

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE**

**Financial Statements**

**For the Year Ended August 31, 2021**

# CHARLES O. PAUL

## CERTIFIED PUBLIC ACCOUNTANT

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Association of Community Theatre

We have audited the accompanying financial statements of American Association of Community Theatre (the Association), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities and cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 American Association of Community Theatre as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Report on Summarized Comparative Information**

We have previously audited the American Association of Community Theatre's 2020 financial statements, and our report dated June 17, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



CHARLES O. PAUL, CPA  
North Richland Hills, Texas  
July 3, 2022

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2021  
WITH COMPARATIVE SUMMARIZED INFORMATION AT  
AUGUST 31, 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 790,619	\$ 716,274
Certificates of deposit	96,633	96,357
Pledges receivable	9,472	16,497
Accounts receivable	2,881	11,879
Inventory	30	273
Prepaid expense	1,550	600
<b>TOTAL CURRENT ASSETS</b>	<u>901,185</u>	<u>841,880</u>
 <b>PROPERTY AND EQUIPMENT, NET</b>	 -	 2,290
 <b>RESTRICTED ASSETS</b>		
Restricted cash	58,627	73,799
Restricted long-term investments	576,521	452,391
	<u>635,148</u>	<u>526,190</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 1,536,333</u></u>	 <u><u>\$ 1,370,360</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Paycheck Protection Program note payable	\$ 47,460	\$ 47,460
Accounts payable	66,145	43,188
Deferred revenue	249,503	215,042
<b>TOTAL CURRENT LIABILITIES</b>	<u>363,108</u>	<u>305,690</u>
 <b>NET ASSETS</b>		
Without donor restrictions	520,606	513,982
With donor restrictions	652,619	550,688
<b>TOTAL NET ASSETS</b>	<u>1,173,225</u>	<u>1,064,670</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 1,536,333</u></u>	 <u><u>\$ 1,370,360</u></u>

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

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
STATEMENTS OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2021**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Memberships	\$ 266,652	\$ -	\$ 266,652
Advertising - Spotlight	57,222	-	57,222
Corporate partners	18,500	-	18,500
Contributions and support	69,520	7,355	76,875
Paycheck Protection Program loan forgiveness	47,460	-	47,460
Education	28,020	-	28,020
ASCAP	37,874	-	37,874
Mailing list rental	4,921	-	4,921
Interest and dividends	538	7,931	8,469
Festival	58,140	7,765	65,905
Other	2,154	-	2,154
Net realized and unrealized gains and losses on investments	-	124,022	124,022
Net assets released from restrictions	45,142	(45,142)	-
Total support and revenue	<u>636,143</u>	<u>101,931</u>	<u>738,074</u>
<b>EXPENSES</b>			
Program services	457,489	-	457,489
General and administrative	172,030	-	172,030
	<u>629,519</u>	<u>-</u>	<u>629,519</u>
<b>CHANGE IN NET ASSETS</b>	6,624	101,931	108,555
<b>NET ASSETS - Beginning of Year</b>	<u>513,982</u>	<u>550,688</u>	<u>1,064,670</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 520,606</u>	<u>\$ 652,619</u>	<u>\$ 1,173,225</u>

The notes to financial statements are an integral part of this statement.

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
STATEMENTS OF ACTIVITIES  
WITH COMPARATIVE SUMMARIZED INFORMATION FOR THE  
YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Memberships	\$296,045	\$-	\$296,045
Advertising - Spotlight	109,322	-	109,322
Corporate partners	25,750	-	25,750
Contributions and support	35,394	38,500	73,894
Education	18,719	-	18,719
ASCAP	47,308	-	47,308
Mailing list rental	4,434	-	4,434
Interest and dividends	2,250	8,870	11,120
New Play Fest	15,525	-	15,525
Other	2,106	(44)	2,062
Publications	682	-	682
Net realized and unrealized gains and losses on investments	-	47,496	47,496
Net assets released from restrictions	26,585	(26,585)	-
Total support and revenue	<u>584,120</u>	<u>68,237</u>	<u>652,357</u>
<b>EXPENSES</b>			
Program services	335,784	-	335,784
General and administrative	149,710	-	149,710
	<u>485,494</u>	<u>-</u>	<u>485,494</u>
<b>CHANGE IN NET ASSETS</b>	98,626	68,237	166,863
<b>NET ASSETS - Beginning of Year</b>	<u>415,356</u>	<u>482,451</u>	<u>897,807</u>
<b>NET ASSETS - End of Year</b>	<u><u>\$513,982</u></u>	<u><u>\$550,688</u></u>	<u><u>\$1,064,670</u></u>

The notes to financial statements are an integral part of this statement.

