



**dōTERRA Healing Hands Foundation**

**Financial Statements with Independent  
Auditor's Report**

**For the Year Ended December 31, 2020**

**dōTERRA Healing Hands Foundation**

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## **Independent Auditor's Report**

Board of Directors  
dōTERRA Healing Hands Foundation  
Pleasant Grove, UT

### ***Opinion***

We have audited the financial statements of dōTERRA Healing Hands Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*BDO USA, LLP*

April 30, 2021

**dōTERRA Healing Hands Foundation**  
**Statement of Financial Position**  
**At December 31, 2020**

	<b>2020</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,192,088
Contributions receivable	1,564,061
Pledges receivable, net	1,032,616
Donated products	5,527
Intangible assets, net	194,843
Total assets	4,989,135
 <b>LIABILITIES AND NET ASSETS</b>	
Accrued liabilities	50,550
Grants payable, net	3,083,313
Total liabilities	3,133,863
 Net Assets	
Without donor restrictions	1,824,745
With donor restrictions	30,527
Total net assets	1,855,272
Total liabilities and net assets	\$ 4,989,135

See accompanying independent auditor's report and notes to the financial statements

**dōTERRA Healing Hands Foundation**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Public contributions:			
Cash	\$ 1,278,083	\$ 2,834,304	\$ 4,112,387
In-kind	970,360	-	970,360
	2,248,443	2,834,304	5,082,747
dōTERRA contributions:			
Cash	730,957	-	730,957
Proceeds from Hope Oil sales	-	857,254	857,254
Proceeds from Rose Lotion sales	829,830	-	829,830
Proceeds from sales of other products	1,820,154	-	1,820,154
Intangible assets	175,115	-	175,115
In-kind	1,683,285	3,784	1,687,069
	5,239,341	861,038	6,100,379
Total contributions	7,487,784	3,695,342	11,183,126
Net assets released from restrictions	3,676,558	(3,676,558)	-
Total support and revenue	11,164,342	18,784	11,183,126
Expenses			
Program services	10,514,332	-	10,514,332
General and administrative paid by dōTERRA	207,309	-	207,309
Fundraising paid by dōTERRA	239,208	-	239,208
Total expenses	10,960,849	-	10,960,849
Change in net assets	203,493	18,784	222,277
Net assets as of beginning of year	1,621,252	11,743	1,632,995
Net assets as of end of year	\$ 1,824,745	\$ 30,527	\$ 1,855,272

See accompanying independent auditor's report and notes to the financial statements

**dōTERRA Healing Hands Foundation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**

	<b>2020</b>
<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 222,277
Adjustments to reconcile change in net assets to net cash from operating activities:	
Amortization	60,905
Public in-kind product contributions	(970,360)
dōTERRA contributions of intangible assets	(175,115)
dōTERRA in-kind product and services contributions	(1,687,069)
In-kind product donations - public	745,640
In-kind product donations - dōTERRA	615,985
dōTERRA in-kind services expensed	1,067,300
Change in assets and liabilities	
Contributions receivable	(173,577)
Pledges receivable, net	916,252
Accrued liabilities	14,050
Grants payable, net	(1,448,907)
Net cash used in operating activities	(812,619)
 Net change in cash and cash equivalents	 (812,619)
 Cash and cash equivalents as of beginning of year	 <u>3,004,707</u>
 Cash and cash equivalents as of end of year	 <u><u>\$ 2,192,088</u></u>
 <b>Non-Cash Transactions</b>	
Public in-kind product contributions	\$ (970,360)
dōTERRA contributions of intangible assets	\$ (175,115)
dōTERRA in-kind product contributions	\$ (619,769)
In-kind product donations - public	\$ 745,640
In-kind product donations - dōTERRA	\$ 615,985
dōTERRA in-kind services contributions	\$ (1,067,300)
dōTERRA in-kind services expensed	\$ 1,067,300

See accompanying independent auditor's report and notes to the financial statements

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 1. NATURE OF OPERATIONS**

**Organization and Nature of Activities**

Founded as a public charity in June 2012, dōTERRA Healing Hands Foundation (the “Foundation”) is a Utah nonprofit corporation that began operations to serve people and communities in need. They do this by partnering with organizations and dōTERRA Wellness Advocates to offer hope to millions around the world. Through the Foundation’s efforts, lives are freed of disease and poverty, and communities are empowered with the tools needed to become self-reliant. The Foundation is affiliated with dōTERRA International, LLC (“dōTERRA”), which provides significant support; including contributions of proceeds from Hope Oil and Rose Lotion sales, and sales of other inventory products, matching contributions and paying all administrative and fundraising costs for the Foundation.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The Foundation prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States of America (“U.S. GAAP”) for nonprofit organizations. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions. Classification of restricted net assets is determined by the nature of donor-imposed restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Use of Estimates**

