Focused Ultrasound Foundation

Financial Report
December 31, 2020

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
Focused Ultrasound Foundation

Report on the Financial Statements
We have audited the accompanying financial statements of Focused Ultrasound Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Focused Ultrasound Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited the Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

McLean, Virginia
June 15, 2021

Focused Ultrasound Foundation

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

	2020	2019
Assets		
Cash and cash equivalents	$ 12,960,274	$ 17,653,451
Investments – SAFE (Note 2)	463,833	392,633
Investments (Note 3)	9,986,346	-
Accounts receivable	159,759	44,288
Promises to give, net (Note 4)	22,498,736	5,632,609
Prepaid expenses	34,665	48,132
Property and equipment, net (Note 5)	262,391	320,565
Total assets	$ 46,366,004	$ 24,091,678
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 149,969	$ 198,446
Awards payable	955,959	1,477,485
Refundable advance (Note 6)	685,800	-
Total liabilities	1,791,728	1,675,931
Commitment and Contingency (Notes 8 and 13)		
Net assets:		
Net assets without donor restrictions	21,418,855	17,874,982
Net assets with donor restrictions	23,155,421	4,540,765
Total net assets	44,574,276	22,415,747
Total liabilities and net assets	$ 46,366,004	$ 24,091,678

The accompanying notes to financial statements are an integral part of this statement.

Focused Ultrasound Foundation

Statement of Activities
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	2020			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2019 Total
Revenue and support:				
Contributions	**$ 5,557,708**	**$ 24,852,680**	**$ 30,410,388**	$ 9,983,898
Symposium fees	**92,500**	**-**	**92,500**	5,800
Miscellaneous	**161,730**	**-**	**161,730**	36,467
Investment income, net	**170,152**	**-**	**170,152**	202,716
Net assets released from restrictions	**6,238,024**	**(6,238,024)**	**-**	-
Total revenue and support	**12,220,114**	**18,614,656**	**30,834,770**	10,228,881
Expenses:				
Program services:				
Research and collaboration	**6,326,081**	**-**	**6,326,081**	6,988,573
Supporting services:				
Management and general	**1,178,126**	**-**	**1,178,126**	1,414,327
Fundraising	**1,172,034**	**-**	**1,172,034**	1,243,275
Total expenses	**8,676,241**	**-**	**8,676,241**	9,646,175
Increase in net assets	**3,543,873**	**18,614,656**	**22,158,529**	582,706
Net assets, beginning of year	**17,874,982**	**4,540,765**	**22,415,747**	21,833,041
Net assets, end of year	**$ 21,418,855**	**$ 23,155,421**	**$ 44,574,276**	$ 22,415,747

The accompanying notes to financial statements are an integral part of this statement.

Focused Ultrasound Foundation

Statement of Functional Expenses
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	2020				
	Program Services	Support Services			
	Research and Collaboration	Management and General	Fundraising	Total	2019 Total
Salaries and wages	$ 2,800,877	$ 710,652	$ 831,331	$ 4,342,860	$ 3,933,999
Program awards	905,123	-	-	905,123	2,527,182
Payroll taxes and fringe benefits	546,603	132,464	161,026	840,093	725,578
Contract labor	625,302	66,563	60,712	752,577	417,072
Professional services	483,153	58,063	5,696	546,912	364,346
IT support	147,911	109,324	9,249	266,484	310,714
Honorarium	255,000	-	-	255,000	125,000
Occupancy	126,047	31,981	37,412	195,440	185,009
Collaboration dues	108,500	-	-	108,500	108,500
Depreciation expense	51,780	13,138	15,369	80,287	87,651
Conference and meetings	68,970	839	5,447	75,256	160,188
Travel and meals	55,174	213	14,960	70,347	137,564
Office and other expenses	22,264	32,516	8,620	63,400	109,702
Internet and telecommunications	35,637	9,042	10,577	55,256	67,351
Insurance	31,542	8,003	9,362	48,907	54,883
Sponsorships	30,685	-	500	31,185	69,823
Project supplies	10,208	3,845	38	14,091	55,237
Public relations	11,796	-	-	11,796	15,971
Bank fees	5,846	1,483	1,735	9,064	13,175
Grant related travel and entertainment	3,663	-	-	3,663	177,230
	$ 6,326,081	$ 1,178,126	$ 1,172,034	$ 8,676,241	$ 9,646,175

The accompanying notes to financial statements are an integral part of this statement.

