



Certified Public Accountants

## **TECHNOVATION**

Financial Statements  
Year Ended December 31, 2021  
Together with Independent Auditor's Report

**TECHNOVATION**  
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Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Technovation

### Opinion

We have audited the accompanying financial statements of Technovation, a California nonprofit organization, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Technovation as of December 31, 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Technovation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Technovation's ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Technovation'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 Technovation'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.



Los Angeles, California  
August 9, 2022

**TECHNOVATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,478,065
Investments	52,839
Pledges receivable	545,487
Prepaid expenses	26,548

TOTAL CURRENT ASSETS	3,102,939
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Property and equipment, net	12,470
Security deposit	2,890

<b>TOTAL ASSETS</b>	<b>\$ 3,118,299</b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 38,684
Accrued expenses	500
Payroll liability	82,491
Loan payable - current portion	3,062

TOTAL CURRENT LIABILITIES	124,737
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**LONG-TERM LIABILITIES**

Loan payable - net of current portion	146,938
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TOTAL LONG-TERM LIABILITIES	146,938
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TOTAL LIABILITIES	271,675
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**COMMITMENT**

**NET ASSETS**

Without donor restrictions	2,846,624
With donor restrictions	-

TOTAL NET ASSETS	2,846,624
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,118,299</b>
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The accompanying notes are an integral part of these financial statements.

**TECHNOVATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Grants	\$ 3,075,986	\$ -	\$ 3,075,986
Contributions	604,874	-	604,874
Others	2,288	-	2,288
Interest income	460	-	460
Program revenue	164	-	164
	<u>3,683,772</u>	<u>-</u>	<u>3,683,772</u>
Net assets released from restrictions	-	-	-
	<u>3,683,772</u>	<u>-</u>	<u>3,683,772</u>
<b>TOTAL REVENUE</b>	<b>3,683,772</b>	<b>-</b>	<b>3,683,772</b>
<b>EXPENSES</b>			
Program services	2,038,095	-	2,038,095
Management and general	434,320	-	434,320
Fundraising	448,762	-	448,762
	<u>2,921,177</u>	<u>-</u>	<u>2,921,177</u>
<b>TOTAL EXPENSES</b>	<b>2,921,177</b>	<b>-</b>	<b>2,921,177</b>
<b>CHANGE IN NET ASSETS</b>	<b>762,595</b>	<b>-</b>	<b>762,595</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>2,084,029</u>	<u>-</u>	<u>2,084,029</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 2,846,624</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,846,624</u></u>

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

**TECHNOVATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**OPERATING ACTIVITIES**

Change in net assets	\$ 762,595
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Loss from asset disposal	
Amortization and depreciation	11,387
Noncash donations	(52,839)
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Pledge and grants receivables	(520,487)
Prepaid expenses	(7,478)
Increase (Decrease) in:	
Accounts payable	13,405
Accrued expenses	(2,500)
Payroll liability	15,285
	219,368
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>219,368</b>

**INVESTING ACTIVITIES**

Purchase of property and equipment	(5,209)
	(5,209)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,209)</b>

**CHANGE IN CASH AND CASH EQUIVALENTS** 214,159

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 2,263,906

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 2,478,065

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

**TECHNOVATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>PROGRAM SERVICES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
Advertising costs	\$ 164,100	\$ -	\$ -	\$ 164,100
Contract services	34,457	12,215	-	46,672
Employee benefits	149,161	31,168	42,300	222,629
Equipment expense	4,384	12,428	-	16,812
Events	-	-	19,498	19,498
Insurance	-	17,111	-	17,111
Interest	-	5,869	-	5,869
Office expenses	-	21,221	-	21,221
Professional development	-	6,023	-	6,023
Professional fees	65,938	13,992	24,000	103,930
Program materials & other	56,471	-	-	56,471
Rent	2,822	32,849	-	35,671
Repair and maintenance	-	838	-	838
Salaries	1,272,292	265,852	360,799	1,898,943
Sub-award/grants to partners	238,250	-	-	238,250
Taxes	-	532	-	532
Travel	-	-	2,165	2,165
Utilities	-	13,821	-	13,821
Website	39,234	-	-	39,234
Total before amortization and depreciation	2,027,109	433,919	448,762	2,909,790
Amortization and depreciation	10,986	401	-	11,387
<b>TOTAL EXPENSES</b>	<b>\$ 2,038,095</b>	<b>\$ 434,320</b>	<b>\$ 448,762</b>	<b>\$ 2,921,177</b>

