



THE ASPEN) INSTITUTE

Financial Statements

For the Year Ended December 31, 2020

(With Summarized Financial Information for the Year Ended December 31, 2019)



**and
Report Thereon**



THE ASPEN INSTITUTE
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For the Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Aspen Institute

Report on the Financial Statements

We have audited the accompanying financial statements of The Aspen Institute (the Institute), which comprise the statement of financial position as of December 31, 2020, and 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.

Auditors' 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 auditors' 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 2020 financial statements referred to above present fairly, in all material respects, the financial position of The Aspen Institute 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.

Other Matters*Report on Summarized Comparative Information*

We have previously audited the Institute's 2019 financial statements, and in our report dated July 14, 2020, we expressed an unmodified opinion on those audited financial statements. 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.

Handwritten signature of Marcum LLP in cursive script.

Washington, DC
July 16, 2021

THE ASPEN INSTITUTE
STATEMENT OF FINANCIAL POSITION
December 31, 2020
(With Summarized Financial Information as of December 31, 2019)
(Dollars in Thousands)

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 8,180	\$ 14,263
Accounts and other receivables	5,437	7,239
Investment related receivables	20,000	-
Grants and contributions receivable, net	40,677	31,343
Prepaid expenses and other assets	3,503	3,550
Inventory	139	146
Investments	239,897	222,592
Investments held for deferred compensation	6,757	5,795
Assets held for sale	8,520	8,595
Property and equipment, net	60,672	55,653
Security deposits	444	444
	<u>\$ 394,226</u>	<u>\$ 349,620</u>
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 11,902	\$ 14,781
Grants payable	2,359	4,267
Customer deposits and deferred fees	2,737	2,134
Refundable advance	4,000	-
Capital lease obligations	97	144
Deferred rent and lease incentive	14,143	14,186
Deferred compensation	6,757	5,795
	<u>41,995</u>	<u>41,307</u>
TOTAL LIABILITIES		
Net Assets		
Without donor restrictions		
Board-designated funds	81,755	70,459
Plant fund	55,003	48,547
	<u>136,758</u>	<u>119,006</u>
Total Without Donor Restrictions		
With donor restrictions	215,473	189,307
	<u>352,231</u>	<u>308,313</u>
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS		
	<u>\$ 394,226</u>	<u>\$ 349,620</u>

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

THE ASPEN INSTITUTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)
(Dollars in Thousands)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
OPERATING REVENUE AND SUPPORT				
Project and federal grants	\$ 3,881	\$ 80,524	\$ 84,405	\$ 77,181
Contributions	18,612	28,262	46,874	31,928
Seminar and event fees	1,699	-	1,699	11,429
Conference centers fees	5,556	-	5,556	10,941
Service fees	6,870	-	6,870	11,462
Investment income, net appropriated for operations	6,312	4,346	10,658	5,524
Sponsorship revenue	3,853	-	3,853	8,504
Other	168	-	168	805
Rental income	424	-	424	390
Net assets released from restrictions:				
Satisfaction of time restrictions	9,345	(9,345)	-	-
Satisfaction of program restrictions	83,413	(83,413)	-	-
	<u>140,133</u>	<u>20,374</u>	<u>160,507</u>	<u>158,164</u>
OPERATING EXPENSES				
Program Services:				
Policy programs	64,867	-	64,867	67,588
Campus activities	10,096	-	10,096	18,067
Public programs	6,308	-	6,308	13,296
Aspen Global Leadership Network and Innovation funds	6,503	-	6,503	8,483
Seminars	822	-	822	995
Youth and engagement	2,268	-	2,268	2,717
Other restricted programs	7,464	-	7,464	4,778
	<u>98,328</u>	<u>-</u>	<u>98,328</u>	<u>115,924</u>
Supporting Services:				
General and administrative	26,431	-	26,431	25,913
Fundraising and development	3,854	-	3,854	4,510
	<u>30,285</u>	<u>-</u>	<u>30,285</u>	<u>30,423</u>
	<u>128,613</u>	<u>-</u>	<u>128,613</u>	<u>146,347</u>
Change in net assets from operations	11,520	20,374	31,894	11,817
NONOPERATING ITEMS				
Investment income (loss), net in excess of appropriation	8,232	5,792	14,024	20,191
Provision (expense) for deferred taxes	-	-	-	(1,743)
Loss on uncollectible pledge	(2,000)	-	(2,000)	(790)
CHANGE IN NET ASSETS	17,752	26,166	43,918	29,475
NET ASSETS, BEGINNING OF YEAR	<u>119,006</u>	<u>189,307</u>	<u>308,313</u>	<u>278,838</u>
NET ASSETS, END OF YEAR	<u>\$ 136,758</u>	<u>\$ 215,473</u>	<u>\$ 352,231</u>	<u>\$ 308,313</u>

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

THE ASPEN INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)
(Dollars in Thousands)