Focused Ultrasound Foundation

Statement of Cash Flows
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	**$ 22,158,529**	$ 582,706
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**80,287**	87,651
Realized and unrealized gain on investments	**6,888**	-
(Increase) decrease in:		
Accounts receivable	**(115,471)**	(20,716)
Prepaid expense	**13,467**	3,792
Promises to give, net	**(16,866,127)**	(218,154)
Increase (decrease) in:		
Accounts payable and accrued expenses	**(48,477)**	91,777
Awards payable	**(521,526)**	61,897
Refundable advance	**685,800**	-
Net cash provided by (used for) operating activities	**5,393,370**	588,953
Cash flows from investing activities:		
Purchase of property and equipment	**(22,113)**	(208,271)
Sale of investments	**10,006,794**	-
Purchase of investments	**(20,071,228)**	(35,844)
Net cash provided by (used for) investing activities	**(10,086,547)**	(244,115)
Net increase (decrease) in cash and cash equivalents	**(4,693,177)**	344,838
Cash and cash equivalents:		
Beginning of year	**17,653,451**	17,308,613
Ending of year	**$ 12,960,274**	$ 17,653,451

The accompanying notes to financial statements are an integral part of this statement.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Focused Ultrasound Foundation (the Foundation) is a nonprofit organization established exclusively for charitable, educational and scientific purposes. The mission of the Foundation is to accelerate the development and worldwide adoption of focused ultrasound. The Foundation plans to achieve these goals by organizing and funding research, fostering collaboration, building awareness and cultivating the next generation.

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

Basis of presentation: The Foundation's financial statement presentation follows the recommendations under the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the ASC, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets that are subject to donor-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.

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

Cash and cash equivalents: The Foundation consider all highly-liquid investments with initial maturities of three months or less to be cash equivalents.

Financial risk: The Foundation maintains their cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Foundation has not experienced any losses in such accounts and believe they are not exposed to any significant risk on cash and cash equivalents.

Investments: In accordance with the FASB ASC 825, investments without readily determinable fair value are recorded at cost and debt securities are reflected at fair value and adjusted for impairment each year, if any.

Accounts receivable: Receivables are carried at original invoice amounts, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Based on management's evaluation of the collectability of accounts receivable, the Foundation considered accounts receivable to be fully collectible. There was no allowance for doubtful accounts recorded for the year ended December 31, 2020.

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

Promises to give: Unconditional promises to give are recognized as support in the period that the Foundation is notified of the contribution by the donor and acknowledged and identified by the donor. Unconditional promises to give are initially recorded at fair value, less an estimate made for doubtful promises based on a review of all outstanding promises on a monthly basis. Promises to give to be collected after one year are discounted at an appropriate discount rate commensurate with the risks involved. Management determines the allowance for doubtful promises by using the historical experience applied to an aging of promises. Promises are written off when deemed uncollectible. Based on management's evaluation of the collection of the promise to give, there was no provision for doubtful accounts at December 31, 2020.

Property and equipment: Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally three years. Leasehold improvements are amortized of the shorter of the lease term or the estimated useful life of the improvement. The cost of maintenance and repairs is recorded as expenses are incurred. The Foundation's policy is to capitalize all property and equipment over $500.

Awards payable: Consists of amounts awarded, but not paid, to program participants who have met the conditions of the awards. In addition, the Foundation has awarded conditional awards as of December 31, 2020, in the amount of $5,055,824. Due to newly adopted accounting pronouncement, Accounting Standards Update (ASU) 2018-08, these conditional awards are not recorded in the financial statements because the conditions necessary to make them due and payable have not yet occurred.

Refundable advances: The Foundation received proceeds from the Paycheck Protection Program (PPP) during the year ended December 31, 2020. The Foundation recognized the funds as a refundable advance which is presented as a liability on the accompanying statement of financial position. The Foundation will reduce the refundable advances balance and recognize revenue (other income) once the forgiveness conditions have been substantially met. The Foundation considers the conditions to be substantially met once forgiveness determination has been received.

Contributions: Unconditional contributions are recognized as support when the promise is received. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the 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 on the statement of activities as net assets released from restrictions. Restrictions that are met by the Foundation in the year in which they were received are recognized as unrestricted support.

Donated services: The Foundation receives a substantial amount of services donated by its members in carrying out its mission. The Foundation generally pays for services requiring specific expertise. During the year ended December 31, 2020, the Foundation received donated legal services for $180,639, which is included in statement of activities.

Functional allocation of expenses: The costs of providing the various programs and other activities are summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classification. Payroll and related expenses are allocated based on level of efforts. Depreciation, insurance, bank fees, occupancy and internet and communications expenses are allocated based on payroll and related expenses.

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

Income taxes: The Internal Revenue Service has determined that the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) except for taxes on unrelated business income. For the year ended December 31, 2020, the Foundation had no unrelated business income. The Foundation is not classified as a private foundation under Section 509(a)(1) of the IRC.

Management has evaluated the Foundation's tax positions and has concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements.

