

Perot Museum of Nature and Science

Financial Report
September 30, 2021



CONTENTS

Page

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9



Independent Auditor's Report

To the Board of Directors of
Perot Museum of Nature and Science
Dallas, Texas

We have audited the accompanying financial statements of the Perot Museum of Nature and Science (the Museum), which comprise the statements of financial position as of September 30, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Perot Museum of Nature and Science as of September 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.

The Board of Trustees of
Perot Museum of Nature and Science

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated February 11, 2022, on our consideration of the Museum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Museum's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 11, 2022

Perot Museum of Nature and Science

Statements of Financial Position

September 30, 2021 And 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 28,932,704	\$ 24,730,007
Investments	30,513,503	23,381,532
Accounts receivable	536,509	130,732
Contributions receivable, net	2,266,141	2,837,057
Prepaid expenses and other assets	1,443,666	1,186,990
Property and equipment, net of depreciation	116,874,614	123,169,493
TOTAL ASSETS	<u>\$ 180,567,137</u>	<u>\$ 175,435,811</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,995,587	\$ 2,047,168
Unearned revenue	766,153	675,471
Notes payable, net	1,959,733	3,730,829
Total liabilities	5,721,473	6,453,468
NET ASSETS		
Without donor restrictions	156,048,374	152,043,435
With donor restrictions	18,797,290	16,938,908
Total net assets	174,845,664	168,982,343
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 180,567,137</u>	<u>\$ 175,435,811</u>

The Notes to Financial Statements
are an integral part of these statements.

Perot Museum of Nature and Science

Statement of Activities Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Earned revenues			
General admission fees	\$ 5,653,534	\$ -	\$ 5,653,534
Education programs	498,014	-	498,014
Memberships	613,319	-	613,319
Ancillary and other	1,737,168	-	1,737,168
Contributions			
Gifts and grants	4,229,439	3,899,149	8,128,588
City of Dallas	756,250	-	756,250
In-kind	10,192	-	10,192
Government grants	1,757,355	3,040,100	4,797,455
Investment income, net	4,377,339	1,690,839	6,068,178
Net assets released from restrictions	6,771,706	(6,771,706)	-
	26,404,316	1,858,382	28,262,698
EXPENSES			
Program services			
Exhibitions	2,642,705	-	2,642,705
Education	2,397,745	-	2,397,745
Scientific activities	976,420	-	976,420
Theater operations	9,688	-	9,688
Facilities	5,673,247	-	5,673,247
Supporting services			
General and administration	1,106,585	-	1,106,585
Fundraising	1,320,068	-	1,320,068
	14,126,458	-	14,126,458
Change in net assets before depreciation and amortization	12,277,858	1,858,382	14,136,240
Depreciation and amortization	8,272,919	-	8,272,919
CHANGE IN NET ASSETS	4,004,939	1,858,382	5,863,321
NET ASSETS, beginning of year	152,043,435	16,938,908	168,982,343
NET ASSETS, end of year	\$ 156,048,374	\$ 18,797,290	\$ 174,845,664

The Notes to Financial Statements
are an integral part of this statement.

Perot Museum of Nature and Science

Statement of Activities Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Earned revenues			
General admission fees	\$ 2,774,109	\$ -	\$ 2,774,109
Theater admissions	329,670	-	329,670
Education programs	752,991	-	752,991
Memberships	462,613	-	462,613
Ancillary and other	1,585,334	-	1,585,334
Contributions			
Gifts and grants	2,271,992	1,649,682	3,921,674
City of Dallas	752,989	-	752,989
In-kind	80,458	-	80,458
Special events	19,945	151,337	171,282
Investment income, net	1,843,443	106,805	1,950,248
Net assets released from restrictions	9,001,629	(9,001,629)	-
	19,875,173	(7,093,805)	12,781,368
EXPENSES			
Program services			
Exhibitions	3,697,775	-	3,697,775
Education	4,410,371	-	4,410,371
Scientific activities	1,163,302	-	1,163,302
Theater operations	136,092	-	136,092
Facilities	6,023,156	-	6,023,156
Supporting services			
General and administration	1,076,027	-	1,076,027
Fundraising	1,443,662	-	1,443,662
	17,950,385	-	17,950,385
Change in net assets before depreciation and amortization	1,924,788	(7,093,805)	(5,169,017)
Depreciation and amortization	8,223,876	-	8,223,876
CHANGE IN NET ASSETS	(6,299,088)	(7,093,805)	(13,392,893)
NET ASSETS, beginning of year	158,342,523	24,032,713	182,375,236
NET ASSETS, end of year	\$ 152,043,435	\$ 16,938,908	\$ 168,982,343

The Notes to Financial Statements
are an integral part of this statement.