	Program Services							Supporting Services					2020 Total	2019 Total
	Policy Programs	Campus Activities	Public Programs	Aspen Global Leadership Network and Innovation Funds	Seminars	Youth and Engagement	Other Restricted Programs	Total Program Services	General and Administrative	Fundraising and Development	Total Supporting Services			
Salaries	\$ 24,313	\$ 1,186	\$ 3,812	\$ 3,047	\$ 421	\$ 851	\$ 3,730	\$ 37,360	\$ 13,272	\$ 2,334	\$ 15,606	\$ 52,966	\$ 49,240	
Contracted services	9,733	8,429	490	865	154	423	1,247	21,341	4,690	215	4,905	26,246	35,572	
Fringe benefits	7,035	359	1,134	895	127	256	1,106	10,912	915	705	1,620	12,532	12,110	
Grants	10,402	-	-	-	-	-	246	10,648	-	-	-	10,648	6,331	
Awards and scholarship	5,563	-	39	526	-	102	63	6,293	-	-	-	6,293	4,790	
Occupancy and utilities	2,721	45	332	265	44	19	487	3,913	1,941	204	2,145	6,058	5,651	
Travel	2,526	25	176	482	23	304	44	3,580	223	63	286	3,866	18,507	
Depreciation and amortization	-	-	-	-	-	-	-	-	3,538	-	3,538	3,538	3,728	
Supplies	772	35	121	77	28	120	349	1,502	1,126	118	1,244	2,746	3,455	
Partner reimbursements	1,074	0	-	-	-	-	57	1,131	-	-	-	1,131	2,861	
Communications	358	14	140	49	3	96	66	726	210	14	224	950	1,462	
Publications	370	3	64	37	22	63	69	628	148	22	170	798	1,842	
Bad debts	-	-	-	260	-	34	-	294	4	179	183	477	397	
Insurance	-	-	-	-	-	-	-	-	364	-	364	364	401	
TOTAL EXPENSES	\$ 64,867	\$ 10,096	\$ 6,308	\$ 6,503	\$ 822	\$ 2,268	\$ 7,464	\$ 98,328	\$ 26,431	\$ 3,854	\$ 30,285	\$ 128,613	\$ 146,347	

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

THE ASPEN INSTITUTE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)
(Dollars in Thousands)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 43,918	\$ 29,475
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization – property and equipment	3,538	3,599
Depreciation and amortization – assets held for sale	-	129
Unrealized gains on investments	(23,780)	(25,667)
Realized gains on investments	(146)	(196)
Expense (provision) for deferred taxes	-	1,743
Contributions restricted for long-term purposes	(3,878)	(36)
Change in the present value discount for grants and contributions	55	(666)
Gain on sale of property	(903)	-
Loss on disposal of equipment	29	-
Loss on uncollectible pledge	2,000	790
Bad debts recovery	(710)	(564)
Changes in assets and liabilities:		
Accounts and other receivables	1,802	8,330
Investment related receivables	(20,000)	-
Grants and contributions receivable	(10,679)	3,314
Prepaid expenses and other assets	47	(211)
Inventory	7	2
Security deposits	-	83
Accounts payable and accrued expenses	(4,129)	1,975
Grants payable	(1,908)	(641)
Customer deposits and deferred fees	603	(3,574)
Refundable advance	4,000	-
Deferred rent and lease incentive	(43)	(75)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(10,177)	17,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,478)	(1,842)
Proceeds received from sale of property	1,120	-
Purchases of investments	(305,648)	(73,655)
Proceeds from sales of investments	312,269	65,450
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	263	(10,047)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed received from note payable	8,000	-
Principal payment on note payable	(8,000)	-
Principal payments on capital lease obligations	(47)	(61)
Contributions restricted for long-term purposes	3,878	36
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	3,831	(25)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,083)	7,738
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,263	6,525
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,180	\$ 14,263
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 6	\$ -
Noncash Financing and Investing Activities:		
Equipment acquired under a capital lease	\$ -	\$ 23
Obligation of equipment acquired under a capital lease	-	(23)
Fixed assets included in accounts payable and accrued expenses	1,117	133
Total Noncash Financing and Investing Activities	\$ 1,117	\$ 133

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

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies

Organization

The Aspen Institute (the Institute) is a Colorado nonprofit corporation that is funded mainly through conference, seminar and event fees, contracts, and grants and contributions from foundations, individuals and corporations. The primary purpose of the Institute is twofold: to foster values-based leadership, encouraging individuals to reflect on the ideals and ideas that define a good society, and to provide a neutral and balanced venue for discussing and acting on critical issues. It convenes leaders and emerging leaders from around the world to focus on critical, value-laden issues that confront societies, organizations and individuals. Utilizing the rigorous discipline of informed dialogue and inquiry, the Institute's programs enhance the participants' ability to think clearly about such issues while still remaining mindful of the primacy of the moral perspective and the importance of differing viewpoints.