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

Adopted accounting pronouncements: In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Foundation is the resource recipient, the ASU is applicable to contributions received for annual periods beginning after December 15, 2018. Where the Foundation is a resource provider, the ASU is effective for annual periods beginning after December 15, 2019. The Foundation adopted the resource provider provisions of the ASU using the modified prospective method during the year ended December 31, 2020. As a result, awards that were approved during 2020 with period of performance of 2021 and beyond, have not been recorded as expense or awards payable for the year ended December 31, 2020, due to the conditions of the award.

Upcoming accounting pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is evaluating the impact of adoption, if any, to the financial statements.

Subsequent events: The Foundation has evaluated its December 31, 2020, financial statements for subsequent events through June 15, 2021, the date the financial statements were available to be issued (see note 8).

Note 2. Simple Agreement for Future Equity Investments

The Foundation has SAFE agreements with Artenga Inc., FUSMobile Inc. and VeinSound, SAS in the amounts of $116,993, $107,126 and $168,514, respectively, at December 31, 2020. The SAFE agreements have no maturity date and bear no interest. The agreements provide the right of the Foundation to future equity in the companies per the terms of the agreement.

The agreement with Artenga Inc. is subject to a valuation cap of $8,000,000. Per the terms of the SAFE agreement entered into with Artenga Inc., if there is an equity financing before the instrument expires or is terminated, the company will automatically issue to the Foundation either 1) a number of shares of Standard Preferred Stock sold in the equity financing equal to the purchase amount, divided by the price per share of the Standard Preferred Stock, if the pre-money valuation is less than or equal to the valuation cap; or 2) a number of shares of Safe Preferred Stock equal to the purchase amount, divided by the SAFE price, if the pre-money valuation is greater than the valuation cap.

Per the terms of the SAFE agreement entered into with FUSMobile Inc., if there is an equity financing before the instrument expires or is terminated, the company will automatically issue to the Foundation Safe Stock equal to the purchase amount, divided by the Discount Price.

The agreement with VeinSound, SAS is subject to a valuation cap of $3,480,000. Per the terms of the SAFE agreement entered into with VeinSound, SAS, if there is an equity financing before the instrument expires or is terminated, the company will automatically issue to the Foundation either 1) a number of shares of Standard Preferred Stock sold in the equity financing equal to the purchase amount, divided by the price per share of the Standard Preferred Stock, if the pre-money valuation is less than or equal to the valuation cap; or 2) a number of shares of Safe Preferred Stock equal to the purchase amount, divided by the SAFE price, if the pre-money valuation is greater than the valuation cap.

If there is a liquidation event before the expiration or termination of the SAFE agreements, the Foundation will at its option either 1) receive a cash payment equal to the purchase price, or 2) automatically receive from the companies a number of shares of common stock equal to the purchase amount, divided by the liquidity price, if the Foundation fails to select the cash option. Thereafter the SAFE agreements will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the Foundation in full, funds will be distributed pro rata and based on the purchase price and the remaining amounts will be covered with common stock equal to the remaining unpaid purchase price, divided by the liquidity price.

Per the agreements with Artenga Inc. and VeinSound, SAS, in a dissolution event, the Foundation will be paid out of remaining assets prior to the holders of Artenga Inc.’s capital stock. Per the agreement with FUSMobile Inc., in a dissolution event, the Foundation will be paid out of remaining assets with equal priority and pro rata among all holders of all other SAFEs and the holders of the Capital Stock.

In lieu of the issuance of stock to the investor pursuant to any of the triggering events, on or before the date of the equity financing, the company may pay to the Foundation an amount equal to two times the purchase amount (Opt-Out Payment). This clause was included in the Artenga Inc. SAFE and VeinSound, SAS SAFE. The FUSMobile, Inc. SAFE had an Opt-Out Payment of one and half times the purchase amount.

During the year ended December 31, 2020, FUSMobile, Inc. SAFE were converted to equity. There were no other SAFE agreements that were converted into equity, nor have any terminated, expired or became impaired, based on the terms of the agreements.

Note 3. Investments and Fair Value Measurements

The Fair Value Measurement Topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable input corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to the accounting standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 assets or liabilities held by the Foundation at December 31, 2020.

The table which follow present the balances of assets measured at fair value on a recurring basis by level within the hierarchy at December 31, 2020:

	Total	Level 1	Level 2
Corporate bonds	$ 9,986,346	$ -	$ 9,986,346

Corporate bonds are included in Level 2 assets as identical assets are not actively traded. The fair market values are based on quoted prices for similar assets in active markets or quoted prices for identical assets in markets that are not active.