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



**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1: NATURE OF ORGANIZATION**

Founded in 2006 by Tara Chklovski, Technovation is a global tech education nonprofit. The organization's mission is to empower girls and their families to use cutting-edge technology, such as mobile and Artificial Intelligence (AI), to solve real-world problems in their communities.

Technovation provides training and mentorship to girls to not merely learn to code, but to apply coding and entrepreneurship skills to drive progress against the very structures - cultural, social, political, and economic - that constrain them. Our goal is to increase the empowerment of women and minority groups; measured through significant increases in access to learning resources, voice, influence, agency, and achievements.

Our programs take participants through a 12-week technology-entrepreneurship curriculum that goes beyond basic coding to help them develop real-world problem solving, collaboration, metacognition and complex systems-thinking skills. Our programs rely on the dedication and support of volunteers spanning program leaders, mentors and judges. Volunteers engage in activities that build their own professional skills - like collaboration, creative thinking, and problem solving - while supporting and guiding program participants. All of Technovation's curriculum is free and available online.

To date, our programs have reached more than 320,000 youth, parents, educators and volunteers globally. 91% of students participating in our programs increased their sense of self-efficacy as problem solvers, and our program alumni build the confidence and skills to be TED speakers and hold technical positions at global tech organizations like Google, Amazon and Facebook.

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

Basis of Presentation

The accompanying financial statements of Technovation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Classification and Reporting of Funds

Under the main provisions of ASU 2016-14 net assets and changes in net assets are presented only for two classes: net assets with donor restrictions and net assets without restrictions, rather than the three classes: unrestricted, temporarily restricted and permanently restricted.

ASC 958-205-45 requires Technovation to report all of its expenses in the assets without donor restrictions (unrestricted), regardless of the source of the funds for the expenditures. A transfer of expenses from the assets without donor restrictions (unrestricted) to the assets with donor restrictions (restricted) will be reported, if applicable, to match the restricted revenue with the restricted expenses.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents consist of demand deposits with maturities of 90 days or less and cash on hand.

Operating bank accounts	\$	2,465,798
Cash account		12,267
Total cash and cash equivalents	\$	<u>2,478,065</u>

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Short-term Investments

Short-term investments consist of highly liquid US treasury bills with terms to maturity greater than ninety days but not more than one year that are readily convertible to cash.

Receivables

Grants and pledges receivable consist primarily of noninterest-bearing amounts due for services, educational and training programs. Technovation determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants and pledges receivable are written off when deemed uncollectable.

Property and Equipment, Depreciation and Amortization

Property and equipment are carried at cost or, if donated, at estimated fair value on the date of the gift. Depreciation is computed using the straight-line method over useful lives of three to ten years for equipment and furniture.

Technovation capitalizes property and equipment with a cost of over \$1,000 and estimated life of three or more years. Technovation capitalizes expenditures or betterments that materially increase asset lives and charge ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the related lease term.

Computer software and video library are amortized on a straight-line method over the estimated useful lives of three years for software and ten years for the video.

Unconditional Promise to Give

Unconditional promises to give are recorded at their net realizable value. Unconditional promises to give due in one year or more are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Grants and Contributions Received

Grants and contributions received are recorded as net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Grants and contributions that are restricted by the donor are reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the contributions were recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction end or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue and Revenue Recognition

In accordance with ASC 606 and 958-25, contractual program service revenue is earned as Technovation performs services and expense funds in furtherance of the contracts' objectives.

Donated Materials, Services and In-Kind Contributions

Donated materials and other non-cash contributions are recognized at their estimated market value at the date of receipt. Contributions of services are recognized when received if such services (a) enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

For the year ended December 31, 2021, Technovation did not receive any donated services and in-kind contributions.