The Institute's principal office is located in Washington, D.C. Its conference facilities are in Aspen, Colorado, and were on the Wye River in Maryland through December 30, 2020, the date the Institute closed the facility as disclosed in Note 9. The Institute also has offices in New York City. The Institute operates outside the United States through a network of partners based in France, Germany, Italy, Spain, the Czech Republic, Mexico, India, Romania, Ukraine, Japan, New Zealand and United Kingdom. Each of the foreign entities operates as a separate and distinct organization, with no support or financial relationship to the Institute.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Cash Equivalents

The Institute considers highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Institute invests in a professionally managed portfolio that contains money market funds, equity mutual funds, fixed-income securities, and limited partnerships. Investments are reported in the accompanying statement of financial position at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses. Donated investments are recorded as contributions based on their fair market value at the date of donation. For unsettled purchases and sales as of the reporting period date, the purchase price is recorded as investment related receivables or payables and are included in the accompanying statement of financial position.

The estimated fair value of investments in limited partnerships, which are not readily marketable, is based on the ownership percentage of the underlying fund or partnerships' capital as of the measurement date. The funds and partnerships value underlying securities

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Investments (continued)

and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment funds and partnerships, which may include private placements and other securities for which prices are not readily available, are determined by the general partners or managers of the respective investment partnerships and funds, and may not reflect amounts that could be realized upon immediate sale nor amounts that may be ultimately realized. The Institute follows the accounting guidance that permits, as a practical expedient, the fair value of investments within its scope to be estimated using net asset value (NAV) or its equivalent. Because of the inherent uncertainty of the valuation of these funds and of certain of the underlying investments held by these funds, their values may differ significantly from values that would have been used had a ready market for the investments existed.

The Institute has placed a majority of its investments held with its third-party investment advisor in a limited partnership investment which invests in funds of funds. See Note 3 for more details.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Institute has categorized its applicable assets and liabilities measured at fair value into a required 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). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Institute has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As of and for the year ended December 31, 2020, only the Institute's investments and investments held for deferred compensation, as described in Note 3 of these financial statements, were measured at fair value on a recurring basis.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Accounts, Grants and Contributions Receivable

Accounts, grants and contributions receivable are recorded at their present net realizable value. Accounts past due are individually analyzed for collectibility. When all collection efforts have been exhausted, the account is written off against an allowance account. Management annually adjusts the allowance account based upon its estimate of those accounts, grants and contributions receivable it believes to be uncollectible.

Assets Held for Sale

During the year 2019, the Institute's Board of Directors approved a plan to cease the operations of the Wye River Conference Center and actively market the Wye River Center properties located in Maryland. In accordance with accounting principles generally accepted in the United States of America (GAAP), these properties were classified as assets held for sale in the statement of financial position according to the criteria: (1) the properties immediately available for sale; (2) it was actively marketed for sale at a reasonable price in relation to its current fair value (3) the management agreement with the Marriott Corporation to manage and operate the Wye River Conference Center was terminated as disclosed at Note 9; and (4) the Agreement for the Purchase and Sale of Property was made on November 15, 2019 to sell one of the properties for \$1.1 million and the sale was settled on February 28, 2020 (5) the Agreement for the Purchase and Sale of Property was made on August 3, 2019, and amended on March 30, 2020 to sell one of the properties for \$500 thousand; (6) the sale of the rest of properties are probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year of statement of financial position date. Additionally, long-lived assets held for sale are reported at the lower of the asset's carrying value or fair value less cost to sell and are not depreciated. No impairment was recognized, as the estimated fair value of the land less cost to sell exceeds the carrying value, and as such, the asset was reported at its carrying value.

Property and Equipment and Related Depreciation and Amortization

Property and equipment purchases greater than \$5,000 are capitalized and carried at cost in the statement of financial position. Donated land, buildings and other property and equipment are stated at fair market value at the date of donation. Expenditures for major additions, renewals and improvements are capitalized; expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is reflected in the accompanying statement of activities. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets. Costs related to construction in progress are not depreciated until the assets are completed and placed in service.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation and Amortization (continued)

The estimated useful lives for property and equipment are as follows:

<u>Category</u>	<u>Estimated Life</u>
Buildings and improvements	3-35 years
Furniture and fixtures	3-13 years
Computers and software	3-5 years
Equipment	5-10 years
Ground improvements	3-40 years
Property held under capital lease	4-5 years
Leasehold improvements	Shorter of remaining term of lease or 3-10 years

Impairment of Long-Lived Assets

The Institute reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of December 31, 2020, the Institute had not recognized any impairment loss.

Classification of Net Assets

The net assets and revenues of the Institute are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Institute and changes therein are classified and reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of the Institute's general operations, including the plant fund as well as amounts designated by the Board of Trustees.
- Net assets with donor restrictions represent amounts that are specifically restricted by donors or grantors for various programs, specific future time periods, or the endowment funds of the Institute, which are required to be held in perpetuity.

