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when or as the performance obligation is satisfied. Revenue from sponsorships, service fees, and publication royalties is recognized at a point in time when the performance obligations are satisfied.

Contract assets represent the Organization’s right to consideration in exchange for services transferred to a customer. There were no contract assets at December 31, 2020 and 2019. Contract liabilities represent the Organization’s obligation to transfer services to a customer when the customer prepays consideration for services. There were no contract liabilities at December 31, 2020 and 2019.

1. Summary of Significant Accounting Policies, Continued:

Grants to Others: The Organization awards grants to promote research and the development of programs to further their mission. The outstanding grants of $988,779 and $620,898 at December 31, 2020 and 2019, respectively, will be paid in the following year. Grants unspent and refunded by the grantee are netted against grants expense in the year the grants are refunded. Refunded grants were $25,826 for 2020 and $15,724 for 2019.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses are allocated based on time and effort of the following: personnel, subcontractors, grants, programs, travel and meals, administration, occupancy and operations, communications, depreciation and insurance. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentrations of Credit Risk: Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and contributions receivable. The Organization places its cash and cash equivalents with high credit rating financial institutions. At December 31, 2020 and 2019, all of the Organization’s checking accounts were maintained in one financial institution, with balances that periodically exceed the $250,000 federally insured limit.

Contribution receivables are generally from individuals, corporations and foundations. The Organization believes its credit risk related to these contributions is limited due to the nature of its donors. The ability to collect receivables is affected by the general economic conditions.

Income Taxes: The Organization is exempted from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization, which is not a private foundation, under Section 509(a) of the Internal Revenue Code.

Income Tax Uncertainties: The Organization follows FASB guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained “when challenged” or “when examined” by the applicable tax authority. Tax positions not deemed to the meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management evaluated the Organization’s tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Organization is not currently under audit by any tax jurisdiction.

1. Summary of Significant Accounting Policies, Continued:

Pending Accounting Pronouncement:

Leases: In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842), which requires companies with leases to recognize on their statements of financial position the assets and liabilities generated by contracts longer than a year. The total value is calculated based on the present value of the future lease payments and the expense is recognized over the life of the lease on a straight-line basis. The standard is effective for private companies and not-for-profits for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the implications of this new standard.

Paycheck Protection Program Loan: The Organization's policy is to account for the Paycheck Protection Program ("PPP loan") as debt until the loan is partially or entirely forgiven and the debtor has been legally released. The Organization recorded the PPP loan as a liability until such time as all requirements for forgiveness were met (see Note 11).

Subsequent Events: Management has evaluated subsequent events through June 7, 2021, the date the financial statements were available to be issued, and has determined that there are no subsequent events to be reported in the accompanying financial statements.

2. Investments:

Investments at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Mutual funds	$ 1,435,626	$ 379,394
Certificates of deposit	3,556,945	-
Municipal bonds	302,732	553,410
Government obligations	1,753,442	6,760,013
Total investments	$ 7,048,745	$ 7,692,817

Investment income for the years ended December 31, 2020 and 2019 consisted of the following:

	2020	2019
Net realized and unrealized gain	$ 20,941	$ 43,331
Interest and dividends	135,909	153,595
Total investment income	$ 156,850	$ 196,926

3. Contributions Receivable:

Contributions receivable represent unconditional promises to give which have been made by donors but have not yet been received by the Organization. Contributions which will not be received in the subsequent year have been discounted using an estimated rate of return (1.58% for 2019) which could be earned if such contributions had been received in the current year. Contributions receivable consisted of the following at December 31, 2020 and 2019:

	2020	2019
Due in less than one year	$ 320,940	$ 280,000
Due in one to five years	-	25,000
	320,940	305,000
Less discount on contributions receivable	-	(772)
Net contributions receivable	$ 320,940	$ 304,228

4. Property and Equipment:

At December 31, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Leasehold improvements	$ 71,226	$ 71,226
Office equipment and furniture	86,406	91,216
Books and video equipment	15,127	22,240
	172,759	184,682
Less accumulated depreciation	(127,862)	(118,894)
	$ 44,897	$ 65,788

Depreciation expense was $32,317 for 2020 and $31,566 for 2019.

5. Fair Value Measurements:

The Organization follows FASB guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

5. Fair Value Measurements, Continued:

This guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

- Level 1 – Quoted prices in active markets
- Level 2 – Directly or indirectly observable valuations in the marketplace at the measurement date other than Level 1 inputs
- Level 3 – Valuations unobservable in the marketplace at the measurement date

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Certificates of deposit: Valued at the total principal as reported by the bank or carrying institution plus accrued interest.

Municipal bonds: Bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing values on yields currently available on comparable securities of issuers with similar credit rating.

Government obligations: Valued using pricing models maximizing the use of observable inputs for similar securities.

5. Fair Value Measurements, Continued:

At December 31, 2020, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,435,626	$ -	$ -	$ 1,435,626
Certificates of deposit	-	3,556,945	-	3,556,945
Municipal bonds	-	302,732	-	302,732
Government obligations	-	1,753,442	-	1,753,442
	$ 1,435,626	$ 5,613,119	$ -	$ 7,048,745

At December 31, 2019, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 379,394	$ -	$ -	$ 379,394
Municipal bonds	-	553,410	-	553,410
Government obligations	-	6,760,013	-	6,760,013
	$ 379,394	$ 7,313,423	$ -	$ 7,692,817

There were no transfers between levels during 2020 and 2019.