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
STATEMENTS OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2021  
WITH COMPARATIVE SUMMARIZED INFORMATION FOR THE  
YEAR ENDED AUGUST 31, 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 108,555	\$ 166,863
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,290	2,368
Amortization	-	5,958
Net realized and unrealized (gains) and losses on investments	(124,022)	(47,496)
Change in operating assets and liabilities		
Pledges receivable	7,025	5,895
Accounts receivable	8,998	765
Prepaid expenses	(950)	2,987
Inventory	243	251
Accounts payable	22,957	(25,013)
Deferred revenue	34,461	(86,400)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>59,557</u>	<u>26,178</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificate of deposit	(276)	(1,854)
Sale (Purchase) of investments	(108)	(30,760)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(384)</u>	<u>(32,614)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in PPP Loan	-	47,460
Change in cash restricted to endowment	15,172	12,125
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>15,172</u>	<u>59,585</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	74,345	53,149
<b>CASH &amp; CASH EQUIVALENTS - Beginning of year</b>	<u>716,274</u>	<u>663,125</u>
<b>CASH &amp; CASH EQUIVALENTS - End of year</b>	<u>\$ 790,619</u>	<u>\$ 716,274</u>
<b>SUPPLEMENTAL CASH FLOW SCHEDULE:</b>		
Interest received	\$ 538	\$ 2,250

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

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2021**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 142,623	\$ 58,255	\$ 200,878
Payroll taxes	10,911	4,457	15,368
Employee benefits	-	46,812	46,812
	<u>153,534</u>	<u>109,524</u>	<u>263,058</u>
Total personnel costs			
Printing	36,526	-	36,526
Postage	4,470	3,990	8,460
Marketing and promotion	3,256	-	3,256
Contract labor	36,134	14,759	50,893
Materials and supplies	-	5,769	5,769
Travel	-	228	228
Telephone and conference calls	-	4,019	4,019
Insurance	-	3,469	3,469
Accounting	-	11,686	11,686
Dues	-	602	602
Merchant service fees	-	8,021	8,021
Miscellaneous	-	(503)	(503)
Software	-	1,887	1,887
Advocacy	500	-	500
Meetings	-	1,121	1,121
Awards	3,032	-	3,032
Website	32,066	-	32,066
Cost of books sold	243	-	243
Education	3,111	-	3,111
Youth conference	2,325	-	2,325
National festival	179,222	-	179,222
New play fest	3,070	-	3,070
Endowment management fee	-	5,168	5,168
	<u>457,489</u>	<u>169,740</u>	<u>627,229</u>
Depreciation	-	2,290	2,290
	<u>\$ 457,489</u>	<u>\$ 172,030</u>	<u>\$ 629,519</u>

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

**AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
STATEMENT OF FUNCTIONAL EXPENSES  
WITH COMPARATIVE SUMMARIZED INFORMATION FOR THE  
YEAR ENDED AUGUST 31, 2020**

	Program Services	General and Administrative	Total
Salaries and wages	\$ 135,799	\$ 55,959	\$ 191,758
Payroll taxes	10,389	4,281	14,670
Employee benefits	-	46,934	46,934
	<hr/>	<hr/>	<hr/>
Total personnel costs	146,188	107,174	253,362
	<hr/>	<hr/>	<hr/>
Printing	44,737	-	44,737
Postage	1,818	3,601	5,419
Marketing and promotion	4,370	-	4,370
Contract labor	45,007	-	45,007
Materials and supplies	-	5,374	5,374
Travel	10,831	-	10,831
Telephone and conference calls	-	4,440	4,440
Insurance	-	3,735	3,735
Accounting	-	7,834	7,834
Dues	612	-	612
Office rent	-	1,037	1,037
Merchant service fees	-	7,285	7,285
Miscellaneous	-	836	836
Software	-	1,511	1,511
Advocacy	1,679	-	1,679
Meetings	-	828	828
Website	31,924	-	31,924
Website amortization	5,958	-	5,958
Worldfest	4,000	-	4,000
Cost of books sold	251	-	251
Education	16,497	-	16,497
Festival	710	-	710
New play fest	5,202	-	5,202
JK Ayre distributions	16,000	-	16,000
Endowment distributions	-	-	-
Endowment management fee	-	3,687	3,687
	<hr/>	<hr/>	<hr/>
Depreciation	335,784	147,342	483,126
	<hr/>	<hr/>	<hr/>
	-	2,368	2,368
	<hr/>	<hr/>	<hr/>
	<u>\$ 335,784</u>	<u>\$ 149,710</u>	<u>\$ 485,494</u>