Support and Revenue Recognition

The Institute reports unconditional gifts and grants of cash and other assets as available for general operations unless specifically restricted by the donor. If gifts and grants are received with donor stipulations that limit the use of the donated funds or assets to a particular purpose or to specific time periods, the Institute reports them as contributions with donor restrictions. When a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Unconditional gifts and grants that are expected to be collected within one year are recorded at net realizable value.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Support and Revenue Recognition (continued)

Unconditional gifts and grants that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a rate commensurate with the risks identified. Amortization of the discounts is included in contribution revenue.

The Institute has cost-reimbursable grants with U.S. government agencies. Revenue from these grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenues from these U.S. government grants is recognized when the Institute has incurred expenditures in compliance with the grant provisions plus allowable indirect expenses based on the Institute approved negotiated indirect cost rate with the federal government. Amounts related to these conditional grants that are recognized and released in the same year are included as grants without donor restrictions in the accompanying statement of activities. Revenue recognized on these grants for which billings have not been presented to or collected from the grantors is included in grants and contributions receivable in the accompanying statement of financial position.

Conference center fees, seminar and event fees, sponsorship, and service fees are recognized at the point in time that the conference or meeting occurs, or when services delivered. Recognition of revenue related to future conferences, seminar and events is reported as customer deposits and deferred fees in the accompanying statement of financial position.

Functional Allocation of Expenses

The costs of providing various general and administrative expenses (such as accounting, human resources and systems support) are allocated among programs and supporting activities based on budgeted levels of related departmental costs. Other expenses that benefit both supporting and program activities, such as occupancy and depreciation, are allocated based on estimated usage or other relevant factors.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Measure of Operations

Operating revenue and expenses generally reflect those revenues and expenses that management can influence, including annual authorized operating support from the endowment and investment pool based on the spending formula established by the Institute's Board of Trustees. Nonoperating activities include investment earnings (losses) of the investment portfolio in excess of endowment, changes in donor intent and other earnings appropriated for expenditure, the provision for deferred taxes and the loss on lease termination.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

2. Grants and Contributions Receivable

Grants and contributions receivable include unconditional promises to give from foundations, corporations and individual donors, which were due as follows as of December 31, 2020 (in thousands):

Less than one year	\$ 6,977
One to five years	<u>38,214</u>
Total Grants and Contributions Receivable	45,191
Less: Discount to Net Present Value (1.03-3.8%)	(2,161)
Less: Allowance for Doubtful Accounts	<u>(2,353)</u>
Grants and Contributions Receivable, Net	<u>\$ 40,677</u>

During 2015, the Institute received a contribution from one of its board members in the amount of \$10 million to establish a term endowment for a leadership fund. The same board member has conditionally promised an additional \$2 million match if the Institute is able to raise \$7 million of contributions toward the leadership fund from other donors. As of December 31, 2020, the Institute had raised total of approximately \$3.6 million contributions from other donors toward the leadership fund, and therefore it had not recognized any revenue from the conditional pledge. In addition, as of December 31, 2020, the Institute had approximately \$46 million in conditional grants receivable from various donors, in varying amounts, which were not reflected on the accompanying statement of financial position. These conditional project grants require the Institute's completion of contractual tasks, milestones and other matching requirements which are subject to periodic donor review and approval before the project may continue and, therefore, the Institute has not recognized any revenue from the conditional portions of these grants.

Additionally, the Institute has received cost-reimbursable grants from U.S. federal agencies totaling approximately \$26.6 million, of which approximately \$11.6 million had been obligated for expenditure. As of December 31, 2020, the Institute had approximately \$17 million under the obligated amounts that had yet to be recognized because qualifying expenditures had not yet been incurred.

3. Investments and Investments Held for Deferred Compensation

The Institute's investments and investments held for deferred compensation, at fair value, consisted of the following as of December 31, 2020 (in thousands):

Limited partnerships	\$ 187,495
Equity mutual funds	16,156
Fixed-income securities	11,183
Money market funds	<u>25,063</u>
Total Investments	239,897

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

3. Investments and Investments Held for Deferred Compensation (continued)

(continued)

Investments held for deferred compensation	<u>\$ 6,757</u>
Total Investments and Investments Held for Deferred Compensation	<u>\$ 246,654</u>

As of December 31, 2020, approximately 77% of the Institute's investments were invested in limited partnerships, which are generally not readily marketable. Accordingly, the fair value of these investments may differ materially from the value that would have been used had an established market for such investments existed. Future events will also affect the estimates of fair value, and the effect of such events could be material.