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

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Contributions Receivable**

As of December 31, 2020, the receivable from dōTERRA includes donated products comprised of emergency relief hygiene kits purchased by customers and donated to the Foundation, which had not yet been assembled or transferred to the Foundation as of year-end, and sales proceeds from dōTERRA products such as Hope Oil and Rose Lotion, which had not yet been transferred to the Foundation as of year-end. Total Contributions Receivable as of December 31, 2020 included the following:

Donated products receivable	\$ 854,520
Rose lotion, hope oil, other sales proceeds	639,999
Fundraising items for events	42,820
Contributions receivable from dōTERRA	1,537,339
Online donations receivable	26,722
Contributions receivable	\$ 1,564,061

See accompanying independent auditor’s report



**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions Receivable (Continued)**

An allowance for doubtful accounts is recorded based on historical experience and management’s analysis of specific balances. Contributions receivable are considered fully collectible; accordingly, no allowance for uncollectible contributions receivable has been recorded as of December 31, 2020.

**Pledges Receivable**

Pledges receivable that are to be collected within one year are recorded at the committed value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated discounted future cash flows, using a 2% discount rate:

Pledges receivable, gross	\$ 1,042,324
Present value adjustment	<u>(9,708)</u>
Pledges receivable, net	<u><u>\$ 1,032,616</u></u>

As of December 31, 2020, based on pledge agreements, amounts are expected to be received in the following years:

2021	\$ 792,324
2022	<u>240,292</u>
	<u><u>\$ 1,032,616</u></u>

An allowance for doubtful accounts is recorded based on historical experience and management’s analysis of specific balances. Pledges receivable are considered fully collectible; accordingly, no allowance for uncollectible pledges receivable has been recorded as of December 31, 2020. Conditional pledges or indications of intentions to give are not reported until the conditions are met.

**Contributions**

Contributions are recognized when the donor makes a pledge to give to the Foundation that is, in substance, unconditional. Contributions are recorded without donor restrictions, or with donor restrictions depending on the existence and nature of any donor-imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional pledges are not recognized until the conditions on which they depend have been substantially met. During the year ended December 31, 2020 there were no conditional pledges.

**In-kind Contributions**

Donated products, services, property, and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. The Foundation determines estimated fair value in accordance with fair value measurement accounting standards. Public in-kind contributions received by the Foundation are product contributions of emergency relief hygiene kits. dōTERRA provides in-kind donations of both products and services. dōTERRA product donations include various inventory items and other tangible goods purchased by dōTERRA. In-kind services contributions include salaries and wages, payroll taxes, employee benefits and facilities associated with dōTERRA employees supporting the Foundation. In-kind services contributions are recorded at the estimated cost recognized by dōTERRA in accordance with ASC 958. Refer to Note 7 for more in-kind contribution details.

See accompanying independent auditor’s report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Grant Expenditures**

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

**Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Refer to Note 8 for a detailed analysis.

**Concentrations**

The Foundation maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

The Foundation relies upon donations from corporate and private donors. For the year ended December 31, 2020, dōTERRA contributions comprised 55% of all contributions. The Foundation may be vulnerable to concentration risk should dōTERRA cease to support the Foundation.

**Income Taxes**

The Foundation is a Utah nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (vii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively.

The Foundation's Returns of Organization Exempt from Income Tax (Form 990) are subject to examination by the IRS generally for three years after they were filed. The Foundation believes it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax years that remain subject to examination are for the tax years 2017 and forward.

**New Accounting Pronouncements**

In September 2020, the FASB issued an Accounting Standards Update No. 2020-07, Not-for-Profit Entities (Topic 958) - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which amends various Subtopics. The amendments in this Update address presentation and disclosure of contributed nonfinancial assets. The amendments in this Update are effective for annual periods beginning after June 15, 2021 with early adoption permitted. The Foundation is currently evaluating the impact of this Update on the financial statements.

See accompanying independent auditor's report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures within one year of December 31, 2020 are as follows:

Cash and cash equivalents	\$ 2,192,088
Contributions receivable:	
Rose lotion, hope oil, other sales proceeds	639,999
Online donations receivable	<u>26,722</u>
Financial assets available within one year	<u><u>\$ 2,858,809</u></u>

The Foundation manages its financial assets to be liquid and available as liabilities and project expenses become due. The Foundation's available financial assets exclude donated products receivable and the receivable for fundraising items for events (refer to Note 2), donor-restricted pledges receivable, product donations, and intangible assets, as the Foundation would not be able to use these assets for general expenditures. All pledges receivable as of December 31, 2020 had donor-imposed restrictions for specific purposes.

