

**INLAND SEAS EDUCATION ASSOCIATION
SUTTONS BAY, MICHIGAN**

REPORT ON FINANCIAL STATEMENTS

**EIGHTEEN MONTHS ENDED DECEMBER 31, 2021
(with comparative totals for the
year ended June 30, 2020)**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Inland Seas Education Association

Opinion

We have audited the accompanying financial statements of Inland Seas Education Association (the Association) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the eighteen month period 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 Inland Seas Education Association as of December 31, 2021, and the changes in its net assets and its cash flows for the eighteen month period 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 Inland Seas Education Association 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 these 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 Inland Seas Education Association'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, 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 on the effectiveness of Inland Seas Education Association'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 Inland Seas Education Association'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 Inland Seas Education Association's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2020. 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.

Maney Costeiron PC

April 8, 2022

FINANCIAL STATEMENTS

INLAND SEAS EDUCATION ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Comparative Amounts as of June 30, 2020)

	2021	2020
ASSETS		
Current assets		
Cash	\$ 834,282	\$ 668,959
Accounts receivable	13,980	23,417
Grants receivable	78,000	40,000
Contributions receivable	10,000	155,000
Prepaid expenses	10,773	16,874
Total current assets	947,035	904,250
Noncurrent assets		
Noncurrent portion of contributions receivable, net	5,000	15,000
Property and equipment, net	3,258,768	2,587,585
Total noncurrent assets	3,263,768	2,602,585
TOTAL ASSETS	\$ 4,210,803	\$ 3,506,835
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 36,635	\$ 19,864
Accrued liabilities	26,293	32,194
Paycheck protection program loan	-	101,414
Deferred revenue	11,100	51,313
Current portion of long-term debt	-	100,000
Total current liabilities	74,028	304,785
Noncurrent liabilities		
Noncurrent portion of long-term debt	-	91,806
TOTAL LIABILITIES	74,028	396,591
NET ASSETS		
Without donor restrictions	4,009,851	2,900,207
With donor restrictions	126,924	210,037
TOTAL NET ASSETS	4,136,775	3,110,244
TOTAL LIABILITIES AND NET ASSETS	\$ 4,210,803	\$ 3,506,835

See accompanying notes to financial statements.

INLAND SEAS EDUCATION ASSOCIATION
STATEMENT OF ACTIVITIES
EIGHTEEN MONTHS ENDED DECEMBER 31, 2021
(With Comparative Amounts for Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
SUPPORT AND REVENUE				
Program fees	\$ 137,254	\$ -	\$ 137,254	\$ 97,597
Contributions	476,161	19,723	495,884	307,258
Paycheck Protection Program loan forgiveness	200,074	-	200,074	-
Fundraising events	\$ 7,142			
Less related expenses	(5,247)	1,895	1,895	80,712
In-kind donations	224,433	-	224,433	190,096
Grants and contracts	820,912	546,991	1,367,903	614,742
Merchandise sales	6,358			
Less cost of sales	(1,435)	4,923	4,923	(730)
Sale of donated boats	126,306	-	126,306	19,575
Dock and space rentals	8,461	-	8,461	10,842
Investment return, net	37	-	37	1,814
Net assets released from restrictions	649,827	(649,827)	-	-
TOTAL SUPPORT AND REVENUE	2,650,283	(83,113)	2,567,170	1,321,906
EXPENSES				
Program services	1,095,559	-	1,095,559	838,072
General and administrative	268,741	-	268,741	149,393
Fundraising	176,339	-	176,339	105,329
TOTAL EXPENSES	1,540,639	-	1,540,639	1,092,794
CHANGE IN NET ASSETS	1,109,644	(83,113)	1,026,531	229,112
Net assets, beginning of period	2,900,207	210,037	3,110,244	2,881,132
Net assets, end of period	\$ 4,009,851	\$ 126,924	\$ 4,136,775	\$ 3,110,244

See accompanying notes to financial statements.