The following table summarizes the Institute's assets measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Investments:				
Money market funds	\$ 25,063	\$ 25,063	\$ -	\$ -
Equity mutual funds:				
Large blend	12,053	12,053	-	-
Foreign large blend	4,103	4,103	-	-
Fixed income				
U.S. Treasury obligations	10	-	10	-
U.S. government securities	1,767	-	1,767	-
Corporate and foreign bonds	<u>9,406</u>	<u>-</u>	<u>9,406</u>	<u>-</u>
Subtotal	52,402	<u>\$ 41,219</u>	<u>\$ 11,183</u>	<u>\$ -</u>
Investments measured using NAV as a practical expedient:				
Limited partnerships	<u>187,495</u>			
Total Investments	<u>239,897</u>			
Investments held for deferred compensation:				
Mutual funds	5,225	\$ -	\$ 5,225	\$ -
Variable annuities	206	-	206	-
Investment contract with insurance company	<u>1,326</u>	<u>-</u>	<u>-</u>	<u>1,326</u>
Total investments held for deferred compensation	<u>6,757</u>	<u>\$ -</u>	<u>\$ 5,431</u>	<u>\$ 1,326</u>
Total Assets	<u>\$ 246,654</u>			

THE ASPEN INSTITUTE

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

3. Investments and Investments Held for Deferred Compensation (continued)

The Institute used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Money market funds, equity mutual funds and fixed income securities – Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market funds and equity mutual funds. If quoted market prices in an active market are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These instruments in the investment portfolio, which would generally be classified within Level 2 of the valuation hierarchy, include fixed income securities. Investments held for deferred compensation include mutual funds, variable annuities and an investment contract with an insurance company. The mutual funds are valued at the NAV of units held and are classified within Level 2 of the valuation hierarchy, as the mutual funds are not traded on a public exchange. The investment contract with an insurance company is classified within Level 3. The variable annuities are primarily valued using market quotations or prices obtained from independent pricing sources that may employ various pricing methods to value the investments, including matrix pricing.

Limited partnerships – These consist of investments in partnerships that trade and invest in domestic and international equity funds, hedge funds and real asset funds, as well as marketable equity securities, debt instruments, convertible securities, options, warrants, futures, swaps, other derivatives and nonpublic securities. The partnerships are subject to certain restrictions and generally have no established trading market. Fair value is determined based on the partnership or fund's NAV as provided by the partnership's fund management or the general partner of the respective fund.

For the year ended December 31, 2020, there was \$361 thousand in new purchases for the investment contract in Level 3 above and no sales.

The Institute invests in certain entities that calculate NAV per share in accordance with guidance relative to investment companies, and these investments are reported at fair value based on the NAV per share, as reported by the investee. A summary of the significant categories of such investments and their attributes as of December 31, 2020, is as follows (in thousands):

	<u>Fair Value</u>	<u>Number of Funds</u>	<u>Unfunded Commitments</u>	<u>Redemption Terms and Restrictions</u>
Limited Partnerships	\$ 187,495	3	\$ 45	Redemption of one of the funds is available twice each calendar year with notification required prior to March 1 or September 1. The other two funds, which are less than 1% of holdings, are not eligible for redemption.
Total	<u>\$ 187,495</u>	3	<u>\$ 45</u>	

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

3. Investments and Investments Held for Deferred Compensation (continued)

The limited partnerships category includes investments whose fund strategies include, but are not limited to, direct and indirect company co-investments, buyouts, public-to-private transactions, and strategic and growth capital investments. The limited partnership that is eligible for redemption invests with a long-term, endowment-style horizon, seeking varied and nontraditional investment opportunities, in an effort to provide a diversified, single-portfolio investment strategy for investors. This fund invests primarily through its affiliated subpartnerships, although it may also invest directly in securities and other assets such as forward contracts, future contracts, and swaps and options. Based upon this approach, management of the Institute finds the resulting diversification within this fund to eliminate any concentration of risk from its investment portfolio.

4. Property and Equipment and Accumulated Depreciation and Amortization

The Institute held the following property and equipment as of December 31, 2020 (in thousands):

Buildings and improvements	\$ 65,041
Land	3,642
Leasehold improvements	9,928
Equipment	5,922
Furniture and fixtures	3,196
Ground improvements	1,450
Computers and software	1,507
Construction in progress	<u>9,898</u>
Total Property and Equipment	100,584
Less: Accumulated Depreciation and Amortization	<u>(39,912)</u>
Property and Equipment, Net	<u>\$ 60,672</u>

Depreciation and amortization expense was \$3.538 million for the year ended December 31, 2020.

5. Grants Payable

As of December 31, 2020, grants payable of \$2.359 million represented unconditional promises to give which were due in less than one year.