**NOTE 4. INTANGIBLE ASSETS**

During the year ended December 31, 2020, dōTERRA paid \$175,115 for intangible assets on behalf of the Foundation including \$171,802 for continued development of the Foundation's website, and \$3,313 for a new 10<sup>th</sup> Anniversary logo. The intangible asset representing website improvements was placed in service and donated to the Foundation on September 1, 2020. The intangible asset representing the new logo was donated to the Foundation on June 30, 2020. These costs have been capitalized and will be amortized on a straight-line basis over a three-year period, beginning with the relevant capitalization date. The total intangible assets balance and accumulated amortization at December 31, 2020 is as follows:

Capitalization of intangible assets	\$ 298,630
Less: Accumulated amortization	<u>(103,787)</u>
Intangible assets, net	<u><u>\$ 194,843</u></u>

Amortization expense of intangibles totaled \$60,905 for the year ended December 31, 2020. Estimated amortization over the next three years related to existing intangible assets is expected to be as follows:

2021	\$ 94,237
2022	61,968
2023	<u>38,638</u>
	<u><u>\$ 194,843</u></u>

See accompanying independent auditor's report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 5. GRANTS PAYABLE**

Grants payable consists of approved grant commitments. Grants payable that are to be paid within one year are recorded at the committed value. Grants payable that are expected to be paid in future years are recorded at the present value of their estimated discounted future cash flows, using a 2% discount rate:

Grants payable, gross	\$ 3,088,215
Present value adjustment	<u>(4,902)</u>
Grants payable, net	<u><u>\$ 3,083,313</u></u>

As of December 31, 2020, based on approved grant commitments, amounts are expected to be paid in the following years:

2021	\$ 2,838,215
2022	<u>245,098</u>
	<u><u>\$ 3,083,313</u></u>

**NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS**

Assets released from restrictions during the year ended December 31, 2020 were as follows:

Anti-human trafficking	\$ 1,317,475
Supporting children	1,155,811
Empowering women	457,686
Global health	323,102
Self-reliance	275,834
Disaster relief	119,212
Clean water and sanitation	<u>27,438</u>
	<u><u>\$ 3,676,558</u></u>

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

Anti-human trafficking	\$ 25,000
Various other	<u>5,527</u>
	<u><u>\$ 30,527</u></u>

See accompanying independent auditor's report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 7. IN-KIND CONTRIBUTIONS**

Total donated products as of December 31, 2020 was comprised of in-kind product contributions from both public donors and dōTERRA, and was as follows:

	Public	dōTERRA	Total Donated Products
On-hand at December 31, 2019	\$ 95,260	\$ 1,743	\$ 97,003
In-kind product contributions	970,360	619,769	1,590,129
Less: Donated products receivable	(319,980)	-	(319,980)
Less: Product donations	(745,640)	(615,985)	(1,361,625)
On-hand at December 31, 2020	<u>\$ -</u>	<u>\$ 5,527</u>	<u>\$ 5,527</u>

**In-Kind Contributions - Public**

During the year ended December 31, 2020, the Foundation received public in-kind product contributions of emergency relief hygiene kits totaling \$970,360; \$319,980 of which represents the increase in a receivable from dōTERRA for emergency relief hygiene kits purchased by customers and donated to the Foundation, which had not yet been assembled or transferred to the Foundation as of year-end. Additionally, during the year ended December 31, 2020, the Foundation distributed kits to emergency relief efforts totaling \$745,640. As of December 31, 2020, there were no remaining quantities of the kits on hand, and as such, the total value of these donated products remaining on hand was \$0.

**In-Kind Contributions - dōTERRA**

During the year ended December 31, 2020, the Foundation received in-kind product contributions of various dōTERRA products and other tangible goods purchased by dōTERRA totaling \$619,769. The Foundation assembled COVID-19 relief kits and distributed both dōTERRA products and COVID-19 relief kits to partner organizations and dōTERRA Wellness Advocate partner projects totaling \$615,985. As of December 31, 2020, the value of these donated products remaining on hand was \$5,527.

In addition to in-kind product contributions, dōTERRA provided in-kind contributions of salaries and wages, payroll taxes, employee benefits and facilities associated with dōTERRA employees supporting the Foundation. Wages, payroll taxes, and benefits were allocated across functional categories based on estimated time spent supporting each category. Aggregate in-kind contributions provided by dōTERRA during the year ended December 31, 2020 were comprised of the following:

	Capitalization of Assets	Program Services	General and Administrative	Fundraising	Total dōTERRA
Product contributions	\$ 3,784	\$ 615,985	\$ -	\$ -	\$ 619,769
In-kind products	3,784	615,985	-	-	619,769
Wages and benefits	-	886,805	104,330	52,165	1,043,300
Facilities	-	-	24,000	-	24,000
In-kind services	-	886,805	128,330	52,165	1,067,300
Total in-kind	<u>\$ 3,784</u>	<u>\$ 1,502,790</u>	<u>\$ 128,330</u>	<u>\$ 52,165</u>	<u>\$ 1,687,069</u>

