

**Walter S. Johnson Foundation**

Financial Statements

December 31, 2020 and 2019



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Walter S. Johnson Foundation  
San Francisco, California

We have audited the accompanying financial statements of Walter S. Johnson Foundation (a nonprofit corporation), 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Walter S. Johnson Foundation 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 of America.



An independent firm  
associated with Moore  
Gobel Network Limited

**Emphasis of Matter**

As discussed in Note 11 to the financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino<sup>LLP</sup>  
San Jose, California

September 7, 2021

Walter S. Johnson Foundation  
 Statements of Financial Position  
 December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 297,592	\$ 433,332
Investments	132,554,542	108,556,670
Dividends and interest receivable	24,502	45,284
Limited partnership distributions receivable	-	360,535
Federal excise and unrelated business income tax receivable	87,996	84,886
Property and equipment	1,876	3,484
Other assets	4,882	5,454
Total assets	\$ 132,971,390	\$ 109,489,645
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 43,454	\$ 44,094
Grants payable	1,669,000	1,650,000
Deferred federal excise tax liability	554,701	187,534
Accrued expenses	3,304	-
Total liabilities	2,270,459	1,881,628
Commitments (Note 7)		
Net assets without donor restrictions	130,700,931	107,608,017
Total liabilities and net assets	\$ 132,971,390	\$ 109,489,645

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

Walter S. Johnson Foundation  
 Statements of Activities  
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Investment income		
Interest	\$ 62,736	\$ 77,315
Dividends	1,278,266	1,652,982
Income from investments in limited partnerships	665,706	3,293,242
Net realized gain on sale of investments	888,235	4,509,898
Net unrealized appreciation on investments	26,371,980	10,022,550
Other income	<u>-</u>	<u>4,014</u>
Total investment income	29,266,923	19,560,001
Investment related expenses	598,355	503,390
Federal excise tax expenses	389,057	208,234
Unrelated business income tax	<u>602</u>	<u>945</u>
Net investment income	<u>28,278,909</u>	<u>18,847,432</u>
Functional expenses		
Program services	5,013,157	5,177,612
Management and general	<u>172,838</u>	<u>193,458</u>
Total functional expenses	<u>5,185,995</u>	<u>5,371,070</u>
Change in net assets	23,092,914	13,476,362
Net assets without donor restrictions, beginning of year	<u>107,608,017</u>	<u>94,131,655</u>
Net assets without donor restrictions, end of year	<u>\$ 130,700,931</u>	<u>\$ 107,608,017</u>

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

Walter S. Johnson Foundation  
Statement of Functional Expenses  
For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Grants authorized	\$ 4,500,000	\$ -	\$ 4,500,000
Foundation management services	406,368	21,388	427,756
Trustee management fees	72,024	52,156	124,180
Accounting services	-	85,173	85,173
Membership fees	34,765	-	34,765
Insurance	-	8,068	8,068
Administrative expenses	-	3,469	3,469
Depreciation	-	1,608	1,608
Outside services	-	976	976
	<u>\$ 5,013,157</u>	<u>\$ 172,838</u>	<u>\$ 5,185,995</u>

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

Walter S. Johnson Foundation  
Statement of Functional Expenses  
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Grants authorized	\$ 4,651,506	\$ -	\$ 4,651,506
Foundation management services	400,195	35,278	435,473
Trustee management fees	94,911	45,205	140,116
Accounting services	-	89,355	89,355
Membership fees	31,000	-	31,000
Insurance	-	9,255	9,255
Administrative expenses	-	11,434	11,434
Depreciation	-	1,735	1,735
Outside services	-	1,036	1,036
Registration fees	-	160	160
	<u>\$ 5,177,612</u>	<u>\$ 193,458</u>	<u>\$ 5,371,070</u>

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



Walter S. Johnson Foundation  
 Statements of Cash Flows  
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 23,092,914	\$ 13,476,362
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized gain on sale of investments	(888,235)	(4,509,898)
Net unrealized appreciation on investments	(26,371,980)	(10,022,550)
Depreciation	1,608	1,735
Loss on disposal of property and equipment	-	3,817
Deferred federal excise tax expense	367,167	118,093
Changes in operating assets and liabilities		
Dividends and interest receivable	20,782	(1,405)
Federal excise and unrelated business income tax receivable	(3,110)	141
Other assets	572	105
Accounts payable and accrued liabilities	2,664	32,999
Grants payable	19,000	186,506
Net cash used in operating activities	(3,758,618)	(714,095)
Cash flows from investing activities		
Purchase of investments	(15,048,147)	(22,243,079)
Proceeds from sale of investments	17,607,952	22,703,736
Limited partnership distributions	360,535	116,025
Proceeds from return of principal	508,067	272,727
Sale (purchase) of cash equivalents and money market funds, net	194,471	(145,077)
Net cash provided by investing activities	3,622,878	704,332
Net decrease in cash and cash equivalents	(135,740)	(9,763)
Cash and cash equivalents, beginning of year	433,332	443,095
Cash and cash equivalents, end of year	\$ 297,592	\$ 433,332