6. Commitments, Risks and Contingencies

Line of Credit

The Institute entered into a revolving line of credit agreement with a financial institution on December 31, 2009. Under the agreement, the Institute can borrow up to \$5 million, then increased to \$10 million, secured by the Institute's investments. Interest charged on any borrowings is calculated using a variable interest rate based on the one-month London Interbank Offered Rate plus 2.25%. As of December 31, 2020, the interest rate was

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

6. Commitments, Risks and Contingencies (continued)

Line of Credit (continued)

approximately 2.40%. This line of credit agreement is reevaluated and renewed annually by the financial institution. In addition, the Institute is required to comply with certain financial and affirmative covenants on an annual basis. There was no balance due on the line of credit agreement as of December 31, 2020. As of December 31, 2020, the Institute was in compliance with all of its financial and affirmative covenants.

Bridge Loan

The Institute entered into a bridge loan agreement with a financial institution on July 2020. Under the agreement, the Institute can borrow up to \$7,800,000, secured by the Institute's investments. Interest charged on any borrowings is calculated using a variable interest rate based on the one-month London Interbank Offered Rate plus 2.25%. As of December 31, 2020, the interest rate was approximately 2.40%. This bridge loan agreement is for 78 months. In addition, the Institute is required to comply with certain financial and affirmative covenants on an annual basis. There was no borrowings under the bridge loan agreement as of December 31, 2020. As of December 31, 2020, the Institute was in compliance with all of its financial and affirmative covenants.

Concentration of Credit Risk

The Institute maintains its cash and cash equivalents in various bank deposit accounts in which, at times, they exceed federally insured limits and, therefore, bear some risk. The amount in excess of the limit guaranteed by federal agencies was approximately \$7.493 million as of December 31, 2020. The Institute has not experienced, nor does it anticipate, any loss of funds.

Compliance Audit

The Institute has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although management expects such amounts, if any, to be insignificant.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the United States and international communities. The Institute is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, in addition to the impact on its employees. Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the Institute's operations and liquidity is uncertain as of the date of this report. While there could ultimately be a material impact on operations and liquidity of the Institute, at the time of issuance, the impact could not be determined.

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NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

6. Commitments, Risks and Contingencies (continued)

Operating Leases

The Institute occupies office space under various noncancelable operating lease agreements in Washington, D.C., and New York City. The leases contain escalation clauses for taxes and operating expenses. The Washington, D.C. lease provided the Institute with a construction allowance of \$8,996 as an incentive to enter into the lease agreement. The lease for the New York City office expires on December 31, 2021, and the lease for the Washington, D.C., office expires on December 31, 2033. Under GAAP, all lease incentives and fixed rent increases are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease incentive in the accompanying statement of financial position. The Institute also sub-leases a portion of the office space to tenants.

As of December 31, 2020, future minimum lease payments, including subtenant payments, were as follows (in thousands):

For the Year Ending December 31,	Minimum Rentals	Subtenant Payments	Net Payments
2021	\$ 5,295	\$ (270)	\$ 5,025
2022	5,432	(82)	5,350
2023	5,611	-	5,611
2024	5,752	-	5,752
2025	5,896	-	5,896
Thereafter	52,364	-	52,364
Total	\$ 80,350	\$ (352)	\$ 79,998

Rent expense incurred under the operating leases was \$6.058 million for the year ended December 31, 2020.

7. Net Assets

Board-Designated Net Assets

Board-designated net assets consisted of the following at December 31, 2020 (in thousands):

Quasi-endowment	\$ 46,627
Policy programs funds	14,249
Aspen Global Leadership Network	3,324
Reserves and other programming	17,555
Total Board-Designated Net Assets	\$ 81,755

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

7. Net Assets (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2020 (in thousands):

Purpose-restricted:	
Policy programs	\$ 58,469
Aspen Global Leadership Network	14,523
Term endowment – leadership fund	6,667
Other restricted programming	24,843
Time-restricted:	
Time-restricted pledges	\$ 23,745
Available for appropriation from endowment funds	24,601
Permanent endowments – historical gift value	<u>62,625</u>
Total Net Assets With Donor Restrictions	<u>\$ 215,473</u>

Endowment Net Assets

The Institute's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Institute's endowment fund includes quasi-endowments, term endowments, and true endowments and related appreciation.

Interpretation of Relevant Law

The Board of Trustees of the Institute has interpreted the enacted version of the District of Columbia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as net assets with donor restrictions the historical value of gifts donated to the permanent endowment and the related appreciation. Applicable accumulated amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Institute and the donor-restricted endowment fund.
- General economic conditions.
- The possible effects of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Institute.
- The investment policies of the Institute.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

7. Net Assets (continued)

Endowment Net Assets (continued)

Return Objectives and Risk Parameters

The mission of the Institute's long-term investment pool is to provide a common investment vehicle that will generate a stable and continuously growing income stream for the Institute's endowment, quasi-endowment and operating reserve funds, for which the Institute is both the trustee and the beneficiary. The overall goal of the investment pool is to preserve the purchasing power of the future stream of endowment payout for those funds and activities supported by the endowments and, to the extent this is achieved, to cause the principal to grow in value over time. Other goals include:

- To maximize return within reasonable and prudent levels of risk.
- To maximize the value of the endowment while maintaining liquidity needed to support spending in prolonged down markets.