Perot Museum of Nature and Science
Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services					Total Program Expenses	Supporting Services		Total Supporting Expenses	Total Expenses
	Exhibitions	Education	Scientific Activities	Theater Operations	Facilities		General and Administration	Fundraising		
Salaries and benefits	\$ 1,375,672	\$ 1,885,261	\$ 711,199	\$ -	\$ 1,359,562	\$ 5,331,694	\$ 592,231	\$ 981,660	\$ 1,573,891	\$ 6,905,585
Travel and professional development	253	3,807	2,621	-	1,517	8,198	12,449	271	12,720	20,918
Consultants and professional services	125,983	66,195	7,948	1,225	62,357	263,708	312,897	157,494	470,391	734,099
Advertising and promotion	313,901	279,648	108,845	-	-	702,394	-	62,436	62,436	764,830
Office expenses	377	342	2,307	-	965,306	968,332	5,066	53,363	58,429	1,026,761
Exhibition rental and maintenance	740,920	-	-	1,167	8,919	751,006	6,006	-	6,006	757,012
Supplies	85,599	156,393	23,910	7,296	89,376	362,574	55,421	64,844	120,265	482,839
Occupancy	-	6,099	119,590	-	2,558,657	2,684,346	122,515	-	122,515	2,806,861
Building and equipment maintenance/repairs	-	-	-	-	627,553	627,553	-	-	-	627,553
Total expenses before depreciation	2,642,705	2,397,745	976,420	9,688	5,673,247	11,699,805	1,106,585	1,320,068	2,426,653	14,126,458
Depreciation and amortization	3,939,336	22,323	386,100	5,060	3,816,468	8,169,287	103,632	-	103,632	8,272,919
TOTAL EXPENSES	\$ 6,582,041	\$ 2,420,068	\$ 1,362,520	\$ 14,748	\$ 9,489,715	\$ 19,869,092	\$ 1,210,217	\$ 1,320,068	\$ 2,530,285	\$ 22,399,377

The Notes to Financial Statements
are an integral part of this statement.

Perot Museum of Nature and Science
Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services					Total Program Expenses	Supporting Services		Total Supporting Expenses	Total Expenses
	Exhibitions	Education	Scientific Activities	Theater Operations	Facilities		General and Administration	Fundraising		
Salaries and benefits	\$ 1,943,541	\$ 3,749,618	\$ 850,920	\$ 11,917	\$ 1,660,072	\$ 8,216,068	\$ 359,240	\$ 1,015,939	\$ 1,375,179	\$ 9,591,247
Travel and professional development	93,524	9,375	3,707	2,349	5,790	114,745	34,199	2,572	36,771	151,516
Consultants and professional services	121,581	22,045	48,049	1,775	291,817	485,267	394,535	94,009	488,544	973,811
Advertising and promotion	593,786	337,585	104,404	-	-	1,035,775	-	20,266	20,266	1,056,041
Office expenses	1,058	13,134	-	-	894,360	908,552	26,790	4,599	31,389	939,941
Exhibition rental and maintenance	615,768	26,920	62	96,004	7,986	746,740	100,931	-	100,931	847,671
Supplies	328,517	242,093	31,258	24,047	124,835	750,750	57,035	306,277	363,312	1,114,062
Occupancy	-	9,601	124,902	-	2,518,245	2,652,748	103,297	-	103,297	2,756,045
Building and equipment maintenance/repairs	-	-	-	-	520,051	520,051	-	-	-	520,051
Total expenses before depreciation	3,697,775	4,410,371	1,163,302	136,092	6,023,156	15,430,696	1,076,027	1,443,662	2,519,689	17,950,385
Depreciation and amortization	3,914,899	20,995	272,575	10,028	3,901,747	8,120,244	103,632	-	103,632	8,223,876
TOTAL EXPENSES	\$ 7,612,674	\$ 4,431,366	\$ 1,435,877	\$ 146,120	\$ 9,924,903	\$ 23,550,940	\$ 1,179,659	\$ 1,443,662	\$ 2,623,321	\$ 26,174,261

The Notes to Financial Statements
are an integral part of this statement.

Perot Museum of Nature and Science

Statements of Cash Flows

Years Ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,863,321	\$ (13,392,893)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Unrealized (gain) loss on investments	(6,017,481)	(1,619,230)
Realized gain on investments	(754)	-
Loss (gain) on disposal of property and equipment	19,288	254,122
Depreciation and amortization	8,272,919	8,223,876
Forgiveness of note payable	(3,720,893)	-
Change in accounts receivable	(405,777)	176,373
Change in contributions receivable	570,916	3,568,104
Change in prepaid expenses and other assets	(256,676)	(484,545)
Change in accounts payable and accrued expenses	948,419	(1,645,072)
Change in unearned revenue	90,682	(292,829)
Net cash provided by (used in) operating activities	5,363,964	(5,212,094)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,313,629)	(13,999,983)
Sale of investments	8,199,893	16,269,339
Purchase of property and equipment	(1,997,328)	(4,210,624)
Net cash used in investing activities	(3,111,064)	(1,941,268)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	-	(200,000)
Proceeds from issuance of note payable	1,949,797	1,388,000
Net cash provided by financing activities	1,949,797	1,188,000
Net change in cash and cash equivalents	4,202,697	(5,965,362)
CASH AND CASH EQUIVALENTS, beginning of year	24,730,007	30,695,369
CASH AND CASH EQUIVALENTS, end of year	\$ 28,932,704	\$ 24,730,007

The Notes to Financial Statements are an integral part of these statements.

