

DRAFT

**ExpERIEncE Children's
Museum**

AUDITED FINANCIAL STATEMENTS

June 30, 2021 and 2020



***Coleman
& Co, P.C.***

Certified Public Accountants

ExpERIEnce Children's Museum

AUDITED FINANCIAL STATEMENTS

June 30, 2021 and 2020

TABLE OF CONTENTS
June 30, 2021 and 2020

AUDITED FINANCIAL STATEMENTS

Independent Auditors' Report 1

Statements of Financial Position 3

Statements of Activity 4

Statements of Functional Expenses 5

Statements of Cash Flows 7

Notes to Financial Statements 8



C E R T I F I E D P U B L I C A C C O U N T A N T S

INDEPENDENT AUDITORS' REPORT

Board of Directors
ExpERIEncE Children's Museum

Opinion

We have audited the accompanying financial statements of ExpERIEncE Children's Museum (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activity, functional expenses and cash flows for the years 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 ExpERIEncE Children's Museum as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ExpERIEncE Children's Museum 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 ExpERIEncE Children's Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Misstatements, including omissions, 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 of the effectiveness of Experience Children's Museum'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 Experience Children's Museum'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.

Report on Summarized Comparative Information

We have previously audited Experience Children's Museum's June 30, 2020 financial statements, and our report dated December 15, 2020 expressed an unqualified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Coleman & Co, P.C.

COLEMAN & CO., PC
October 22, 2021

ExpERIENCE Children's Museum

STATEMENTS OF FINANCIAL POSITION June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 895,455	\$ 662,891
Receivables:		
Pledges Receivable, net (Note 2)	382,786	260,891
Accounts Receivable	52,842	2,995
Inventory	6,100	8,441
Prepaid Expenses	1,418	1,418
Total Current Assets	<u>1,338,601</u>	<u>936,636</u>
PLEDGES RECEIVABLE (Note 2)	558,143	508,886
PROPERTY AND EQUIPMENT, Net (Note 3)	844,348	587,863
OTHER ASSETS		
Beneficial Interest in a Perpetual Trust (Note 7)	62,959	52,161
Interest in a Pooled Investment Fund (Note 7)	133,673	106,796
Total Other Assets	<u>196,632</u>	<u>158,957</u>
TOTAL ASSETS	<u>\$ 2,937,724</u>	<u>\$ 2,192,342</u>
LIABILITIES and NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt (Note 9)	\$ 4,434	\$ 4,182
Accounts Payable	18,766	46,120
Accrued Payroll and Related	(2,007)	(2,219)
Deferred Revenue	60,122	12,111
Total Current Liabilities	<u>81,315</u>	<u>60,194</u>
LONG-TERM DEBT		
Note Payable (Note 9)	50,459	55,062
CRB Bluevine SBA Loan (Note 10)	66,920	69,352
Total Long-Term Debt	<u>117,379</u>	<u>124,414</u>
NET ASSETS		
Without Donor Restriction	830,584	713,435
Without Donor Restriction - Board Designated	27,825	27,825
With Donor Restriction (Note 4)	1,880,621	1,266,474
Total Net Assets	<u>2,739,030</u>	<u>2,007,734</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,937,724</u>	<u>\$ 2,192,342</u>

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

STATEMENTS OF ACTIVITY
For the years ended June 30, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	2021	2020
SUPPORT AND REVENUE				
Admissions	\$ 52,949	\$ 0	\$ 52,949	\$ 100,880
Gift Shop Revenue	17,763	0	17,763	21,631
Memberships	25,514	0	25,514	76,768
Earned Income	24,156	0	24,156	36,763
Contributions	200,860	576,472	777,332	1,226,726
Grants	210,486	0	210,486	101,454
Endowment Income	6,093	37,675	43,768	(125)
Program Income	10,274	0	10,274	79,648
Donated Services and Goods	0	0	0	18,440
Other Income	12,792	0	12,792	4,909
Interest Income	516	0	516	1,353
Total Support and Revenue	<u>561,403</u>	<u>614,147</u>	<u>1,175,550</u>	<u>1,668,447</u>
Net Assets Released From Restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	561,403	614,147	1,175,550	1,668,447
EXPENSES				
FUNCTIONAL EXPENSES				
Program	192,154	0	192,154	324,261
Supporting	155,113	0	155,113	195,982
Membership and Fundraising	96,987	0	96,987	144,182
Total Functional Expenses	<u>444,254</u>	<u>0</u>	<u>444,254</u>	<u>664,425</u>
INCREASE (DECREASE) IN NET ASSETS	117,149	614,147	731,296	1,004,022
NET ASSETS, BEGINNING OF YEAR	741,260	1,266,474	2,007,734	1,003,712
NET ASSETS, END OF YEAR	<u>\$ 858,409</u>	<u>\$ 1,880,621</u>	<u>\$ 2,739,030</u>	<u>\$ 2,007,734</u>

