INSTITUTE FOR CREATION RESEARCH

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2021

Institute for Creation Research
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June 30, 2021

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ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of Institute for Creation Research

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Institute for Creation Research (a nonprofit organization), which comprise the statements of financial position as June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Institute for Creation Research as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Institute for Creation Research and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Institute for Creation Research's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Institute for Creation Research'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 Institute for Creation Research'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.

Salmon Sims Thomas

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

October 21, 2021

Institute for Creation Research
Statement of Financial Position
June 30, 2021

ASSETS

Current Assets	
Cash and cash equivalents	$ 3,896,196
Restricted cash - split-interest agreements	295,285
Investments	304,720
Prepaid expenses	22,213
Inventory	445,918
Total Current Assets	4,964,332
Long-Term Assets	
Long-term investments - split-interest agreements	4,552,038
Property and equipment, net	34,873,786
Total Long-term Assets	39,425,824
TOTAL ASSETS	$ 44,390,156

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	$ 38,935
Accrued liabilities	277,992
Revocable living trusts	44,018
Deferred revenue	29,086
Current portion of liabilities under split-interest agreements	284,626
Total Current Liabilities	674,657
Long Term Liabilities	
Liabilities under split-interest agreements, net of current portion	2,266,614
Total Liabilities	2,941,271
Net Assets	
Without donor restrictions	40,488,817
With donor restrictions	960,068
Total Net Assets	41,448,885
TOTAL LIABILITIES AND NET ASSETS	$ 44,390,156

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	$ 11,103,594	$ 333,471	$ 11,437,065
Book sales revenue	690,464	-	690,464
Discovery Center revenue	237,993	-	237,993
Investment return	47,354	-	47,354
Change in value of split-interest agreements	438,485	152,800	591,285
Unrealized gain on investments	11,125	-	11,125
In-kind broadcasting revenue	1,310,140	-	1,310,140
Royalties and honoraria income	30,356	-	30,356
Paycheck Protection Program loan forgiveness revenue	1,113,596	-	1,113,596
Other revenue	69,253	-	69,253
	15,052,360	486,271	15,538,631
Net assets released from restriction	168,012	(168,012)	-
Total Revenues and Support	15,220,372	318,259	15,538,631
Expenses			
Program services			
Education	5,004,271	-	5,004,271
Research	1,101,023	-	1,101,023
Applied research and communications	2,774,117	-	2,774,117
Total program services	8,879,411	-	8,879,411
Supporting activities			
General and administrative	882,544	-	882,544
Fundraising	563,411	-	563,411
Total supporting activities	1,445,955	-	1,445,955
Total Expenses	10,325,366	-	10,325,366
Increase in Net Assets	4,895,006	318,259	5,213,265
Net Assets, beginning of year	35,593,811	641,809	36,235,620
Net Assets, end of year	$ 40,488,817	$ 960,068	$ 41,448,885

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services			Supporting Activities		
	Education	Research	Applied Research/ Communications	General and Administrative	Fundraising	Total Expenses
Salaries and fringe benefits	$ 1,476,281	$ 893,057	$ 1,126,754	$ 596,067	$ 318,923	$ 4,411,082
Postage and freight	716,608	112	4,097	1,099	93,146	815,062
Printing	572,670	6	1,449	254	75,071	649,450
Professional services	141,080	-	45,308	51,147	-	237,535
Travel and hospitality	8,979	13,905	37,599	20,114	781	81,378
Information technology	38,005	4,087	3,144	3,221	1,022	49,479
Promotion and advertising	26,936	-	6,957	2	8,741	42,636
Cost of sales	247,930	-	9,904	-	-	257,834
Depreciation	1,027,695	110,516	85,028	87,103	27,629	1,337,971
Supplies	126,285	35,667	63,027	11,982	5,605	242,566
Other	19,830	1,970	13,490	6,562	7,684	49,536
Equipment rental	82,419	-	7,121	-	-	89,540
Utilities	92,860	11,416	12,155	6,243	2,744	125,418
Telephone and internet	86,756	9,661	16,833	6,708	3,324	123,282
Maintenance	179,826	9,532	10,434	12,336	16,225	228,353
Credit card and bank charges	33,242	-	1,201	66,497	-	100,940
Interest	32,444	-	-	-	-	32,444
Insurance	93,057	10,065	14,069	9,022	2,516	128,729
Radio - air time valuation	-	-	1,310,140	-	-	1,310,140
Royalties	1,123	-	-	-	-	1,123
Tuition assistance	-	694	-	-	-	694
Subscriptions	245	335	5,407	4,187	-	10,174
Total Expenses	$ 5,004,271	$ 1,101,023	$ 2,774,117	$ 882,544	$ 563,411	$ 10,325,366