Perot Museum of Nature and Science

Notes to Financial Statements

Note 1. Purpose of Organization

Purpose

The Perot Museum of Nature and Science (the Museum or Organization), is a Texas not-for-profit corporation organized to inspire minds through nature and science. The Museum was founded in 1936 as part of the Texas Centennial and was one of the first natural history museums in the region. It is the only public collections-based, research driven, natural history museum in the region.

In June 2006, the Museum acquired the net assets of the Southwest Museum of Science and Technology (The Science Place). The Science Place was founded in 1946 as the Dallas Health Museum and is one of the oldest science museums in the nation. In October 2006, the Museum acquired the net assets of the Dallas Children's Museum. In December 2012, the Museum moved from its original facility in Fair Park which was provided by the City of Dallas to a newly constructed facility in Downtown Dallas' Victory Park area. The new facility, known as the Perot Museum of Nature and Science, is an 180,000 square foot, state-of-the-art exhibit and education space which includes 11 permanent exhibit halls, six learning labs/classrooms, a temporary exhibit hall, a 3D digital theater, auditorium, museum shop, cafe and outdoor science park. The Museum retained the use of the Nature Building at Fair Park for its paleontology lab, collections storage, and outreach educational staff until the agreement ended in February 2020.

In 1993, operation of the Museum was transferred from the City of Dallas (which owns the building in Dallas at Fair Park and a portion of the collections). The City of Dallas continues to support the Museum with direct support and contributed utilities and maintenance of \$756,250 in 2021 and \$752,989 in 2020, plus contributed utilities and maintenance of approximately \$0 and \$28,500 in 2021 and 2020, respectively.

Note 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), which recognizes revenues when earned and expenses when incurred.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Significant estimates include but are not limited to the fair value of investments, allowance and discount on contributions receivable and estimated useful lives of property and equipment.

Perot Museum of Nature and Science

Notes to Financial Statements

Basis of Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Restrictions – Net assets that are not subject to donor-imposed stipulations. Restricted contributions received and released in the current year will be reported as activity between the applicable classes of assets.
- Net Assets With Restrictions – Net assets with restrictions include net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time to be used generally for capital expenditures and program support. Net assets with restrictions also include net assets subject to donor-imposed stipulations that will never lapse, thus requiring the funds to be retained permanently. Generally, the donors of these assets permit the Museum to use all or part of the income earned on related investments for general or specific purposes, including program support.

Revenues are reported as increases in net assets without restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with restriction (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition

On October 1, 2019, the Museum adopted ASC Topic 606, *Revenue from Contracts with Customers*, (ASC 606) using the modified retrospective approach, which only applies to contracts that were not completed as of the date of initial application. The adoption did not require an adjustment to beginning net position for the cumulative effect adjustment and does not have a material impact on the Museums' financial statements.

Support arising from donated services, goods, or property and equipment is recorded as both revenues and as an expense or asset based on the fair value at the date of the donation.

Revenue from the sale of tickets to the public, reservations for school programs, and tickets to the theater for dates after the end of the year is deferred as unearned revenue. Membership revenues are recognized ratably over the terms of the memberships. Amounts included in ancillary and other revenues include facilities rentals, café revenues, gift shop revenues, and parking revenues for which revenue is recognized in accordance with agreements and contracts.

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Museum's programs, principally in board activities, scientific laboratories, and educational programs. The value of this contributed time is not reflected in these financial statements because it does not meet criteria for recognition under the GAAP.

Perot Museum of Nature and Science

Notes to Financial Statements

Support funded by grants is recognized as the Museum meets the condition prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreement. Grant activities and outlays are subject to audit and acceptance by the granting agency, and as a result of such audit, adjustments could be required. Grants restricted based on grant requirements are released once those requirements are met.

Cash and Cash Equivalents

The Museum considers cash and cash equivalents to be cash on hand, money market accounts, and all highly liquid investments purchased with an initial maturity of three months or less. Cash and cash equivalents are reported at cost which approximates fair value. The Organization maintains cash balances at various financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

The Museum records investments at fair value. Under this method of accounting, fair value fluctuations are recorded in the period in which they occur by adjusting the carrying value of such investments and recognizing a net unrealized gain or loss. Realized gains and losses are recognized in the period in which they are earned or incurred. Interest income is recorded as earned. Investment income is reported in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by law.

Accounts Receivable

Accounts receivable consists of amounts owed on various agreements and contracts, and are included on the accompanying statements of financial position. Management determines the need for an allowance for doubtful accounts which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and by identifying troubled accounts. Historically, the Organization has not experienced significant losses on accounts receivables. Based on past experience and analysis of current receivable collectability, no allowance for doubtful accounts was considered necessary as of September 30, 2021 and 2020.