See accompanying independent auditor's report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 8. ANALYSIS OF EXPENSES**

The Foundation's functional expenses for the year ending December 31, 2020 are summarized below:

	Program Services Expense	Supporting Services Expense			Total Expenses
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grants	\$ 8,265,902	\$ -	\$ -	\$ -	\$ 8,265,902
Donated products - public	745,640	-	-	-	745,640
Marketing and advertising*	-	-	126,138	126,138	126,138
Professional services*	-	54,193	-	54,193	54,193
Other supporting services*	-	24,786	60,905	85,691	85,691
	<u>9,011,542</u>	<u>78,979</u>	<u>187,043</u>	<u>266,022</u>	<u>9,277,564</u>
From dōTERRA in-kind contributions:					
Wages and benefits	886,805	104,330	52,165	156,495	1,043,300
Donated products	615,985	-	-	-	615,985
Facilities	-	24,000	-	24,000	24,000
	<u>1,502,790</u>	<u>128,330</u>	<u>52,165</u>	<u>180,495</u>	<u>1,683,285</u>
Total functional expenses	<u>\$10,514,332</u>	<u>\$ 207,309</u>	<u>\$ 239,208</u>	<u>\$446,517</u>	<u>\$10,960,849</u>

\*Paid by dōTERRA

Grants are charitable costs expended for the benefit of others. Refer to Note 7 for more information on donated products. Wages, payroll taxes, and benefits are associated with employees of dōTERRA that support the Foundation and are allocated across functional categories based on estimated time spent supporting each category (refer to Note 7). Marketing and advertising, professional services, and other supporting services are paid by dōTERRA on behalf of the Foundation. Other supporting services includes administrative and operational costs supporting the Foundation.

**NOTE 9. RELATED PARTY TRANSACTIONS**

For the year ended December 31, 2020, the Foundation received contributions of \$6,100,379 from dōTERRA, whose members of the Board of Directors are also the members of the Board of Directors of the Foundation. dōTERRA made cash contributions of \$4,238,195 which includes proceeds contributed from the sales of dōTERRA products, contributions for specific projects or events, and the payment of all fundraising and administrative costs including marketing and advertising, professional services, and other supporting services (refer to Note 8). dōTERRA paid \$175,115 for the continued development of a website on behalf of the Foundation, and a new 10<sup>th</sup> Anniversary logo, and donated these intangible assets to the Foundation (refer to Note 4). dōTERRA made in-kind contributions of \$1,687,069, which was comprised of both product contributions and services. Product contributions had a fair value of \$619,769 and services contributions had an estimated fair value of \$1,067,300. In-kind services contributions included salaries and wages, payroll taxes, employee benefits and facilities (refer to Note 7). Members of the Board of Directors made contributions of \$884,565 to the Foundation.

See accompanying independent auditor's report

**dōTERRA Healing Hands Foundation**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2020**

**NOTE 9. RELATED PARTY TRANSACTIONS (Continued)**

For the year ended December 31, 2020, the Foundation made grants of \$259,967 to a charitable trust for which a member of the Board of Directors that oversees the trust, is also a member of the Board of Directors of the Foundation.

**NOTE 10. RISKS AND UNCERTAINTIES**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, the effects of the pandemic on the Foundation’s financial condition, liquidity, and future results of operations are uncertain. The COVID-19 outbreak has caused cancellations of travel and live events, disruptions of supply chains impacting availability of emergency relief hygiene kits and other products, and other changes that may impact contributions, as well as the Foundation’s ability to support various organizations around the world and carry out its mission. The Foundation is actively monitoring the global situation, and the impacts to its financial condition, liquidity, and operations. The Foundation relies upon contributions from individuals, dōTERRA, and other organizations. dōTERRA sales results through April 2021 remain strong; however, given the uncertainty of the severity and duration of the outbreak, the long-term impact on the Foundation’s contributions, liquidity, and results of operations cannot be reasonably estimated at this time.

On March 27, 2020, the “Coronavirus Aid, Relief, and Economic Security (CARES) Act” was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. There is no assurance the Foundation is eligible for these funds or will be able to obtain them. The Foundation has not applied for these funds, nor plans to do so. The Foundation’s management has evaluated the CARES Act and concluded there is no impact on its financial statements for the year ended December 31, 2020. The Foundation will continue to examine the CARES Act to determine whether it will have any impact on its financial condition, results of operations, or liquidity going forward.

**NOTE 11. SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through April 30, 2021, which is the date the financial statements were available to be issued, to determine if there are any subsequent events that provide additional information about conditions that existed at the financial position date. No such events were identified.

See accompanying independent auditor’s report