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Cash Flows
For the Year Ended June 30, 2021

Cash Flows From Operating Activities	
Increase in Net Assets	$ 5,213,265
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Depreciation	1,337,971
Unrealized gain on investments	(11,125)
Change in value of split-interest agreements	(591,285)
Interest and dividends	(47,354)
Forgiveness of Paycheck Protection Program loan	(1,113,596)
Change in assets and liabilities:	
Prepaid expenses	(16,524)
Inventory	(15,120)
Accounts payable	22,502
Deferred revenue	(13,331)
Accrued liabilities	(13,750)
Net Cash Provided by Operating Activities	4,751,653
Cash Flows From Investing Activities	
Purchase of property and equipment	(256,060)
Purchase of investments	(1,538,170)
Change in living trust liabilities	60,578
Cash withdrawals from investments	1,191,075
Net Cash Used by Investing Activities	(542,577)
Cash Flows From Financing Activities	
Proceeds from Paycheck Protection Program loan	851,467
Repayments on line of credit	(2,625,000)
Net Cash Used by Financing Activities	(1,773,533)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	2,435,543
Cash, Cash Equivalents, and Restricted Cash, beginning of year	1,755,938
Cash, Cash Equivalents, and Restricted Cash, end of year	$ 4,191,481
Supplemental Information	
Cash paid for interest	$ 32,444

The accompanying notes are an integral part of this financial statement.

Note 1: Organization and Summary of Accounting Policies

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

Organization

The Institute is a California nonprofit corporation headquartered in Dallas, Texas. The Institute was founded in 1970 and is a leader in scientific research within the context of biblical creation and biblical apologetics. As a research organization, the Institute conducts laboratory, field, theoretical, and library research projects that seek to understand the science of origins and Earth history. As an educational organization, the Institute offers formal courses of instruction, including graduate degree programs at the School of Biblical Apologetics, conducts seminars and conferences, produces, and presents radio programming, offers both live streaming and downloadable lectures on science topics, as well as other means of education. The Institute also offers educational services to the general public through its recently opened museum, the ICR Discovery Center for Science & Earth History (ICR Discovery Center). At the ICR Discovery Center, one can learn how science affirms biblical creation through engaging exhibits, stunning planetarium shows, and hearing live presentations by ICR scientists. The Institute also produces and publishes books, DVDs, periodicals, a full-color monthly magazine, a quarterly devotional booklet and other media for communicating the evidence and information confirming the authority and historicity of Scripture.

Cash, Cash Equivalents and Restricted Cash

The Institute considers all investments with original maturity dates of ninety days or less to be cash equivalents. The Institute places its cash, which, at times, may exceed federally insured limits, with high-credit quality institutions. The Institute has not experienced any losses on such accounts.

The amounts included in restricted cash represent those required to be set aside by split-interest agreements for the payments to the grantor or other designated beneficiaries.

Investments

Investments, consisting of fixed income and mutual funds, are stated at their current market values. Investment income consists of interest and dividend income, realized gains or losses, and unrealized gains or losses.

Note 1: Organization and Summary of Accounting Policies (Continued)

Inventory

Inventory consists of books, DVDs, shirts, educational toys, and other media, and is stated at the average cost basis.

Property, Equipment, and Depreciation

Property and equipment are stated at cost when purchased or fair value at the date the asset is donated, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized, while maintenance and repairs which do not improve or extend the lives of the respective assets, are expensed when incurred. When property or equipment are sold or otherwise disposed of, the asset and related accumulated depreciation is removed, and any gain or loss is included in the statement of activities and changes in net assets. Depreciation has been calculated using the straight-line method as follows:

Automobiles	5 years
Furniture and equipment	5 - 15 years
Building and improvements	15 - 40 years
Discovery Center	40 years

Financial Statement Presentation

Net assets and 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 as follows:

Net Assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Institute and/or the passage of time.