Contributions

Unconditional promises by donors to give are included on the financial statements as contributions receivable and revenue in the appropriate net asset category. The Organization reports contributions as restricted support if the support is received with donor restrictions that limit the use of the donated assets. When and if a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions, including those contributions received and released within on year, are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions in the reporting period in which the support is recognized.

Perot Museum of Nature and Science

Notes to Financial Statements

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional promises to give that are expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique using a discounted rate commensurate with the risks involved. Unconditional promises to give received during the years ended September 30, 2021 and 2020 have been discounted at .17% and .14%, respectively. The resulting discount of \$1,345 and \$2,192 at September 30, 2021 and 2020, respectively, is amortized using the level-yield method.

The Organization reports contributions of land, buildings, equipment and other long-lived assets as revenue without donor restrictions, unless explicit donor restrictions specify how the donated assets must be used. Gifts of assets with explicit restrictions that specify how the assets are to be used are accounted for as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization evaluates the need for an allowance for uncollectible accounts based on management's analysis of specific pledges, historical collection experience, type of contribution, and nature of the fund-raising activity, and is adjusted for those contributions receivable for which collection is uncertain. Historically, the Organization has experienced minimal losses on receivables. Based on their review of the criteria above, management has recorded an allowance for uncollectible accounts of \$28,882 and \$79,248 for the years ended September 31, 2021 and 2020, respectively.

Conditional promises to give depend on the occurrence of a specified future and uncertain event to bind the potential donor. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. No amounts have been recognized in the financial statements for conditional promises to give, which generally arise from the Organization being named as a beneficiary in a revocable will or trust, because the conditions on which such contributions depend have not been substantially met.

Property and Equipment

Purchased property and equipment are stated at cost, representing the purchase price or fair market value at the date of gift, less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

	<u>Estimated Useful Life</u>
Building & building improvements	3 - 40 years
Exhibits and renovations	6 - 10 years
Land improvements	5 - 15 years
Equipment and furniture	3 - 15 years
Leasehold improvements	20 years

Perot Museum of Nature and Science

Notes to Financial Statements

The Organization capitalizes property and equipment with a cost greater than \$5,000 and a useful life of greater than three years. The Organization reviews the carrying value of long-lived assets to determine if facts and circumstances suggest that they may be impaired or that the depreciation or amortization period may need to be changed. If circumstances indicate the long-lived asset will not be recoverable, based upon undiscounted cash flows of the long-lived asset over the remaining life, the carrying value of the long-lived asset will be reduced by the estimated shortfall of discounted cash flows. The Organization does not believe there are any indicators that would require an adjustment of the carrying value of its long-lived assets or their remaining useful lives as of September 30, 2021 and 2020.

Collections

A portion of the collections of the Museum are owned by the City of Dallas, and a portion are owned by the Museum. The Museum's collections are comprised of objects of historical, cultural or scientific significance that are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved and cared for, and monitored according to professional museum standards, and activities verifying its existence and assessing its condition are performed continuously. The collections are subject to a policy that requires proceeds from sales of collection items be used to acquire other items for collections or provide for the direct care of existing collections.

In accordance with the practice generally followed by museums, the value of objects in the collections is excluded from the financial statements. Such collections have been acquired through purchases and contributions since the Museum's inception. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as decreases in restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in net assets. There were no sales of collection items in 2021 or 2020.

Unearned Revenue

The Organization directly solicits memberships. Membership dues received are recognized as revenue upon receipt for the portion of the dues that are considered a contribution to the Museum, while the portion of the dues that relates to the service the Museum will provide the member is recognized as revenue ratably over the term of the membership period. Amounts not yet earned by the end of the fiscal year are reported as unearned revenue on the statements of financial position.

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a nonprofit corporation exempt from federal income tax on its income, under Section 501(c)(3) of the Internal Revenue Code. The Organization follows the provisions of ASC 740-10, Income Taxes, related to unrecognized tax positions. The Organization recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the taxing authorities, based on the technical merits of the positions. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Perot Museum of Nature and Science

Notes to Financial Statements

The Organization does not believe there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended September 30, 2021 and 2020, there were no interest or penalties recorded or included in the financial statements. The Organization is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof. The Organization's informational returns are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Organization is no longer subject to income tax examinations by tax authorities for years prior to 2018.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the Statement of Functional Expenses. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services, when available. Distribution of all other expenses is based on actual usage or management's estimate of usage applicable to various programs and supporting services benefited.

Advertising Costs

The Organization uses advertising to promote its programs. The production costs of advertising are expensed as incurred and include direct media, promotional items, and advertising contracts for public relations development. For the years ended September 30, 2021 and 2020, advertising costs were approximately \$764,000 and \$1,056,000, respectively, and are included in advertising and promotion expenses on the statement of activities.

Deferred Compensation

The Organization holds an investment in a 457(b) plan. In accordance with GAAP, the Organization has recorded an investment - deferred compensation and a corresponding deferred compensation liability on the statement of financial position. The investment - deferred compensation is recorded at fair value. All activity related to this investment, including contributions, gain or loss and investment income, is recorded as increases or decreases to the investment and accrued expenses accounts.

New Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. ASU 2016-02 is effective for the Organization beginning in fiscal year 2023. The Organization is currently evaluating the impact to its future financial statements.

Perot Museum of Nature and Science

Notes to Financial Statements

Note 3. Contributions Receivable

As of September 30, unconditional promises to give are expected to be collected in the following periods:

	2021	2020
Due in the next year	\$ 1,485,500	\$ 1,849,603
Due in one to five years	810,868	1,068,894
	2,296,368	2,918,497
Less unamortized discount	(1,345)	(2,192)
Less allowance for uncollectible pledges	(28,882)	(79,248)
Total contributions receivable	\$ 2,266,141	\$ 2,837,057

Campaign for Excellence – The Campaign for Excellence was launched in 2012 to secure the financial resources to bring blockbuster traveling exhibitions to Dallas; to support innovation and technology; to build our endowment; to support research and collections; and to grow our scholarship programs. The Museum raised pledges of approximately \$21.8 million through September 30, 2021, of which approximately \$1.13 million are still to be collected.

Campaign for Excellence pledges and other contributions receivable are discounted at a rate of .17% and .14% at September 30, 2021 and 2020, respectively.

Note 4. Fair Value of Investments

The Organization's investments are recorded at fair value and consisted of the following at September 30, 2021 and 2020:

	2021	2020
Mutual funds	\$ 14,416,852	\$ 11,355,570
Privately managed funds - equities	11,390,802	10,228,856
Privately managed funds - fixed income	-	69,723
Private equity funds	4,705,849	1,727,383
	\$ 30,513,503	\$ 23,381,532

Perot Museum of Nature and Science

Notes to Financial Statements

Investment income at September 30, 2021 and 2020 consisted of the following:

	2021	2020
Dividends and interest	\$ 49,943	\$ 331,018
Net realized gains	754	-
Net unrealized gains	6,017,481	1,619,230
	\$ 6,068,178	\$ 1,950,248

The Organization follows FASB ASC Topic 820, *Fair Value Measurements*, which provides the framework for measuring fair value. FASB ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

Level 1 Quoted prices are available in active markets that the Organization has the ability to access for identical investments as of the reporting date, without adjustment. The type of investments in Level I include listed mutual funds.

Level 2 Other significant observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices of identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Significant unobservable inputs. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Organization evaluates its hierarchy disclosures each reporting period and, based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the Organization expects that changes in classifications between different levels will not have a significant effect on the financial statements.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Perot Museum of Nature and Science

Notes to Financial Statements

The fair value of each asset and liability in the tables below was measured using FASB ASC 820 input guidance and valuation techniques. The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021 and 2020:

Assets at Fair Value as of September 30, 2021						
	Liquidity	Notice Period	Level 1	Level 2	Level 3	Total
Investment - deferred compensation						
Various equity mutual funds	Daily	N/A	\$ 213,823	\$ -	\$ -	\$ 213,823
Various mutual funds	Daily	N/A	<u>14,203,029</u>	<u>-</u>	<u>-</u>	<u>14,203,029</u>
Total investments in fair value hierarchy			<u>\$ 14,416,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,416,852</u>
Investments measured at net asset value						
Japanese equities	Annually	90 Days				401,710
Emerging market funds	Annually	90 Days				-
Multi-Strategy funds	Annually	90 Days				9,512,301
International equities	Monthly	60 Days				1,476,791
Fixed Income	Monthly	15 Days				-
Private equity fund 1	As Realized	N/A				312,994
Private equity fund 2	Annually	N/A				3,244,731
Private equity fund 3	As Realized	N/A				1,119,650
Insurance linked securities	18 months	100 days				<u>28,474</u>
Total Investments						<u>\$ 30,513,503</u>

Assets at Fair Value as of September 30, 2020						
	Liquidity	Notice Period	Level 1	Level 2	Level 3	Total
Investment - deferred compensation						
Various equity mutual funds	Daily	N/A	\$ 138,131	\$ -	\$ -	\$ 138,131
Various mutual funds	Daily	N/A	<u>11,166,478</u>	<u>-</u>	<u>-</u>	<u>11,166,478</u>
Total investments in fair value hierarchy			<u>\$ 11,304,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,304,609</u>
Investments measured at net asset value						
Japanese equities	Annually	90 Days				44,278
Emerging market funds	Annually	90 Days				1,088,085
Multi-Strategy funds	Annually	90 Days				8,095,706
International equities	Monthly	60 Days				208,208
Fixed Income	Monthly	15 Days				69,723
Private equity fund 1	As Realized	N/A				271,588
Private equity fund 2	Annually	N/A				1,474,693
Private equity fund 3	As Realized	N/A				766,411
Insurance linked securities	18 months	100 days				<u>58,231</u>
Total Investments						<u>\$ 23,381,532</u>

Perot Museum of Nature and Science

Notes to Financial Statements

Fair Value of Investments that Calculate Net Asset Value

The Organization invests in the following investment companies that are reported at net asset value. Investments reported at net asset value are excluded from the fair value hierarchy. The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of September 30, 2021:

<u>September 30, 2021</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Private equity fund 1 (a)	\$ 312,994	\$ -	See (a)	See (a)
Private equity fund 2 (a)	3,244,731	755,000	See (a)	See (a)
Private equity fund 3 (a)	1,119,650	1,853,000	See (a)	See (a)
International equities (b)	1,476,791	-	See (b)	See (b)
Multi-strategy funds (d)	9,512,301	-	See (d)	See (d)
Japanese Equities (f)	401,710	-	See (f)	See (f)
Insurance linked securities (g)	28,474	-	See (g)	See (g)

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of September 30, 2020:

<u>September 30, 2020</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Private equity fund 1 (a)	\$ 271,588	\$ 79,108	See (a)	See (a)
Private equity fund 2 (a)	571,179	-	See (a)	See (a)
Private equity fund 3 (a)	766,411	-	See (a)	See (a)
International equities (b)	208,208	-	See (b)	See (b)
Emerging markets funds (c)	1,088,085	-	See (c)	See (c)
Multi-strategy funds (d)	8,095,706	-	See (d)	See (d)
Fixed income (e)	69,723	-	See (e)	See (e)
Japanese Equities (f)	44,278	-	See (f)	See (f)
Insurance linked securities (g)	58,231	-	See (g)	See (g)

Perot Museum of Nature and Science

Notes to Financial Statements

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. While management believes the Organization's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

- (a) Private equity funds – The private equity fund contains interest in various established private equity funds and interest in operating companies owned by private equity funds. Due to the nature of the investments, restrictions on redemptions exist in some of the private equity funds and amounts are considered illiquid.
- (b) International equities – The international equities includes an investment in a fund of funds that invests primarily in long U.S. and international equities with a long-term investment horizon. Withdrawals may be made at the end of any fiscal quarter by giving notice no later than 60 days prior to the quarter end of the withdrawal.
- (c) Emerging markets funds – The emerging markets funds invest in equity and debt securities in emerging market companies, opportunities that arise from the restructuring of debt, opportunities in privatization ventures, arbitrage opportunities, and securities of privately held companies, including certain investments that are hedged. Withdrawals may be made at the end of the calendar year by giving notice no later than September 30th.
- (d) Multi-strategy funds – The multi-strategy funds include investments in various relative value arbitrage strategies which use varying degrees of hedging and leverage, a diversified group of long and short equity funds that attempt to minimize market risk through a hedged approach, and various other securities and funds. Withdrawals may be made on a quarterly basis.
- (e) Fixed income – The fixed income fund is a pooled investment fund that invests in a variety of equity, debt, and options. Withdrawals may be made at the end of each month with a 15 day notice.
- (f) Japanese Equities – The Japanese equities fund include investments in various domestic Japanese securities. Withdrawals may be made at the end of the calendar year by giving notice no later than September 30th.
- (g) Insurance linked securities – The insurance linked securities fund includes investments in private non-life insurance, with an emphasis on property catastrophe that has limited to no correlation to traditional asset classes. Withdrawals became available on December 31, 2019 for 50% of capital with the remaining 50% available on December 31, 2020, both with a 100 day notice.

Perot Museum of Nature and Science

Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consisted of the following as of September 30:

	2021	2020
Building and building improvements	\$ 112,217,161	\$ 112,201,211
Exhibits and renovations	35,415,590	35,354,496
Land and land improvements	25,852,395	25,852,395
Equipment and furniture	8,039,047	8,017,500
Leasehold improvements	1,500,000	1,500,000
Artwork	201,953	201,953
Work in progress	1,685,128	172,774
	184,911,274	183,300,329
Less accumulated depreciation and amortization	(68,036,660)	(60,130,836)
	\$ 116,874,614	\$ 123,169,493

Note 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are summarized as follows:

	2021	2020
Accounts payable	\$ 1,309,510	\$ 605,240
Other accrued expenses	663,841	639,908
Deferred compensation	176,259	137,136
Accrued compensation and benefits	845,977	664,884
	\$ 2,995,587	\$ 2,047,168

Note 7. Revolving Line of Credit and Notes Payable

On March 15, 2019, concurrent with the purchase of a building, the Museum entered into a promissory note with an individual lender for \$3 million. The note is payable in ten annual payments, beginning in March 2020, with the first nine payments due of \$200,000 annually and a payment of the remaining balance due at the maturity date of March 15, 2029. There is no stated interest on the promissory note. As such, the Museum imputed a discount rate using its borrowing rate of 2.91%. The note payable balance was \$0 and \$2,342,829 as of September 30, 2021 and September 30, 2020, which includes an unamortized discount of \$0 and \$463,752, respectively. This note was fully forgiven by the lender on May 25, 2021.