6. Net Assets with Donor Restrictions:

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	2020	2019
Assets available for restricted use:		
Kerr award	$ 1,200	$ 1,200
Assets available in future periods:		
Contributions receivable	320,940	304,228
Endowment held in perpetuity (see Note 7)	437,106	379,638
Net assets with donor restrictions	$ 759,246	$ 685,066

6. Net Assets with Donor Restrictions, Continued:

Net assets with donor restrictions were released to expenses after satisfying the following restricted purposes:

	2020	2019
Purpose restrictions:		
Varela grants	$ -	$ 200,810
PEACE grants	468,536	449,445
Research and Think Tank grants	24,259	15,000
Research Institutes	54,032	131,664
Dialogues with the Dalai Lama	-	52,366
Publications and digital media project	182,370	207,183
Program scholarships	23,700	20,000
Community conversations	-	3,606
Mediation	-	13,952
Contemplative Research Conference	11,750	-
Infrastructure	-	262,500
Equity and inclusion program	65,000	-
Total purpose restrictions	829,647	1,356,526
Passage of time restrictions	177,000	1,222,500
Net assets released from restrictions	$ 1,006,647	$ 2,579,026

7. Endowment Funds:

Effective July 1, 2019, the Organization's endowment consists of one fund which is donor-restricted. This fund was established to further accessibility and acceptance of contemplative practices and wisdom traditions. As required by GAAP, net assets associate with this endowment fund are classified and reported based on the existence or absence of donor-imposed restriction.

The management of donor-restricted endowment funds is governed by state law under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted by the Virginia state legislature in 2008. The law gives guidance for investment and spending practices, giving consideration for donor-intent and the organization's overall resources and charitable purpose. Based on their interpretation of law and in compliance with donor intent, the Organization classifies as donor-restricted the original value of the gifts donated to the permanent endowment and the income earned thereon.

A five percent (5%) spending rule shall apply based on a 20 quarter market value average (or historic quarterly average if less than 20 quarters). Investment return in excess of five percent (5%) (net of investment management fees and other applicable direct expenses) shall be added back to principal.

7. Endowment Funds, Continued:

Changes in endowment net assets with donor restrictions as of December 31, 2020 and 2019, are as follows:

Balance, January 1, 2019	$ -
Contributions	354,680
Investment return:	
Investment income	19,393
Net realized and unrealized gain	5,565
	24,958
Balance, December 31, 2019	379,638
Appropriations for expenditure	(18,537)
Investment return:	
Investment income	27,117
Net realized and unrealized gain	48,888
	76,005
Balance, December 31, 2020	$ 437,106

8. Commitments:

The Organization leases office space in Virginia, which expires May 31, 2022. Annual base rent of $86,145 will be paid over equal installments over the first year. Rent will escalate over the remaining years depending upon square footage leased and 3% increase. Included in the lease is an incentive where the lessor agreed to pay for $56,250 of leasehold improvements purchased by the Organization. This incentive is being amortized against rent expense on a straight-line basis over the life of the lease, resulting in the recognition of deferred rent of $13,281 at December 31, 2020 and $22,656 at December 31, 2019. Rent expense, net of straight-line amortization of lease incentive, was $86,406 for 2020 and $83,617 for 2019. Future minimum rent payments are as follows: $98,743 – 2021, and $41,611 – 2022.

9. Employee Retirement Plan:

The Organization has established a 403(b) plan (the Plan) whereby employees meeting certain requirements may participate in the Plan. The Organization, at its discretion, may make certain matching contributions into the Plan subject to certain Internal Revenue Service (IRS) limitations. For the years ended December 31, 2020 and 2019, no matching contributions were made to the Plan.

The Organization has established a profit-sharing plan whereby the Organization may elect to make contributions on behalf of employees meeting certain eligibility requirements, subject to certain IRS limitations. During the years ended December 31, 2020 and 2019, the Organization contributed $32,285 and $50,018, respectively, to the profit-sharing plan. Annual employer contributions are subject to approval by the Board of Trustees.

10. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, comprise the following:

	2020	2019
Cash and cash equivalents	$ 1,261,583	$ 1,007,898
Contributions receivable, net	320,940	304,228
Investments	7,048,745	7,692,817
Total financial assets available within one year	8,631,268	9,004,943
Receivables to be collected in more than one year	-	(24,228)
Conditional contributions	(1,952,051)	(2,562,380)
Donor-imposed restrictions	(438,306)	(380,838)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,240,911	$ 6,037,497

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures become due. In addition the Organization invests excess cash in short-term investments and money market funds.

11. Paycheck Protection Program Loan:

In response to the economic instability caused by COVID-19, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by Congress and signed into law by the President on March 27, 2020. The Paycheck Protection Program ("PPP") was a component of the CARES Act and provided for a PPP Loan to provide a direct incentive for employers to keep their employees on the payroll. A PPP Loan is eligible for full or partial forgiveness if the funds are used for qualifying costs including payroll, rent, mortgage interest, or utilities, as further defined in the CARES Act.

The Organization applied for and was approved for a PPP Loan in the amount of $226,700. The loan was funded on April 16, 2020. The loan accrued interest at 1.0%. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The PPP Loan was uncollateralized and was fully guaranteed by the Federal government.

As of December 31, 2020, the Organization had used all of the loan proceeds for qualifying costs and had substantially met the forgiveness requirements of the loan. The Organization applied for and was approved for loan forgiveness as of November 4, 2020. The forgiveness of the loan is recognized as other income on the accompanying 2020 statement of activities.

12. Risks and Uncertainties:

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. The ultimate impact of COVID-19 on the Organization's financial statements is unknown at this time. Management and the Board of Directors will continue to monitor the impact COVID-19 has on the Organization and will reflect the consequences as appropriate in its financial records.