Functional Allocation of Expenses

The cost of providing Technovation's programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated based on an allocation study, which encompasses factors such as square footage. Salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and others are allocated on the basis of estimated time and effort.

Accordingly, certain costs have been allocated to program services, management and general, and fundraising. The functional classifications are defined as follows:

- *Program service expenses* – consist of costs incurred in connection with providing services and conducting programs.
- *Management and general expenses* – consist of costs incurred in connection with the overall activities of the organization, which are allocable to another functional expense category.
- *Fundraising costs* – are expensed as incurred, even though they may result in contributions received in future years. Technovation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions. Joint costs (if any) would be allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Taxes

Technovation is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170 (b)(1)(A)(vi) and (viii), and has been determined not to be private foundation under IRC Sections 509(a). The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Technovation has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

GAAP provides accounting and disclosure guidance about positions taken by an organization on its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Technovation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Under the general three-year statute of limitations, Technovation's returns for years ended December 31, 2018, 2019 and 2020 are subject to examination by federal and state taxing authorities for three years after they are filed.

Use of Estimates

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

**NOTE 3: FINANCIAL INSTRUMENTS AND CREDIT RISK**

Deposit concentration risk was managed by placing cash, money market accounts and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Technovation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from large corporations with strong performance histories, governmental agencies, and foundations supportive of the mission.

Technovation maintains its cash balances at a single financial institution. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At December 31, 2021, Technovation's uninsured cash balance was \$2,219,298.

**NOTE 4: PLEDGES RECEIVABLE**

Pledge receivable consists of unconditional promises to give that is expected to be collected in future years. Pledge receivable is reviewed for collectability and reserves for uncollectible amounts are established when needed. Management believes that the pledge amount is fully collectible and therefore no reserve is reflected in the financial statements.

At December 31, 2021, the amount of pledges receivable was \$545,487.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5: PREPAID EXPENSES**

Prepaid expenses consist of amounts paid in advance for items that had not yet occurred as of the end of the fiscal year period. The amount of prepaid expenses at December 31, 2021 was \$26,548.

**NOTE 6: PROPERTY AND EQUIPMENT, NET**

Property and equipment at December 31, 2021 consisted of the following:

		<u>Amount</u>
Computer software	\$	872,108
Building Improvements		64,891
Computer equipment		33,877
Video Library		93,777
Furniture and equipment		<u>20,622</u>
		1,085,275
Less accumulated amortization and depreciation		<u>(1,072,805)</u>
Property and equipment, net	\$	<u>12,470</u>

Amortization and depreciation expense for the year ended December 31, 2021 amounted to \$11,387.

**NOTE 7: SECURITY DEPOSIT**

A security deposit in the amount of \$2,890 was paid by Technovation for their studio lease and utilities. The security deposit will be refunded to Technovation upon expiration and termination of the lease and services.

**NOTE 8 – LOAN PAYABLE**

SBA Economic Injury Disaster Loan

On June 19, 2020, Technovation received a loan from the Small Business Administration (SBA) in the amount of \$150,000 under the SBA Economic Injury Disaster business loan plan enacted by the U.S. government. The SBA loan is payable to the US Treasury in monthly installments of \$612.36 payable in 30 years subsequently with an annual interest rate of 2.75% and payments starts five months after funding.

Technovation received a notice of loan payment deferment from SBA that requires them to begin making regular principal and interest payments 24 months from the date of the note's effective date with the first payment due on or around August 1, 2022.

At December 31, 2021, long-term loan payable was \$150,000 and no payment has been made as of the current period.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 8: LOAN PAYABLE (continued)**

Following is a summary of scheduled payments on outstanding obligations as of December 31, 2021:

Year ending December 31,		
2022	\$	3,062
2023		7,348
2024		7,348
2025		7,348
2026		7,348
Thereafter		<u>187,996</u>
Total scheduled payments		220,450
Less: portion representing interest		<u>70,450</u>
Loan Payable	\$	<u>150,000</u>

**NOTE 9: LEASE COMMITMENT AND RENT**

Technovation entered into a lease agreement to rent approximately 1,438 sq. ft. of rentable space for the Los Angeles (LA) Studio location. On April 16, 2020, Technovation signed a thirty-six-month lease agreement which commenced on June 1, 2020 with an extended lease term until May 31, 2022.