Perot Museum of Nature and Science

Notes to Financial Statements

On March 9, 2020, the Museum, as obligor, entered into a promissory note evidence an unsecured loan in the approximate amount of \$1,388,000 under the Paycheck Protection Program (PPP) pursuant to the CARES Act that was signed into law in March 2020. The note matures two years after the date of the loan disbursement and bears interest at a fixed annual rate of 1.00%, with the first six months of principal and interest deferred. Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act), and the PPP, the Museum can apply for and be granted forgiveness for all or a portion of the loan issued under the PPP and the loan is expected to be forgiven to the extent the proceeds are used in accordance with the PPP to cover payroll, mortgage interest, rent, and utility cost incurred by the Museum over the 8-week period following the loan disbursement date. On January 26, 2021 the Museum's application for forgiveness of the PPP loan was accepted by the Small Business Association and the note was fully forgiven.

Additionally, on March 26, 2021 the Museum entered into a second promissory note under the PPP with the same terms as the first note in the amount of \$1,949,797. The note is outstanding at September 30, 2021 and is included within notes payable.

On September 14, 2021, the Museum entered into a revolving line of credit with borrowing limit of \$10,000,000, with an unpaid balance due, if any, September 14, 2024. The line of credit has a variable interest rate of LIBOR rate plus 1.25% (1.375% at September 30, 2021). The Museum had a balance of \$0 outstanding under the revolving line of credit at September 30, 2021. Interest expense for the line of credit for the year ended September 30, 2021 was \$0.

Note 8. Defined Contribution Plan

The Museum has established a 401(k) Plan for the benefit of all its employees. Employees are eligible to participate on the first day of the month subsequent to their hire. Each eligible employee may contribute to the plan. The Museum may, at the Board's discretion, match contributions based upon the employee's contribution to the plan. The Museum recognized an expense of approximately \$204,000 and \$208,000 in 2021 and 2020, respectively, representing its matching contribution, and is included within salaries and benefits expenses on the statement of activities.

Note 9. Net Assets

Net assets without donor restrictions included certain amounts that were designated by the Museum's board to be spent for the following purposes at September 30:

	2021	2020
Endowment	\$ 19,588,682	\$ 15,735,490
Building	1,288,768	1,301,336
Exhibits	4,104,503	4,104,503
Technology	1,135,840	1,135,840
Other	-	128,334
	\$ 26,117,793	\$ 22,405,503

Perot Museum of Nature and Science

Notes to Financial Statements

Net assets with donor restrictions are restricted for the following purposes at September 30:

	2021	2020
Campaign for Excellence	\$ 2,852,894	\$ 3,195,434
Bio-Lab	50,000	16,667
Education programs	3,100,431	3,424,628
Scientific research	-	9,991
Exhibits	-	80,800
Collections	-	465,266
Fundraising development	1,936,845	354,842
Endowment investment income	3,357,119	1,891,280
Restricted in perpetuity	7,500,000	7,500,000
	\$ 18,797,289	\$ 16,938,908

Net assets were released from restrictions by incurring expenses to satisfy the following purpose restrictions or by the passage of time during the years ended September 30:

	2021	2020
Campaign for Excellence	\$ 364,293	\$ 4,264,126
Bio-Lab	84,417	55,533
Education programs	1,845,197	855,081
Scientific research	9,991	98,124
Exhibits	80,400	1,599,839
Collections	465,266	146,667
Fundraising development	566,940	1,298,437
Contributed rent	-	431,325
Shuttered Venue Operators Grant	3,130,202	-
Endowment investment income	225,000	252,497
	\$ 6,771,706	\$ 9,001,629

Note 10. Endowment

Interpretation of Relevant Law

The Museum follows FASB ASC 958-205, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds, which provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the 2006 UPMIFA. The Museum, relying on information and advice from legal counsel and appointed officers, has interpreted UPMIFA to require the preservation of the historic dollar value of the donor restricted endowment fund pool, absent explicit donor direction to the contrary.

Perot Museum of Nature and Science

Notes to Financial Statements

The Museum's endowment consists of numerous accounts established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments (quasi endowment). Board designated quasi-endowment funds are resources that the Board of Directors, rather than an external donor, has determined are to be retained and managed like an endowment. Corpus, income and unrealized gains (and losses) of these funds may be utilized at the discretion of the Board of Directors and are therefore classified within the net assets without donor restrictions category.

Net Assets with Donor Restrictions – held in perpetuity

Net assets with donor restrictions include the original historic dollar value of donor-restricted endowment assets, including any subsequent gifts and any required accumulations to be made in accordance with the donor gift instrument (mandatory capitalization) that are restricted in perpetuity.

Net Assets with Donor Restrictions – time and purpose

Net assets with donor restrictions also include unrealized gains and losses, realized gains and losses, and any accumulations made on donor-restricted endowment assets. These amounts are subject to the discretionary capitalization policy and will be considered restricted until those amounts are appropriated for expenditure in accordance with the standard of care required by UPMIFA.

Net Assets without Donor Restrictions

Income from external endowment assets to be used to support current operations is classified as net assets without donor restrictions.