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

ExpERIENCE Children's Museum

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services	Supporting Services	Membership and Fundraising	Total
Salaries	\$ 114,471	\$ 19,778	\$ 55,739	\$ 189,988
Payroll Taxes	10,176	1,758	4,955	16,889
Employee Benefits	1,410	244	686	2,340
Total Salaries and Related Expenses	<u>126,057</u>	<u>21,780</u>	<u>61,380</u>	<u>209,217</u>
Occupancy	0	58,469	0	58,469
Advertising	0	19,312	0	19,312
Office Supplies	0	8,432	267	8,699
Postage and Shipping	0	1,565	0	1,565
Dues	0	2,575	0	2,575
Finance Charges	0	4,530	0	4,530
Supplies	8,036	1,324	0	9,360
Depreciation	34,384	19,288	0	53,672
Professional Fees	0	6,988	34,340	41,328
Taxes	0	0	0	0
Gift Shop	9,239	0	0	9,239
Miscellaneous	12,520	4,369	1,000	17,889
Repair and Maintenance	1,918	4,000	0	5,918
Volunteers	0	0	0	0
Interest	0	2,481	0	2,481
TOTAL EXPENSES	<u>\$ 192,154</u>	<u>\$ 155,113</u>	<u>\$ 96,987</u>	<u>\$ 444,254</u>

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

ExpERIEnce Children's Museum

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Services	Supporting Services	Membership and Fundraising	Total
Salaries	\$ 175,038	\$ 24,818	\$ 68,071	\$ 267,927
Payroll Taxes	15,037	2,132	5,848	23,017
Employee Benefits	1,319	187	513	2,019
Total Salaries and Related Expenses	191,394	27,137	74,432	292,963
Occupancy	0	61,759	0	61,759
Advertising	0	35,724	0	35,724
Office Supplies	0	5,019	132	5,151
Postage and Shipping	0	2,669	0	2,669
Dues	0	2,945	0	2,945
Finance Charges	0	6,191	0	6,191
Supplies	29,083	2,684	0	31,767
Depreciation	50,438	24,066	0	74,504
Professional Fees	0	7,391	66,623	74,014
Taxes	0	2,792	0	2,792
Gift Shop	13,105	0	0	13,105
Miscellaneous	26,181	6,836	2,995	36,012
Repair and Maintenance	9,515	8,077	0	17,592
Volunteers	4,545	0	0	4,545
Interest	0	2,692	0	2,692
TOTAL EXPENSES	\$ 324,261	\$ 195,982	\$ 144,182	\$ 664,425

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

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 731,296	\$ 1,004,022
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operations:		
Depreciation	53,672	74,504
(Gain) Loss on Disposal of Asset	(11,801)	0
(Increase) Decrease in Endowment Funds	(37,675)	5,901
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Pledges Receivable	(171,152)	(543,961)
(Increase) Decrease in Receivables	(49,847)	423
(Increase) Decrease in Inventory	2,341	(624)
(Increase) Decrease in Prepaid Expenses	0	1,185
Increase (Decrease) in Accounts Payable	(27,354)	5,775
Increase (Decrease) in Accrued Payroll and Related	212	(5,068)
Increase (Decrease) in Deferred Revenue	48,011	(52,955)
Net Cash Flows Provided (Used) by Operating Activities	<u>537,703</u>	<u>489,202</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(298,356)	(134,607)
Net Cash Flows Provided (Used) by Investing Activities	<u>(298,356)</u>	<u>(134,607)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Long-Term Debt	(73,703)	(4,151)
Proceeds from New Borrowings	66,920	69,352
Net Cash Flows Provided (Used) by Financing Activities	<u>(6,783)</u>	<u>65,201</u>
NET INCREASE (DECREASE) IN CASH	232,564	419,796
CASH, BEGINNING OF THE YEAR	<u>662,891</u>	<u>243,095</u>
CASH, END OF THE YEAR	<u>\$ 895,455</u>	<u>\$ 662,891</u>

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

ExpERIEncE Children's Museum

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of ExpERIEncE Children's Museum ("Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization and Nature of Activities

The ExpERIEncE Children's Museum is a non-profit organization established to operate a museum for the benefit of the children of Erie County, Pennsylvania and its neighboring counties. The Organization provides educational and cultural experiences in art, humanities and science. The organization is funded mainly through admissions, contributions and grants.

Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual basis for financial statement presentation. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers time deposits, certificates of deposit, and all other highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2021 and 2020.

Concentration of Credit Risk

The Organization maintains cash balances at several local financial institutions. The cash accounts at these financial institutions are insured by the FDIC for up to \$250,000. The balances, at times, may exceed federally insured limits. At June 30, 2021 and 2020, the Organization exceeded the FDIC limit by \$390,921 and \$161,529, respectively.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary at June 30, 2021 and 2020.

Inventory

Inventory is valued at cost and consists of gift shop items.

ExpERIENCE Children's Museum

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Organization follows the practice of capitalizing expenditures for capital assets at cost. Depreciation is computed based on the expected useful lives of the assets using the straight-line method. Maintenance and repairs are charged to operations when incurred. Donated assets are capitalized at an estimated fair value upon receipt. Collections are not depreciated.

The estimated useful lives for depreciation are:

Land and Building Improvements	5-40 years
Buildings	40 years
Furniture and Fixtures	7 years
Equipment	3-5 years
Exhibits	5 years

Net Assets

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor, or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when a stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from a broad base of Erie County contributors.

Contributions of donated noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Expenses by Nature and Function

The financial statements report certain categories of expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

ExpERIENCE Children's Museum

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Organization is generally exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and is not a private foundation. Contributions to the Organization qualify for deduction under the Internal Revenue Code.

The Organization's Form 990, *Return of Organization Exempt from Income Tax* for the years ending June 30, 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Date of Management's Review

Subsequent events were evaluated through October 22, 2021, which is the date the financial statements were available for issuance.

NOTE 2 PLEDGES RECEIVABLE

During the year ended June 30, 2019, the Organization commenced a \$15 million capital campaign. The funds received will be used for the design and expansion of the present facility. Pledges receivable at June 30, 2021 was \$940,929. Of that amount, \$382,786 is due in less than one year with the remaining \$558,143 due within three years. No allowance for uncollectible promises to give is accounted for at June 30, 2021, as all pledges are believed to be collectible.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Land Improvements	\$ 10,666	\$ 10,666
Buildings	374,400	374,400
Building Improvements	309,412	309,412
Construction in Progress	411,721	125,354
Equipment	108,216	103,366
Exhibits	853,311	853,311
Vehicles	23,138	23,942
Permanent Collection	<u>8,425</u>	<u>8,425</u>
	2,099,289	1,808,876
Less: Accumulated Depreciation	<u>1,254,941</u>	<u>1,221,013</u>
Net Property and Equipment	<u>\$ 844,348</u>	<u>\$ 587,863</u>

Depreciation expense for the year ended June 30, 2021 and 2020 was \$53,672 and \$74,504, respectively.

ExpERIENCE Children's Museum

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE 4 NET ASSETS WITH DONOR RESTRICTION

The Organization has received monies, through a Capital Campaign, the use of which has been restricted by the donors to be used for the design and expansion of the present facility. These amounts are recognized in the financial statements as net assets with donor restrictions, and as the donor restrictions are met by the expenditure of the funds in accordance with the donors' wishes, the amounts are "released" and reflected on the statements of activity as such.

Net assets with donor restrictions available at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specific purposes:		
Capital Campaign	\$ 1,711,815	\$ 1,135,343
Interest in a Pooled Investment Fund	105,847	78,970
Beneficial Interest in Perpetual Trust (See Note 7)	<u>62,959</u>	<u>52,161</u>
Net Assets With Donor Restrictions	<u>\$ 1,880,621</u>	<u>\$ 1,266,474</u>

NOTE 5 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 895,455	\$ 662,891
Accounts Receivable	<u>52,842</u>	<u>2,995</u>
Total Financial assets available to meet general expenditures within one year	<u>\$ 948,297</u>	<u>\$ 665,886</u>

Additionally, the Organization has a \$50,000 line of credit from which it can draw in the event of an unanticipated liquidity need (See Note 6). At June 30, 2021 and 2020, available amounts that can be drawn on the line of credit total \$50,000.