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

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The American Association of Community Theatre (the "Association") was incorporated in 1986 in the State of Illinois under the General Not For Profit Act for the purpose of fostering and encouraging the development of excellence in community theatre throughout the United States.

**Basis of Presentation**

In accordance with FASB Accounting Standards Codification Section 958, the Association is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

*Net assets without donor restrictions* are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets are reported in this category.

*Net assets with donor restrictions* include gifts with donor-imposed restrictions that permit the donee organization to use up or expend as specified and is satisfied either by the passage of time or by actions of the Association and includes gifts with donor-imposed restrictions that stipulate that resources be maintained permanently but permit the Association to use up or expend part or all of the income (or other economic benefits) derived from the donated assets.

**New Accounting Pronouncements**

The FASB has issued accounting pronouncements that refine accounting for Not For Profit organizations and require the capitalization of long-term leases. It is the opinion of management that the pronouncement will have an immaterial impact upon the presentation of the financial statements of the Association.

**Subsequent Events**

As required by FASB Accounting Standards Codification Section 855, the Association values subsequent events for disclosure through the date that the financials are made available for issue. The date that the financial statements were made available for issue was June 17, 2021. As of that date, no significant subsequent events were known to exist that would materially affect the financial statements.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents consist of all highly liquid investments with an original maturity of three months or less when purchased.

**NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restrictions on Revenue and Support**

The Association accounts for contributions in accordance with the requirements of FASB Accounting Standards Codification Section 958. In accordance with those standards, contributions received are considered to be support without donor restrictions, unless explicit donor stipulations specify a use for the funds, and are recognized in the period received. When donors stipulate specific uses for their contributions, they are considered to be support with donor restrictions in the period received. When donors' stipulations are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Pledges Receivable**

Unconditional promises to give are recorded as pledges receivable and contribution revenue when received. All pledges are recorded at their fair value and due within a range of one to five years at the time of pledge. No allowance for uncollectible pledges has been recorded as all pledges were deemed collectible by management at August 31, 2021.

**Accounts Receivable**

Accounts receivable are stated at an amount management expects to collect from outstanding balances. The Association considers accounts receivable to be fully collectible; accordingly, no allowance has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Donated Services**

The Association recognizes the value of contributed services at estimated market value when meeting the criteria as set forth in FASB Accounting Standards Codification Section 958. These criteria include services that create or enhance non-financial assets or require specialized skills and would typically need to be purchased if not provided by donation. A significant amount of volunteer services received by the Association is currently not recognized in these financial statements as these services do not meet the criteria for recognition under FASB Accounting Standards Codification Section 958.

**Inventory**

Inventory consists of publications held for sale and is carried at the lower of cost or market value.

**Deferred Revenue**

Deferred revenue represents annual member dues collected for the next membership year, deferred advertising income and deferred program fees.

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Long-Term Investments**

Investments are initially recorded at cost for purchased investments and fair value for contributed investments. Investments are presented in the financial statements at fair value. Unrealized and realized gains and losses are included in the statement of activities.

**Property and Equipment**

The Association capitalizes all property and equipment acquired over \$1,000 and that has a useful life over one year. Capitalized property and equipment are recorded at cost, while property contributed is recorded at its fair value on the date of contribution. Expenditures for maintenance and repair which do not extend the life of the applicable assets are charged to expense as incurred. Assets are being depreciated over estimated useful lives of three to five years using a straight-line method.

**Use of Estimates**

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements; and (2) revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

The Association is exempt from Federal income taxes under Section 501(c) 3 of the Internal Revenue Code. Net income from publication advertising is subject to taxation as unrelated business income.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Website**

The Association's website is being amortized over its expected life of sixty months.

**Comparative Prior Year Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2020 from which the summarized information was derived.