Supplemental disclosures of cash flow information

Cash paid during the year for		
Cash paid for federal excise taxes	\$ 25,000	\$ 70,000
Cash paid for unrelated business income tax	\$ 602	\$ 1,105
Cash paid for other federal taxes	\$ -	\$ 20,000

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

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

1. GENERAL INFORMATION

The Walter S. Johnson Foundation (Foundation), a nonprofit private foundation organization located in San Francisco, California, provides grants to organizations primarily in Northern California and Nevada, that qualify as public charities under Section 501(c)(3) of the Internal Revenue Code. The grants reflect the Foundation's goal to assist disadvantaged and transition-aged foster youth to become successful adults by promoting positive change to the policies and systems that serve them and supporting high impact and promising practices in the following areas:

- Provision of supportive services, and
- Promotion of success in college and career

2. PROGRAM GRANTS

Through its grants, the Foundation:

- *Supports systemic change through policy reform initiatives*, including legislative and administrative action;
- *Partners with strategic thinkers* to support programs and policies designed to put youth on a successful path toward a sustainable future;
- *Collaborates with other funders* to engage and build meaningful partnerships;
- Leverages the unique and independent role of philanthropy to *provide nimble funding for creative, strategic and timely solutions; and*
- *Supports organizational improvements* across infrastructure, communications, data collection, and analysis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of Walter S. Johnson Foundation have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

The Foundation has not received contributions with donor-imposed restrictions. The net assets and revenues, expenses, gains and losses of the Foundation are classified and reported as net assets without donor restrictions because they are not subject to donor-imposed restrictions.

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less. The Foundation maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalent accounts.

Investments

Investments are carried at fair value, which is primarily based upon quoted market prices. Realized gains or losses on the sales of investments are determined based upon the specific costs of securities sold. Unrealized appreciation or depreciation in the value of investments is recognized in the statements of activities as the change in the difference between market values between periods. Investments in limited partnerships are valued at fair value by the general partner after considering the nature of the underlying portfolios, liquidity and market conditions. The Foundation's portfolio is diversified throughout many industries and geographies. Because these investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

Fair value measurements

Fair value is defined 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."

A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- *Level 3* - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Property and equipment

Property and equipment are recorded at cost. Depreciation is calculated on the straight-line basis over the estimated useful life of the assets which is 5 years.

Grants

Grant requests are recorded as expenses in the year they are approved by the Trustees.

Taxes

The Foundation has received notification from the Internal Revenue Service and the State of California that it qualifies as an exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively, and is, accordingly, exempt from income tax except for income tax on unrelated business taxable income.

The Foundation is a private foundation as defined in Section 509 of the Internal Revenue Code. It is subject to excise tax on net investment income as provided in Section 4940 of the Internal Revenue Code. The Foundation is also required under Section 4942 of the Internal Revenue Code to distribute certain minimum amounts within specified periods.

Federal excise tax expense related to taxable net investment income for the years ended December 31, 2020 and 2019 was \$21,890 and \$90,141, respectively. The deferred tax expense was \$367,167 and \$118,093, respectively, related to the net unrealized appreciation (depreciation) on investments held at December 31, 2020 and 2019, respectively.

Walter S. Johnson Foundation  
Notes to Financial Statements  
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain income tax positions

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Foundation's federal returns for the years ended December 31, 2019, 2018, and 2017 could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Foundation's state returns for the years ended December 31, 2019, 2018, 2017 and 2016 could be subject to examination by state taxing authorities, generally for four years after they are filed.

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation. These reclassifications had no effect on the change in net assets for the prior year.

Subsequent events

Management of the Foundation has evaluated events and transactions subsequent to December 31, 2020 for potential recognition or disclosure in the financial statements available to be issued September 7, 2021. The Foundation does not have a subsequent event that required disclosure in the financial statements for the year ended December 31, 2020. Subsequent events have been evaluated through the date the financial statements became available to be issued.