INLAND SEAS EDUCATION ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
EIGHTEEN MONTHS ENDED DECEMBER 31, 2021
(With Comparative Amounts for Year Ended June 30, 2020)

	Programs	General and Administration	Fundraising	2021 Total	2020 Total
Expenses					
Salaries and wages	\$ 371,335	\$ 174,090	\$ 85,762	\$ 631,187	\$ 443,149
Intern stipends	28,313	-	-	28,313	8,833
Retirement plan contributions	7,740	4,182	1,349	13,271	8,022
Other employee benefits	68,446	18,679	11,140	98,265	61,462
Payroll taxes	30,920	14,440	6,788	52,148	36,744
Direct program expenses	12,414	-	-	12,414	17,519
Accounting fees	16,110	3,776	2,030	21,916	28,210
Consulting fees	975	-	15,394	16,369	6,500
Supplies	3,684	668	434	4,786	7,949
Telephone	4,047	921	696	5,664	4,413
Postage and delivery	1,837	280	927	3,044	2,083
Occupancy costs	6,224	1,223	788	8,235	18,854
Equipment rental and maintenance	18,081	3,075	948	22,104	4,294
Printing and publications	1,655	297	1,519	3,471	3,698
Travel	12,037	1,378	742	14,157	11,533
Grant expenses	59,861	-	-	59,861	30,954
Interest	1,328	16	58	1,402	9,209
Depreciation	82,656	25,433	19,074	127,163	69,662
Advertising and marketing	10,271	-	-	10,271	5,305
Contract services	41,350	15,671	11,323	68,344	30,189
Training and education	3,337	228	619	4,184	3,946
Dues and subscriptions	2,778	346	367	3,491	2,654
Insurance	37,531	1,005	691	39,227	31,826
Events expense	-	-	19	19	6,690
Fundraising expense	-	-	5,228	5,228	1,262
Licenses and permits	539	-	-	539	867
Bank charges	3,361	497	1,772	5,630	3,618
Ship operating costs	38,206	118	-	38,324	44,795
Volunteer expenses	3,919	-	-	3,919	2,746
Sales commissions paid	-	-	4,298	4,298	1,120
Miscellaneous expense	12,999	2,418	9,620	25,037	11,615
Donated in-kind expenses					
Ship volunteer instructors	173,556	-	-	173,556	143,744
Boat shop volunteers	41,484	-	-	41,484	25,040
Accounting	-	-	-	-	15,080
Total expenses	1,096,994	268,741	181,586	1,547,321	1,103,585
Less expenses netted with revenues:					
Fundraising events	-	-	(5,247)	(5,247)	(7,952)
Cost of merchandise sales	(1,435)	-	-	(1,435)	(2,839)
	\$ 1,095,559	\$ 268,741	\$ 176,339	\$ 1,540,639	\$ 1,092,794

See accompanying notes to financial statements.

INLAND SEAS EDUCATION ASSOCIATION
STATEMENT OF CASH FLOWS
EIGHTEEN MONTHS ENDED DECEMBER 31, 2021
(With Comparative Amounts for Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,026,531	\$ 229,112
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	127,163	69,662
Forgiveness of paycheck protection program loan	(200,074)	-
(Increase) decrease in:		
Accounts receivable	9,437	(17,638)
Inventories	-	2,459
Prepaid expenses	6,101	(2,392)
Grants receivable	(38,000)	(40,000)
Contributions receivable	155,000	205,000
Increase (decrease) in:		
Accounts payable	16,771	(48,610)
Accrued liabilities	(5,901)	(9,147)
Deferred revenue	(40,213)	(28,199)
	<u>1,056,815</u>	<u>360,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturity of investments	-	64,000
Purchase of fixed assets	(798,346)	(57,892)
	<u>(798,346)</u>	<u>6,108</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from paycheck protection program loan	98,660	101,414
Principal payments on long-term debt	(191,806)	(280,000)
	<u>(93,146)</u>	<u>(178,586)</u>
NET INCREASE IN CASH	165,323	187,769
Cash, beginning of period	<u>668,959</u>	<u>481,190</u>
Cash, end of period	<u>\$ 834,282</u>	<u>\$ 668,959</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	<u>\$ 1,402</u>	<u>\$ 9,209</u>
Federal income tax paid	<u>\$ 10,313</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Inland Seas Education Association (the "Association"), a not-for-profit organization, provides information in aquatic science and other sciences and enhances the learning opportunities for youths and adults in aquatic science aboard traditional vessels on Grand Traverse Bay and Lake Michigan. The Association receives its support through grants, donations, and fees paid by area schools and adults who participate in programs offered by the Association.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Association conform to U.S. generally accepted accounting principles (GAAP) as applicable to nonprofit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing nonprofit accounting and financial reporting principles.

The following is a summary of the significant accounting policies of the Association:

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied. The financial statements of the Association are accounted for using the accrual basis of accounting in accordance with GAAP for nonprofit organizations.

Cash

Cash consists of checking accounts, money market accounts, and cash on hand.