NOTE 6 LINE OF CREDIT

The Organization obtained a \$50,000 working capital line of credit effective May 13, 2011 with its principal depository. This line of credit is secured by real property and continues in full force and effect until such time the Organization's loan in favor of their principal depositor has been paid in full (See Note 9). The rate of interest at June 30, 2021 was 4.50%. There were no borrowings against the line of credit at June 30, 2021 or 2020.

ExpERIENCE Children's Museum

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE 7 BENEFICIAL INTEREST IN A PERPETUAL TRUST AND INTEREST IN A POOLED INVESTMENT FUND

The Museum has endowment funds invested with and controlled by two separate community organizations and identified on the Statements of Financial Position as a Beneficial Interest in a Perpetual Trust and an Interest in a Pooled Investment Fund. These are recorded at fair market value. Funds are donated by members of the community on behalf of the Museum and are held by each respective community organization. The Museum is entitled to income earned from endowment fund investments as long as the Museum continues in existence and follows current stated objectives. Gains of \$42,915 and losses of \$1,595 were recorded by the Museum at June 30, 2021 and 2020, respectively.

The Museum also recorded investment expense in 2021 and 2020 of \$2,155 and \$1,511, respectively. Total income distributed to the Museum in 2021 and 2020 from these funds were \$6,621 and \$6,449, respectively.

Endowment Reconciliation

Changes in Endowment net assets for the year ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Beginning Endowment Net Assets	\$ 158,957	\$ 164,858
Contributions	1,000	1,000
Investment Income, Net of Fees	381	1,143
Net Appreciation (Depreciation)-Realized and Unrealized	42,915	(1,595)
Appropriated for Expenditure	(6,621)	(6,449)
Ending Endowment Net Assets	<u>\$ 196,632</u>	<u>\$ 158,957</u>

NOTE 8 DONATED SERVICES AND GOODS

Income from donated services and goods are allocated as follows:

	<u>2021</u>	<u>2020</u>
Personnel-Volunteers	\$ 0	\$ 4,450
Goods	0	13,990
	<u>\$ 0</u>	<u>\$ 18,440</u>

ExpERIENCE Children's Museum

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE 9 NOTE PAYABLE

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable to bank secured by real property. Principal and interest of \$558 is due monthly through May 2031. Interest is computed at a rate based on the five year Federal Home Loan Bank of Pittsburgh plus a margin of 2.75%.	\$ 54,893	\$ 59,244
	<u>54,893</u>	<u>59,244</u>
Less: Current Portion	4,434	4,182
Long-Term Debt	<u>\$ 50,459</u>	<u>\$ 55,062</u>

Principal payments on long-term debt due in future years is estimated as follows:

For the year ending June 30,	
2022	\$ 4,434
2023	4,701
2024	4,984
2025	5,284
2026	5,602
2027 and thereafter	<u>29,888</u>
	<u>\$ 54,893</u>

NOTE 10 COVID RELIEF FUNDING

On May 3, 2020, Experience Children's Museum was granted a loan in the aggregate amount of \$69,352 pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act, which was enacted March 27, 2020. On July 2, 2021 the entire loan amount was forgiven. As such \$69,352 is included in Grant Revenue on the Statements of Activity for the year ended June 30, 2021.

The Museum received a second PPP loan on March 19, 2021 in the amount of \$66,920. Under similar terms from the first loan, the entire amount may qualify for forgiveness if used for qualifying expenses. The Museum will apply for forgiveness as soon as the lender allows for such applications to be submitted. The entire amount of funding was used for qualifying expenses, therefore, it is expected the second loan will also be forgiven.

NOTE II STATEMENTS OF CASH FLOWS

Cash paid for interest amounted to \$2,481 and \$2,692 at June 30, 2021 and 2020, respectively.

The Museum had non-cash transactions at June 30, 2020 whereby they incurred accounts payable totaling \$27,625, to purchase fixed assets. This amount has been excluded from the operating and investing sections of the statements of cash flows.