Net Assets without donor restrictions - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (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. Contributions of assets other than cash are recorded at their estimated fair value.

Restricted and Unrestricted Contributions and Support

Contributions received are recorded with or without restriction, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as “net assets released from restrictions.”

Note 1: Organization and Summary of Accounting Policies (Continued)

Income Taxes

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Institute has been classified as an organization that is not a private institute under IRC Section 509(a)(2), and as such, contributions to the Institute qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Institute's exempt purpose is subject to tax under IRC Section 511.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include depreciation, donated media time, value of split-interest agreements, and the functional allocation of expenses. Actual results could vary from estimates.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal tax returns of the entity are generally open to examination by the relevant taxing authority for a period of three years from the date the returns are filed.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to either program, supporting, or fundraising functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area or square footage where applicable. The expenses that are allocated include salary and wages, depreciation, and professional services, along with other program expenses. All other natural expense categories using the key concept of direct conduct or direct supervision are 100% charged to the benefiting program, support, or fundraising service.

Advertising Costs

Advertising costs are expensed as incurred. The Institute expended $42,636 promoting the Discovery Center, seminars, and other institutional events for the year ended June 30, 2021.

Note 1: Organization and Summary of Accounting Policies (Continued)

Collections

Collections consist of historical artifacts that are held for educational purposes. These artifacts are preserved and cared for, and records of each item are maintained. Collections are capitalized at cost if purchased and at fair value on the date of the gift, if donated.

Revocable Living Trusts

The Institute is the trustee for certain revocable trusts which are included in the financial statements under revocable living trusts. Revenue is not recognized on these trusts until the trusts become irrevocable or the assets are distributed to the Institute for its unconditional use. Until revenue is recognized, the Institute records a liability to offset the trust assets which are included in the long-term investments – split-interest agreements in the accompanying statement of financial position.

Split-Interest Agreements

The Institute has entered into charitable gift annuity agreements. Under these agreements a donor contributes assets to the Institute in exchange for the right to receive a fixed dollar annual return during the donor's lifetime. A portion of the transfer is a charitable contribution for income tax purposes to the donor. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The liabilities, which are reflected as a part of liabilities under split-interest agreements, are revalued annually using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. Actuarial changes and annuity payments are reported as a change in value of future payments under its charitable gift annuity contracts as required by governing state laws. The Institute maintains separate reserve funds to meet future payments under its charitable gift annuity contracts as required by state law. The total amount held in separate reserve funds was $3,030,179 as of June 30, 2021.

As trustee, the Institute administers irrevocable charitable trusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the lifetime beneficiaries' interests is reflected as liabilities under split-interest agreements on the statement of financial position using federal discount and mortality tables. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to the designated remainderman. The present value of the Institute's remainder interest is reported as contributions with donor restrictions in the period received, and as a reclassification to net assets without donor restrictions when released, unless specified for a restricted purpose. Actuarial changes, annuity payments, matured agreements, investment income and unrealized gains and losses are reported as a change in value of split-interest agreements in the statement of activities and changes in net assets. The portion attributable to other remaindermen is reflected as a part of liabilities under split-interest agreements on the statement of financial position. The total value of liabilities under split-interest agreements at June 30, 2021 was $2,551,240.

Note 1: Organization and Summary of Accounting Policies (Continued)
Fair Value of Financial Instruments
FASB ASC Topic 820, *Fair Value Measurements and Disclosures* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Institute has the ability to access.

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- 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 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. For the year ended June 30, 2021, there were no significant transfers between levels.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2021.