The lease term from June 1, 2021 – May 31, 2022 was at a rate of \$2,749.85 per month.

Future annual minimum lease payments are as follows:

January 1, 2022 - May 31, 2022      \$    13,749

The rent expense for this office space for the year ended December 31, 2021 was \$32,849.

The total rent expense, including storage, for the year ended December 31, 2021 was \$35,671.

**NOTE 10: ADVERTISING COSTS**

Advertising costs are expensed as incurred and included in the statement of functional expenses. For the year ended December 31, 2021, advertising costs amounted to \$164,100.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 11: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 2,478,065
Investments	52,839
Pledges receivable	545,487
	<hr/>
Total	\$ 3,076,391
	<hr/>

As part of Technovation's liquidity management plan, cash is retained in excess of daily requirements in short-term instruments such as, CDs, and money market funds. Occasionally, the Board may designate a portion of any operating surplus (if any) to its investments. As of December 31, 2021, the financial assets available for general expenditures totaled \$3,076,391.

**NOTE 12: NET ASSETS**

As of December 31, 2021, the net assets without donor restrictions was \$2,846,624. The net assets with donor restrictions was \$0.

**NOTE 13: RETIREMENT PLAN**

Effective September, 2016, Technovation provided a 401(k) and Roth plan to all eligible full-time exempt employees who have completed one (1) year of service and at least 21 years of age. Technovation will make a matching contribution after two (2) years of services equal to 100% of the first 5% of compensation deferred with immediate vesting starting from May, 2020. The 401(K) plan expenses and relative administrative fee for the year ended December 31, 2021 were \$34,039 and \$3,699, respectively and included in employee benefits.

**NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS**

ASU 2016-02

For lessees, any leases that are over 12 months in duration will need to be presented on the entity's statement of financial position as a right-to-use asset and corresponding liability for the obligation to pay rent. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional renewal periods if the lessee is reasonably certain to exercise an option to extend the lease. The present value should be calculated using the discount rate implicit in the lease (if determinable) or the lessee's incremental borrowing rate. The asset will be depreciated, and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. As of this report date, ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021. Early adoption is allowed.

Technovation does not expect this new update to have a material impact on their financial statements.

**TECHNOVATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 15: RELATED PARTY TRANSACTIONS**

There were no related party transactions for the year ended December 31, 2021.

**NOTE 16: COVID-19 EFFECTS**

COVID-19 pandemic has developed rapidly in 2020 and 2021, with a significant number of cases. Measures taken by governments to contain the virus have affected economic activity. Technovation has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its employees and consumers (such as social distancing, working from home, and virtual service/program/event delivery) and securing the supply of personal protective equipment materials that are essential to its continuation of services.

At this stage, the impact on Technovation's business and results has not been significant and based on experience to date Technovation expects this to remain the case. Technovation will continue to follow the various government policies and advice and will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its employees and consumers.

Below are some of the specific ways Technovation was affected:

- Reduction in fundraising resulting in loss of revenue
- Change from in person World Summit and other events to virtual events only.
- Employees worked from home instead of some working at Technovation working spaces
- Reduction in expenses such as travel, events, rents.

As a result, the Technovation's operations and financial standing have been slightly impacted. Technovation is continuously monitoring the impact on the results of operations and financial performance of the pandemic, which are uncertain at this time and cannot be reasonably estimated.

The Technovation's financial standing remained intact since all grant agreements were approved and funded for the year ended December 31, 2021.

**NOTE 17: SUBSEQUENT EVENT**

In accordance with ASC 855, subsequent events through August 9, 2022, the date of these financial statements, were evaluated. There were no material subsequent events that require recognition or additional disclosure in these financial statements.