Strategies Employed for Achieving Objectives

Extensive diversification is sought at all times. Experience has shown that financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through diversification of asset classes and selection of managers of diverse investment styles. The Board of Trustees examines the correlation of historic returns among each asset class and manager. Investment managers are appointed following a systematic search for those with demonstrated quality in the style desired. Managers are given discretion to manage funds entrusted in accordance with the style for which they are employed, provided they comply with the restrictions and limitations that may be determined by the Institute from time to time.

Spending Policy

The Institute will appropriate for expenditure in its annual budget a maximum of 4.5% of the rolling average of the market value of the endowment assets over the preceding 12 quarters, the base to be adjusted for new capital contributions to the endowment. There may be times when the Institute may opt not to take the maximum spending rate, but rather to reinvest some of the annual return. This spending rate is based on the long-term assumption of 5% nominal investment returns and a 3% inflation rate. The spending rate for the year ended December 31, 2020, was 5% which was a special rate approved by Board.

From time to time, the fair value of assets associated with individual endowment funds may fall below the fair value of the original gift(s). Deficiencies of this nature are reported as part of net assets without donor restrictions. As of December 31, 2020, there were no such deficiencies.

THE ASPEN INSTITUTE

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

7. Net Assets (continued)

Endowment Net Assets (continued)

The Institute's endowment net asset composition by fund type was as follows as of December 31, 2020 (in thousands):

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Historical gift value	\$ -	\$ 62,625	\$ 62,625
Appreciation	-	24,601	24,601
Term endowments	<u>-</u>	<u>6,667</u>	<u>6,667</u>
Subtotal	-	93,893	93,893
Board-designated endowment funds	<u>46,627</u>	<u>-</u>	<u>46,627</u>
Total Endowment Net Assets	<u>\$ 46,627</u>	<u>\$ 93,893</u>	<u>\$ 140,520</u>

The endowment activity was as follows for the year ended December 31, 2020 (in thousands):

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 37,792	\$ 88,570	\$ 126,362
Net investment income	4,301	5,791	10,092
Contributions/Additions	10,846	3,878	14,724
Appropriation of endowment assets for expenditure	<u>(6,312)</u>	<u>(4,346)</u>	<u>(10,658)</u>
Endowment Net Assets, End of Year	<u>\$ 46,627</u>	<u>\$ 93,893</u>	<u>\$ 140,520</u>

8. Employee Benefit Arrangements

Defined Contribution Plan

The Institute sponsors a defined contribution plan. Benefits are administered through the Teachers Insurance and Annuity Association – College Retirement Equities Fund.

The plan was initially established on January 1, 1964. The plan was amended and the restated provisions of the plan became effective on January 1, 2019. An employee is eligible to participate in the elective deferral portion of the plan on the date of hire. There is no minimum age an employee must attain to become a participant in the plan for purposes of making voluntary deferrals. An employee may begin participation in the employer contribution portion of the plan upon completion of a 12-month period during which the employee

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

8. Employee Benefit Arrangements (continued)

Defined Contribution Plan (continued)

completes at least 1,000 hours of service and has also attained age 21. The Institute makes a matching contribution equal to 100% of eligible employee elective deferrals that do not exceed 5% of the employee's compensation. The Institute also makes a non-elective contribution in an amount equal to a percentage of the employee's compensation based on years of services. The Institute made a contribution of \$4.826 million for the year ended December 31, 2020.

Deferred Compensation

The Institute established a 457(b) deferred compensation plan on behalf of certain executives of the Institute, effective September 1, 2002. The deferred compensation plan was organized under Section 457(b) of the Internal Revenue Code (the IRC) and is unfunded. Any distributions under the plan are to be made out of the general assets of the Institute. The Institute has set aside funds to meet this obligation. Total investments held under the deferred compensation plan, as well as the related liability, were \$6.757 million as of December 31, 2020.

Self-Insured Medical Plan

The Institute maintains a self-insured medical plan for the benefit of its employees. A stop-loss policy is in effect, which limits the Institute's loss per individual employee to \$75 thousand, and an aggregate stop-loss of \$2.996 million. The plan is administered through a contractual relationship with an unrelated company. The Institute is solely responsible for all claims incurred up to the amount of the stop-loss provisions. The Institute's expense under the plan amounted to \$4.871 million for the year ended December 31, 2020. The Institute included a provision for estimated claims in accounts payable and accrued expenses in the accompanying statement of financial position in the amount of \$1.337 million as of December 31, 2020.

Retiree Medical Benefits

The Institute also provides retiree health coverage for current and future retirees. All employees may become eligible for these benefits if they reach normal retirement age while working for the Institute and meet certain service requirements. The retiree is responsible for the entire cost of the insurance premium.