Receivables

Accounts receivable represent consideration from third-parties, of which the Association has an unconditional right to receive. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Currently, no allowance for doubtful accounts is considered necessary. Changes to the valuation allowance have not been material to the financial statements. Beginning and ending balances for accounts receivable is reported as follows for the period ended December 31:

	2021	2020
Accounts receivable, beginning of period	\$ 23,417	\$ 5,779
Accounts receivable, end of period	\$ 13,980	\$ 23,417

Grants receivable consists of reimbursements of grant related expenses.

	2021	2020
Grants receivable, beginning of period	\$ 40,000	\$ -
Grants receivable, end of period	\$ 78,000	\$ 40,000

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables (continued)

Contributions receivable consist amounts due to the Association for unconditional promises to give that have not yet been collected. See Note 4 for further details.

	<u>2021</u>	<u>2020</u>
Contributions receivable, beginning of period	<u>\$ 170,000</u>	<u>\$ 375,000</u>
Contributions receivable, end of period	<u>\$ 15,000</u>	<u>\$ 170,000</u>

Inventory

Inventory consists of marine apparel purchased and held for resale. Marine apparel is stated at the lower of cost, principally determined by the first-in, first-out (“FIFO”) method, or market.

Property and Equipment

Property and equipment are recorded at historical cost or at appraisal value at the date of gift if acquired by donation, net of accumulated depreciation. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which are summarized as follows:

Building	40 years
Equipment	5 years
Furniture and fixtures	5-7 years
Science ships	20 years
Docks	12 years

Deferred Revenue

Program fees consist of amounts received for educational classes held aboard the Association’s sailing vessels. Revenues are generally recognized upon commencement of the classes. Deferred revenues consist of deposits received in advance of the school year program. The deferred revenue will be recognized in the statement of activities when services are provided in the upcoming school year.

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of period	<u>\$ 51,313</u>	<u>\$ 79,512</u>
Deferred revenue, end of period	<u>\$ 11,100</u>	<u>\$ 51,313</u>

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 grantor restrictions. Net assets without donor restrictions as of December 31, 2021 and June 30, 2020, consist of the following:

	2021	2020
Net assets without donor restrictions	\$ 4,009,851	\$ 2,900,207

Net assets with donor restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished. Net assets with donor restrictions that are temporary in nature as of December 31, 2021 and June 30, 2020, consist of the following:

	2021	2020
Operational costs for future fiscal years	\$ 26,601	\$ 87,853
Scholarships for student class costs	100,323	122,184
	\$ 126,924	\$ 210,037

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees received in advance, if any, are recorded as deferred revenue. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are recognized when the conditions on which they depend have been substantially met.

Contributed Materials, Equipment, and Services

GAAP require recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. GAAP also require contributions of tangible assets to be recognized at fair value when received and the value of donated services to be recorded as contributions in the period the services are rendered. The amounts reflected in the financial statements as in-kind contributions will be offset by like amounts included in expenses. During the eighteen month period ended December 31, 2021 and the year ended June 30, 2020, the fair value the Association received for services by instructors on the science ship and other professionals totaled \$215,040 and \$183,864, respectively.

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expense Allocation

The costs of providing program and other activities have been reported in the statement of activities. The statement of functional expenses present the natural classification of expenses that are allocated to program or supporting functions of the Association. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Payroll and related expenses are allocated based on estimated time spent in each area by personnel. Common expenses are generally split based on management estimates.

Advertising Costs

The Association expenses advertising costs as incurred. For the eighteen month period ended December 31, 2021 and the year ended June 30, 2020, advertising costs amounted to \$10,271 and \$5,305, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Taxes

The Association is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. This consists of dock rental income and sale of marina apparel. For the eighteen month period ended December 31, 2021 and the year ended June 30, 2020, these activities resulted in income tax amounting to \$10,313 and \$0, respectively. In addition, the Association qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under IRC section 509(a)(2).

The Association is subject to IRS and state examinations for a period of at least three years after the Form 990 has been filed.

Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 8, 2022, the date the financial statements were available to be issued.

Comparative Data

The financial statements include certain summarized prior-year comparative information in order to provide an understanding of the changes in the Association's financial position and operations.

Change in Fiscal Year End

The Association changed its fiscal year end from June 30 to December 31 to better align with its operations and programs. The current period financial statements report an eighteen month period while the comparative amounts for 2020 represent a twelve month period. Therefore, the comparative amounts presented are not entirely comparable.

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Association monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing program service activities to be general expenditures.

The following reflects the Association's financial assets as of December 31, 2021 and June 30, 2020, which are deemed available for general expenditures within one year of the statement of net position date. Amounts not available include net assets with donor restrictions.