Walter S. Johnson Foundation  
Notes to Financial Statements  
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4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money Market Investments	\$ 199,211	\$ -	\$ -	\$ 199,211
Equities	76,967,783	-	-	76,967,783
Fixed Income	18,017,090	-	-	18,017,090
Commonfund Partners	-	-	2,073,498	2,073,498
TIFF Partners IV, LLC	-	-	10,141	10,141
TIFF Private Equity Partners 2008, LLC	-	-	2,971,951	2,971,951
Stadium Capital Partners	-	-	5,744,999	5,744,999
Coliseum Capital Partners	-	-	20,065,353	20,065,353
Everside Funds	-	-	6,504,516	6,504,516
	<u>\$ 95,184,084</u>	<u>\$ -</u>	<u>\$ 37,370,458</u>	<u>\$ 132,554,542</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money Market Investments	\$ 393,682	\$ -	\$ -	\$ 393,682
Equities	63,159,827	-	-	63,159,827
Fixed Income	20,978,928	-	-	20,978,928
Commonfund Partners	-	-	2,129,273	2,129,273
TIFF Partners IV, LLC	-	-	25,141	25,141
TIFF Private Equity Partners 2008, LLC	-	-	1,712,011	1,712,011
Stadium Capital Partners	-	-	3,910,276	3,910,276
Coliseum Capital Partners	-	-	12,632,979	12,632,979
Everside Funds	-	-	3,614,553	3,614,553
	<u>\$ 84,532,437</u>	<u>\$ -</u>	<u>\$ 24,024,233</u>	<u>\$ 108,556,670</u>

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

4. INVESTMENTS (continued)

The following table sets forth a summary of changes in the fair value of Level 3 investments for the year ended December 31, 2020:

	TIFF Absolute Return Pool II	Commonfund Partners	TIFF Partners IV, LLC	TIFF Private Equity Partners 2008, LLC	Stadium Capital Partners	Coliseum Capital Partners	Everside Funds	Total
Balance at December 31, 2019	\$ -	\$ 2,129,273	\$ 25,141	\$ 1,712,011	\$ 3,910,276	\$ 12,632,979	\$ 3,614,553	\$ 24,024,233
Realized gain (loss)	-	174,096	(8,347)	419,854	(1,070,388)	399,778	287,387	202,380
Change in unrealized appreciation (depreciation)	-	172,192	(853)	1,533,671	1,905,111	7,032,596	652,121	11,294,838
Net contributions (distributions)	-	(402,063)	(5,800)	(693,585)	1,000,000	-	1,950,455	1,849,007
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 2,073,498</u>	<u>\$ 10,141</u>	<u>\$ 2,971,951</u>	<u>\$ 5,744,999</u>	<u>\$ 20,065,353</u>	<u>\$ 6,504,516</u>	<u>\$ 37,370,458</u>

The following table sets forth a summary of changes in the fair value of Level 3 investments for the year ended December 31, 2019:

	TIFF Absolute Return Pool II	Commonfund Partners	TIFF Partners IV, LLC	TIFF Private Equity Partners 2008, LLC	Stadium Capital Partners	Coliseum Capital Partners	Everside Funds	Total
Balance at December 31, 2018	\$ 6,813,701	\$ 2,694,772	\$ 85,531	\$ 3,605,250	\$ 3,354,362	\$ 10,495,436	\$ 2,090,728	\$ 29,139,780
Realized gain (loss)	3,655,967	410,416	(93,557)	1,492,594	394,638	767,165	(7,747)	6,619,476
Change in unrealized appreciation (depreciation)	(3,218,024)	(163,916)	52,356	(1,923,655)	506,337	1,370,378	570,790	(2,805,734)
Net contributions (distributions)	(7,251,644)	(811,999)	(19,189)	(1,462,178)	(345,061)	-	960,782	(8,929,289)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 2,129,273</u>	<u>\$ 25,141</u>	<u>\$ 1,712,011</u>	<u>\$ 3,910,276</u>	<u>\$ 12,632,979</u>	<u>\$ 3,614,553</u>	<u>\$ 24,024,233</u>

Investments held at fair value and cost as of December 31, 2020 consisted of the following:

	Fair Value	Cost
Marketable equity securities	\$ 76,967,783	\$ 51,955,332
Fixed income funds	18,017,090	17,556,237
Limited partnerships	37,370,458	22,912,991
Cash equivalents and money market funds	199,211	199,211
	<u>\$ 132,554,542</u>	<u>\$ 92,623,771</u>

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

4. INVESTMENTS (continued)

Investments held at fair value and cost as of December 31, 2019 consisted of the following:

	Fair Value	Cost
Marketable equity securities	\$ 63,159,827	\$ 52,635,350
Fixed income funds	20,978,928	21,171,420
Limited partnerships	24,024,233	20,861,604
Cash equivalents and money market funds	393,682	393,682
	\$ 108,556,670	\$ 95,062,056

There are certain limitations on availability of long-term investment funds totaling \$14,332,773 which are subject to certain lockup restrictions.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2020	2019
Computers and equipment	\$ 8,041	\$ 8,041
Less: accumulated depreciation	(6,165)	(4,557)
	\$ 1,876	\$ 3,484

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,608 and \$1,735, respectively.