9. Management Contracts

The Institute had an agreement with the Marriott Corporation to manage and operate the Wye River Conference Center. This agreement was scheduled to expire on December 31, 2018. However, both parties mutually agreed to terminate the contract as of December 31, 2017. A new management contract was entered into with Wyndham Worldwide Corporation (Wyndham) to manage and operate the Wye River Conference Center effective January 1, 2017, for five years expiring on December 31, 2021. This agreement provides for a flat annual management fee of \$125 thousand. On December 31, 2019, the Institute terminated the management contract to cease operations at the Wye River Conference Center. The Institute signed the final agreement to buy out the remaining management contract term for \$125 thousand in 2020.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

9. Management Contracts (continued)

The Institute has a management contract with Wyndham to manage the conference facilities in Aspen, Colorado. Wyndham annually establishes procedures and rates for use of the facilities for the Institute's groups and other local nonprofit groups with the prior approval of the Institute. Wyndham's management is monitored annually using performance standards established by the Institute and is compensated based on an incentive management fee schedule. The Institute and Wyndham have entered into a second renewal term on the original management agreement extending the contract until December 31, 2021. In March 2021, the Institute entered into a third renewal agreement extending the contract through April 30, 2022.

10. Availability and Liquidity

As of December 31, 2020, the Institute's financial assets available to meet general expenditures within one year were as follows (in thousands):

Cash and cash equivalents	\$ 8,180
Investment related receivables	20,000
Accounts receivable	5,437
Grants and contracts receivable	40,677
Investments and deferred compensation investments	<u>246,654</u>
Total Financial Assets	320,948
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(215,473)
Plus net assets released from restrictions within a year	<u>124,257</u>
Net assets with donor restrictions greater than a year	(91,216)
Board designated funds	(81,755)
Deferred compensation liability	<u>(6,757)</u>
Plus:	
Estimated endowment appropriation for next year	<u>5,087</u>
Financial Assets Available to Meet	
General Expenditures Within One Year	<u>\$ 146,307</u>

The Institute is substantially supported by restricted contributions. Because the donor's restriction requires these resources to be used in a specific manner or future period, the Aspen Institute must maintain sufficient resources to fulfill those responsibilities to donors and may not be used for general expenditures. The Aspen Institute has policies in place to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The organization invests cash in excess of daily requirements in both short term and long term investments. The short-term investments are available within 48 hours and the long-term investments are available twice a year. The Institute also has a quasi-endowment in the amount of \$47.03 million as of December 31, 2020. Per policy the organization utilizes 4.5% of a 12-quarter rolling average of the balance of this fund in annual operations. With approval of the Finance Committee of the Board of Trustees, this fund is also available if additional funding is required by the organization. If there is excess surplus in a given year, Management will designate a portion of this surplus to this fund. In the event of unanticipated liquidity needs, the Aspen Institute could also draw on its \$10 million revolving line of credit discussed in Note 6.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

11. Income Taxes

The Institute is exempt from federal income taxes under Section 501(c)(3) of the IRC. However, income from certain activities not directly related to the Institute's tax-exempt purpose is subject to taxation as unrelated business income. The Institute generates unrelated business income from advertising, investment and rental income.

Under the asset and liability method of Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as revenue or expense in the period that includes the enactment date.

The Institute had a deferred tax asset of approximately \$3.819 million resulting from a federal net operating loss carryforward of approximately \$13.929 million and state net operating loss carryforwards of approximately \$14.332 million as of December 31, 2020. The Institute's deferred tax asset had been partially reserved by management as of December 31, 2020, due to uncertainty over the ability to recognize any future tax benefit from its federal and state net operating loss carryforward based upon projections for operating and taxable losses. The net operating loss carryforward will expire in 2022 through 2038.

The net deferred tax asset consisted of the following as of December 31, 2020 (in thousands):

Deferred tax asset	\$ 3,819
Deferred tax valuation allowance	<u>(1,978)</u>
Net Deferred Tax Asset	<u>\$ 1,841</u>

The net deferred tax asset is included in prepaid expenses and other assets in the accompanying statement of financial position.

The Institute follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. Management of the Institute believes that it has no material uncertainty in income taxes and, accordingly, it will not recognize any liability for unrecognized taxes in its financial statements. As of December 31, 2020, the statute of limitations remained open for the U.S. jurisdictions in which the Institute files tax returns; however, there are currently no examinations in progress. It is the Institute's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2020, the Institute had no accruals for interest and/or penalties.

THE ASPEN INSTITUTE

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

12. Prior Year Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

13. Subsequent Events

The Institute's management has evaluated events and transactions for potential recognition or disclosure through July 16, 2021, the date the financial statements were available to be issued. Other than the management extension of a contract in Note 9, there were no other subsequent events that require recognition or disclosure in these financial statements.