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE B — FAIR VALUES OF FINANCIAL INSTRUMENTS**

In accordance with FASB Accounting Standards Codification Section 820, the Association classifies its financial assets and liabilities into Level 1, which refers to assets and liabilities with quoted prices in an active market; Level 2, which refers to assets and liabilities not traded on an open market but for which other observable inputs are available; and Level 3, which refers to assets and liabilities not traded in active markets which require significant unobservable inputs to value. Currently, all of the Association's financial assets and liabilities are classified as Level 1.

Fair value for cash, cash equivalents, and accounts receivable approximate carrying value due to the short maturities of the instruments.

**NOTE C -- ENDOWMENT**

Effective June 1994, the Community Theatre Foundation was dissolved and the remaining net assets were contributed to the Association as an Endowment. The related net assets are temporarily restricted for the purpose of the Endowment, which is to provide mission support, to assist theatres advancing to the national festival with related expenses and to assist theatres producing in the new works play festival.

**Interpretation of State Law**

The Association's endowment fund includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Association have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the date of the donor-restricted endowment absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE C – ENDOWMENT (Continued)**

- 1) Duration and preservation of the fund.
- 2) Purposes of the Association and the fund
- 3) General economic conditions
- 4) Possible effect of inflation and deflation
- 5) Expected total return from investment income and appreciation or depreciation of investments
- 6) Other resources of the Association
- 7) Investment policies of the Association

The Association currently has no permanently restricted endowment funds.

**Investment Policy**

Under the Association's investment policy, endowment assets are invested in a manner that is intended to preserve inflation adjusted values and provide annual budgetary support that is both stable and growing.

To satisfy its long-term rate of return objectives, the Association relies on a total return strategy in which investment returns are achieved through both a current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Association targets a diversified asset allocation to achieve these goals.

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of August 31, 2021:

	<u>2021</u>
Office and computer equipment	\$17,966
Accumulated depreciation	<u>17,966</u>
	<u>\$ -</u>

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at August 31, 2021:

Mission	\$106,441
Festival	538,178
JK Ayre Theatre Awards	<u>8,000</u>
Assets accumulated by Endowment as described in Note C:	<u>\$652,619</u>

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS (Continued)**

Changes in the Temporarily Restricted Net Assets during the year ended August 31, 2021 are as follows:

Balance, August 31, 2020	\$550,688
Contributions	7,355
Investment income	7,931
Festival endowment event	7,765
Net appreciation	124,022
Distributions	(39,974)
Management fees and expenses	<u>(5,168)</u>
Balance, August 31, 2021	<u>\$652,619</u>

**NOTE F – LONG-TERM INVESTMENTS**

Long-term investments consisted of the following as of August 31, 2021:

EQUITY SECUTITIES	COST	FAIR VALUE
August 31, 2021	\$ 267,428	\$ 476,521

**NOTE G — CONCENTRATION OF CREDIT RISK**

The Association's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. At times, cash and cash equivalents may exceed FDIC limits. At August 31, 2021, there was \$407,631 in uninsured balances.

AACT also maintains cash in a money market fund and holds securities with an investment company which is not insured by the FDIC. At August 31, 2021, these balances totaled \$294,155.

**NOTE H – EMPLOYEE BENEFIT PLAN**

The Association adopted a 401 (k) plan for its employees which became effective in June 2015. The plan covers all full-time employees after a three month wait period. The plan provides for a 4% elective deferral from the employees with a 100% matching contribution by the Association. The plan allows for annual discretionary contributions to be made by the Association. Total retirement expense incurred by the Association for the year ended August 31, 2021 was \$10,718.

AMERICAN ASSOCIATION OF COMMUNITY THEATRE  
Notes to Financial Statements

**NOTE I – PAYCHECK PROTECTION PROGRAM NOTE PAYABLE**

In 2020, the Association received a loan from BBVA in the amount of \$47,460. The loan is under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated May 4, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. Application for forgiveness of this loan has been made and is pending approval. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty. The loan was forgiven in April 2021 and is included on the statement of activities as other income.

In 2021, the Association received an additional loan from JPMorgan Chase in the amount of \$47,460. The loan is under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated March 25, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. Application for forgiveness of this loan has been made and is pending approval. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty. The loan was forgiven on October 7, 2021, and will be included on the statement of activities as other income for the year ended August 31, 2022.