6. GRANTS PAYABLE

Grants payable in more than one year are discounted to their present value at the time the grants are made using risk-free interest rates. Grants payable as of December 31, 2020, are payable in the following years:

Grants payable are payable in the following years:

Year ending December 31,	2020	2019
2020	\$ -	\$ 1,650,000
2021	1,524,000	-
2022	145,000	-
	\$ 1,669,000	\$ 1,650,000



Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

7. COMMITMENTS

Investments

As of December 31, 2020, the Foundation had commitments to invest an additional \$7,800,522 in current alternative investment (private equity and partnership) holdings. The timing of the capital calls will be determined by the General Partners of the partnerships.

8. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020 and 2019, the Foundation held investments in Coliseum Capital Partners (the "CCP Fund"). See Note 4. A current member of the Investment Committee (who is also a former Adjunct Trustee and the son of a former Trustee) has a significant ownership interest (i) in the General Partner of the CCP Fund and, (ii) in Coliseum Capital Management, the management company of the CCP Fund. Investment management fees paid to Coliseum Capital Partners for the years ended December 31, 2020 and 2019 totaled approximately \$196,000 and \$167,000, respectively.

The Foundation also held an investment in Everside Funds. See Note 4. An affiliate of Coliseum Capital Management (see previous paragraph) has a majority ownership interest in the management company and in the general partner of the Everside Funds. Investment management fees paid to Everside Funds for the years ended December 31, 2020 and 2019 totaled approximately \$133,000 and \$84,000, respectively.

9. PROVISION FOR FEDERAL EXCISE / UNRELATED BUSINESS INCOME TAXES

Federal excise taxes

For 2019, the Internal Revenue Code imposed excise tax on private foundations of 2% of the net investment income, which was defined as interest, dividends, net capital gains realized, partnership and other investment income less expenses directly connected with the production and collection of the investment income. The tax was reduced to 1% if the Foundation met certain distribution requirements. The provision for the 2019 current net investment income tax as shown below was calculated using a 1% rate for the year ended December 31, 2019. For tax years beginning after December 20, 2019, the excise tax is 1.39% of net investment income, and there is no reduced 1% tax rate. The provision for the deferred income tax on the unrealized appreciation of investments is calculated using a 1.39% rate as of December 31, 2020 and 2019.

For the years ended December 31, 2020 and 2019 federal excise tax expense consisted of the following:

	2020	2019
Current federal excise tax expense	\$ 21,890	\$ 90,141
Deferred federal excise tax expense	367,167	118,093
	\$ 389,057	\$ 208,234

Walter S. Johnson Foundation  
Notes to Financial Statements  
December 31, 2020 and 2019

9. PROVISION FOR FEDERAL EXCISE / UNRELATED BUSINESS INCOME TAXES  
(continued)

Unrelated business income taxes

In accordance with Section 511(a)(1) of the Internal Revenue Code, the Foundation is subject to corporate tax rates on net income earned from unrelated business activities. During the years ended December 31, 2020 and 2019, the Foundation had net operating loss carryforwards for tax purposes of approximately \$68,000 and \$65,000 available to offset unrelated business income. These carryforwards will begin to expire in 2026 if not previously utilized.

In accordance with the California Revenue and Taxation code and the codes of other states, the Foundation is subject to state corporate tax rates on net income earned from unrelated business activities. As of December 31, 2020 and 2019, the Foundation had net operating loss carryforwards for California tax purposes of \$85,910 and \$85,910, respectively.

Unrelated business income tax for the years ended December 31, 2020 and 2019 was \$602 and \$945, respectively.

10. LIQUIDITY AND FUNDS AVAILABLE

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

There are certain limitations on availability of long-term investment funds totaling \$14,332,773 which are subject to certain lockup restrictions. The Foundation would not be able to access these funds to support general expenditures within one-year from the statement of financial position.

The Foundation's financial assets available within one year of December 31, 2020 to meet general expenditures include:

Cash and cash equivalents	\$ 297,592
Investments	132,554,542
Dividends and interest receivable	24,502
Less: amounts unavailable for general expenditures within one year	<u>(14,332,773)</u>
	<u>\$ 118,543,863</u>

Walter S. Johnson Foundation  
Notes to Financial Statements  
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11. RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. Impacts to the Foundation include possible significant fluctuations in investment values due to the effect of the pandemic on financial markets. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the pandemic and its financial impact.