Endowment net assets consist of the following at September 30:

	2021		
	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 19,588,682	\$ -	\$ 19,588,682
Donor restricted endowment funds	-	10,857,119	10,857,119
Total endowed net assets	\$ 19,588,682	\$ 10,857,119	\$ 30,445,801
	2020		
	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 15,735,490	\$ -	\$ 15,735,490
Donor restricted endowment funds	-	9,391,281	9,391,281
Total endowed net assets	\$ 15,735,490	\$ 9,391,281	\$ 25,126,771

Perot Museum of Nature and Science

Notes to Financial Statements

Changes in the endowment for the years ended September 30, 2021 and 2020 were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment, October 1, 2019	\$ 15,036,377	\$ 9,050,298	\$ 24,086,675
Investment income	80,076	36,603	116,679
Unrealized gains	1,061,346	556,876	1,618,222
Change in restriction	(442,309)	(252,497)	(694,806)
Endowment, September 30, 2020	15,735,490	9,391,280	25,126,770
Investment income	84,490	31,899	116,389
Unrealized gains	4,359,798	1,658,940	6,018,738
Change in restriction	(591,096)	(225,000)	(816,096)
Endowment, September 30, 2021	<u>\$ 19,588,682</u>	<u>\$ 10,857,119</u>	<u>\$ 30,445,801</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment accounts may fall below the level that the donor or UPMIFA requires the Museum to retain for perpetuity. A deficiency of this nature would be reported in net assets without donor restrictions. No individual donor-restricted endowment accounts fell below this threshold, and donor-restricted endowment funds contained no deficiency for the years ending September 30, 2021 and 2020.

Return Objectives and Risk Parameters

The Museum has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs and scholarships supported by endowment while seeking to maintain the real purchasing power of the endowment. Endowment assets are invested to yield a level of return to meet the objectives of the fund while adhering to a prudent level of risk.

Strategies Employed for Achieving Objectives

The Museum investment objective is to earn inflation-offsetting returns that preserve the real value of the assets and where possible earn enhanced returns to achieve the spending objectives of the operations supported by the endowments. The endowment assets are invested in a diversified investment portfolio designed to achieve a balance of income and growth objectives within prudent risk constraints.

Spending Policy and How Investment Objectives Relate to Spending Policy

In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Museum; and
7. The investment policies of the Museum

Perot Museum of Nature and Science

Notes to Financial Statements

After maintaining the real value of the permanent endowment funds, any remainder of total return is available for appropriation. The Museum appropriates investment earnings, as considered prudent, to meet the Museum's long term and short term needs, present and anticipated financial requirements, and expected total return on its investments, price level trends, and general economic conditions.

Note 11. Commitments and Contingencies

Total lease expense was approximately \$794,714 in 2021 and \$899,661 in 2020.

The Museum entered into a 20 year lease of a parking lot beginning in January 2012 with the City of Dallas. The lease calls for minimum annual payments of \$388,500. The agreement also calls for additional rent based upon collections, as defined in the agreement. The agreement also allows for two 10-year lease extensions. The lease is being expensed in the Museum's financial statements in level amounts over the lease terms.

Scheduled minimum payments under leases is as follows at September 30, 2021:

Year Ending September 30,	
2022	\$ 392,000
2023	388,500
2024	388,500
2025	388,500
2026	388,500
2026 and thereafter	<u>2,039,625</u>
	<u><u>\$ 3,985,625</u></u>

Note 12. Concentrations

At September 30, 2021, the Museum had outstanding pledges due from two donors that accounted for approximately 66% of contributions receivable. At September 30, 2020, the Museum had outstanding pledges due from three donors that accounted for approximately 68% of contributions receivable.

Perot Museum of Nature and Science

Notes to Financial Statements

Note 13. Liquidity

The Museum regularly monitors liquidity required to meet its operating needs and other contractual commitments. For the purposes of analyzing resources available to meet general expenditures within 12 months, the Museum considers all expenditures related to its programs, management, and fundraising to be general expenditures. Amounts not available include endowment net assets, board designated reserves, and donor-restricted net assets as well as long term assets not available within one year. As of September 30, 2021, the following financial assets could readily be made available within one year to meet general expenditures:

Cash and cash equivalents	\$ 20,102,181
Accounts receivable	378,913
Contributions receivable for general expenditure due in one year or less	1,300,500
Board-approved endowment distribution in next 12 months	761,564
 Financial assets due within one year of statement of financial position date for general expenditure	 \$ 22,543,158

Note 14. Subsequent Events and COVID-19

The Museum evaluated its financial statements for subsequent events through February 11, 2022, the date the financial statements were available to be issued, and determined that no events have occurred subsequent to September 30, 2021 that warrant recognition or disclosure in the accompanying financial statements.

The extent of the impact of the ongoing COVID-19 pandemic, including new variants such as Omicron, on the Museum has yet to be determined and is dependent on its duration, related restrictions and overall economy. Currently, the Museum is operating six days per week in non-peak season, instead of the usual seven. In addition, some in-person programming remains temporarily suspended. Museum management is continuing to monitor expenses and maximize earned revenues where possible, while expanding digital learning resources. With the Museum's 10th anniversary celebration in 2022, management is focused on engaging the giving community and inspiring the next generation of STEM professionals.