	<u>2021</u>	<u>2020</u>
Financial assets available at year-end		
Cash	\$ 834,282	\$ 668,959
Accounts receivable	13,980	23,417
Grants receivable	78,000	40,000
Contributions receivable	<u>15,000</u>	<u>170,000</u>
Total financial assets available at year-end	941,262	902,376
Less:		
Purpose restricted funds	(126,924)	(210,037)
Noncurrent contributions receivable	<u>(5,000)</u>	<u>(15,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 809,338</u>	<u>\$ 677,339</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Association operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of pledges by one donor. The unconditional promises to give, totaling \$15,000, will be paid at \$10,000 in the first year, and \$5,000 in the second year. The discount on contributions receivable are immaterial to the financial statements, therefore contributions receivable were not discounted. The funds being received are to be used for the construction of the Tom Kelly Biological Station. It is anticipated that the contributions will be paid in full.

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Estimated Useful Lives (in Years)	2021	2020
Land and improvements	N/A	\$ 1,755,467	\$ 1,001,380
Buildings	40	1,611,769	1,588,737
Equipment	5	172,738	171,471
Furniture and fixtures	5-7	87,509	74,991
Science ships	20	771,385	771,385
Docks	12	12,955	12,955
		<u>4,411,823</u>	<u>3,620,919</u>
Less accumulated depreciation		<u>(1,153,055)</u>	<u>(1,033,334)</u>
		<u>\$ 3,258,768</u>	<u>\$ 2,587,585</u>
Depreciation expense		<u>\$ 127,163</u>	<u>\$ 69,662</u>

NOTE 6 - MORTGAGE DEBT

At June 30, 2020, the Association had a mortgage note payable to a bank bearing interest at 2.75% per annum, due in annual installments of \$100,000 from December 3, 2020 to December 3, 2021. The outstanding balance as of June 30, 2020, was \$191,806. The outstanding balance as of December 31, 2021, was \$0.

NOTE 7 - EMPLOYEE RETIREMENT PLAN

The Association has in place a SIMPLE retirement plan. In this plan, the Association will be required to match an employee's salary deferrals up to 3% of the employee's compensation. For the eighteen month period ended December 31, 2021 and the year ended June 30, 2020, the Association made matching contributions totaling \$13,271 and \$8,022, respectively.

NOTE 8 - COMMUNITY FOUNDATION FUNDS

The Association is the beneficiary of two funds established with Grand Traverse Regional Community Foundation and one fund established with Ann Arbor Area Community Foundation. Funds are available for distribution to the Association upon recommendation of the fund advisory board, subject to variance powers held by the Community Foundations.

The assets held in the funds are not recorded in the financial statements of the Association because they are subject to variance power held by the Community Foundations which allow the Foundations, in their sole discretion, to change the beneficiary or withhold amounts from distribution.

**INLAND SEAS EDUCATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - COMMUNITY FOUNDATION FUNDS (continued)

The information for the three funds for the eighteen month period ended December 31, 2021 and the year ended June 30, 2020 are as follows:

Inland Seas Education Association Scholarship Endowment Fund (GTRCF)

	2021	2020
Transfer by Association to Foundation	\$ -	\$ -
Grants received by Association from Foundation	2,380	2,370
Total assets in fund	75,923	57,895
Funds available for distribution	2,560	-

Inland Seas Education Association Operating Endowment Fund (GTRCF)

	2021	2020
Transfer by Association to Foundation	\$ -	\$ -
Grants received by Association from Foundation	1,930	1,930
Total assets in fund	61,805	47,123
Funds available for distribution	2,090	-

Inland Seas Education Association Endowment Fund (AAACF)

	2021	2020
Transfer by Association to Foundation	\$ -	\$ -
Grants received by Association from Foundation	44,066	-
Total assets in fund	661,166	-
Funds available for distribution	-	-

NOTE 9 - UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Association expects this matter to potentially negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 10 - PAYCHECK PROTECTION PROGRAM LOANS

On April 28, 2020, the Association received a \$101,414 loan under the CARES Act through the Paycheck Protection Program. The Association received approval for forgiveness of the loan in full and has accordingly recognized contribution revenue in the amount of \$101,414 for the eighteen month period ended December 31, 2021.

On January 27, 2021, the Association received \$98,660 loan under the CARES Act through the Paycheck Protection Program. The Association received approval for forgiveness of the loan in full and has accordingly recognized contribution revenue in the amount of \$98,660 for the eighteen month period ended December 31, 2021.