Investment income for the year ended December 31, 2020, consists of following:

Interest and dividends	$ 164,170
Realized and unrealized gain	6,888
Investment fees	(906)
	$ 170,152

Note 4. Promises to Give

Promises to give to be collected in more than one year from the date of the donor's commitment are measured using the present value of future cash flows based on a discount rate of the applicable Treasury bill rate on the date of the pledge, plus 1.5%. Promises to give at December 31, 2020, consists of the following:

Less than one year	$ 6,904,384
One to five years	15,210,000
More than 5 years	938,692
	23,053,076
Less discount to net present value	(554,340)
	$ 22,498,736

During the year ended December 31, 2019, the Foundation received a conditional contribution from a donor for $6 million to be matched dollar-for-dollar with other pledges raised each year up to $2 million per year. At December 31, 2020, the Foundation has satisfied the condition for 2020 and $2 million was recognized in the statement of activities.

Note 5. Property and Equipment

Property and equipment and accumulated depreciation at December 31, 2020, consist of the following:

Equipment	$ 539,561
Leasehold improvements	149,169
Less accumulated depreciation	(426,339)
	$ 262,391

Depreciation expense for the year ended December 31, 2020 was $80,287.

Note 6. Refundable Advance

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Foundation applied for a PPP loan with the Small Business Administration (SBA) and received $685,800 during the year ended December 31, 2020. The PPP loan has interest rate of 1% with an initial deferral of principal and interest payment; thereafter, monthly principal and interest payment are due over consecutive months, with a final payment due on April 2022. The loan can be prepaid without penalty at any time. The Foundation used the full amount of the PPP funds for payroll and other qualified expenses, and expect the loan to be forgiven by the SBA during the next fiscal year. At December 31, 2020, the PPP loan was recognized as a refundable advance of $685,800 on the statement of financial position. No principal or interest payments have been paid through the report date.

In January of 2021, the Foundation received notice from the SBA of forgiveness for the PPP loan. The forgiveness was for the full loan amount for which payment was made directly to the financial lender by the SBA.

Note 7. Line of Credit

The Foundation established a $250,000 line of credit with Virginia National Bank on September 21, 2010. This line of credit is renewed annually. There was no balance outstanding on the line of credit at December 31, 2020.

Note 8. Operating Leases

The Foundation has a lease for office space in Charlottesville, Virginia, that commenced on May 1, 2017. Under the terms of the agreement, the Foundation will lease 6,800 square feet with the monthly rental rate of $9,326 with 5% annual rate escalation. On April 20, 2018, the Foundation signed a lease amendment for the use of an additional 2,500 square feet of office space commencing on July 1, 2018, with additional monthly rental rate of $4,598 with 5% annual rate escalation.

On April 20, 2020, the Foundation renewed the term of the lease for an additional 3 years ending on April 30, 2023, with monthly rental rate escalation of 3%.

Future minimum rental payments are as follows:

Years ending December 31:		
2021	$	190,494
2022		196,208
2023		66,044
	$	262,252

Rent expense for the year ended December 31, 2020 was $195,440.

Note 9. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions during the year ended December 31, 2020, are as follows:

	December 31, 2019	Additions	Released	December 31, 2020
Time and purpose restricted:				
Research	$ 4,540,765	$ 24,852,680	$ 6,238,024	$ 23,155,421

Note 10. Related Party Transactions

During the fiscal year ended December 31, 2020, the Foundation received cash contributions from members of its Board of Directors and their family members in the total amount of $316,000.

Note 11. Retirement Plans

The Foundation's employees are eligible after 3 months of employment to participate in the Foundation's 401(k) retirement plan (the Plan) in which employees may make voluntary, tax-deferred contributions within specified limits. The Foundation matches employee contributions dollar-for-dollar up to a maximum allowed, which is 3% of employee's annual salary. The Foundation recorded contributions to the Plan of $110,502 for the year ended December 31, 2020.

Note 12. Liquidity and Availability

The Foundation regularly monitors liquidity of financial assets required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of December 31, 2020, the following financial assets are available to meet annual operating needs for the next fiscal year:

Financial assets at year-end:	
Cash and cash equivalents	$ 12,960,274
Accounts receivable	159,759
Promises to give, net	22,498,736
Total financial assets	35,618,769
Less amounts not available to be used within one year:	
Net assets with donor restrictions	23,155,421
Less promises to give due in next 12 months	(6,904,384)
	16,251,037
Financial assets available to meet general expenditures over the next 12 months	$ 19,367,732

Note 13. Contingency

Subsequent to the coronavirus outbreak in the United States, there has been substantial volatility in financial markets and the economy. Actions taken around the world to help mitigate the spread of the coronavirus include restriction 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. Since this could have long lasting impacts on the Foundation, management will continue to review and adjust planned expenditures should it be determined the outbreak will significantly impact the statements of financial position and activities of the Foundation.