Fixed Income: Traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

Mutual Funds: Traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

Note 1: Organization and Summary of Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

Irrevocable Split-Interest Arrangements: Charitable gift annuities, charitable remainder trusts and similar arrangements in which the Institute is trustee or custodian, conform to GAAP which generally requires investment securities be carried at estimated fair value. Assets are invested in mutual funds traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Institute believes its valuation methods 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 fair value measurement at the reporting date.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The new standard requires lessees to recognize a right-of-use (ROU) asset and a related lease liability for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The new standard is effective for private entities for annual periods beginning after December 15, 2021. The Institute is currently assessing the impact that adoption of ASU 2016-02 will have on its statement of financial position but expects that the guidance will not result in significant changes to the statement of activities and changes in net assets. The update will be adopted in the fiscal year ending June 30, 2023.

Revenue Recognition

The Institute receives revenue for services that is recognized when the control of the promised service is transferred to customers in an amount that reflects the consideration the Institute expects to be entitled to receive in exchange for those services under ASU 2014-09, *Revenue from Contracts with Customers*. The Institute’s service revenue includes retail product sales, the Discovery Center ticket sales and annual membership fees. Retail products sales and the Discovery Center tickets sales are recognized when the sale or transaction occurs; annual membership fees are recognized over the term of applicable memberships.

The Institute also determined there were no conditional contributions received in fiscal year 2021.

Date of Management’s Review

Subsequent events have been evaluated for potential recognition or disclosure through October 21, 2021, which is the date the financial statements were available to be issued.

Note 2: Investments/ Charitable Gift Reserve

Investments at June 30, 2021 consisted of the following:

Mutual funds	$ 4,519,553
Fixed income securities	337,205
Total investments	$ 4,856,758

Note 3: Fair Value Measurements

Fair value of assets and liabilities measured on a recurring basis at June 30, 2021 are as follows:

	Assets and Liabilities at Fair Value			
	Total	Level 1	Level 2	Level 3
Mutual funds	$ 4,519,553	$ 4,519,553	$ -	$ -
Fixed income securities	337,205	337,205	-	-
Total investments	$ 4,856,758	$ 4,856,758	$ -	$ -
Liabilities for annuities and trusts	$ 2,595,258	$ -	$ 2,595,258	$ -

Note 4: Net Assets

At June 30, 2021, net assets with restrictions consisted of the following:

Subject to time or donor restriction	
Estimated future trust benefits	$ 728,882
Other institute projects	227,327
Funds in perpetuity	
Educational purposes	3,859
	$ 960,068

Net assets released from restrictions during the year ended June 30, 2021 were as follows:

Discovery Center	$ 107,172
Other institute projects	60,840
	$ 168,012

Note 5: Retirement Plan

The Institute maintains a 401(k) retirement plan ("the Plan") for the benefit of its employees. Eligible employees may make elective deferral contributions to the Plan. The Institute makes non-discretionary contributions equal to 6% of each employee's compensation to the Plan. The Institute contributed $191,587 to the Plan for the year ended June 30, 2021.

Note 6: Donated Media

The Institute receives donated airtime to facilitate broadcasting certain of its radio programs. Management estimates the value of the donated airtime based on comparable costs of airing the programs on similar radio stations. During the year ended June 30, 2021, the Institute recognized $1,310,140 of donated airtime which is included as "in-kind broadcasting revenue" and "applied research and communications" expense in the accompanying statement of activities and changes in net assets.

Note 7: Property and Equipment

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

Land	$ 2,476,069
Building and improvements	3,864,586
Furniture and equipment	739,840
Collections	440,802
Discovery Center	31,198,629
Total property and equipment	38,719,926
Less: Accumulated depreciation	(3,846,140)
Property and equipment, net	$ 34,873,786

Depreciation expense was $1,337,971 for the year ended June 30, 2021.

Note 8: Commitments

Operating Leases

The Institute has entered into various noncancelable operating lease commitments for certain office equipment which expire in years ending June 30, 2022, through 2027.

The future minimum lease obligation is summarized as follows for the year ending June 30,

2022	$	78,900
2023		69,200
2024		64,700
2025		64,700
2026		63,700
2027 and thereafter		30,700

Lease expense for the year ended June 30, 2021 totaled $89,540.

Note 9: Concentration of Risk

For the year ended June 30, 2021, approximately 18% of contributions were from a third-party foundation established by a board member.

Note 10: Paycheck Protection Program (PPP) Loan

The Institute received funding of $804,288 in May 2020 under the PPP as part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) to provide payroll assistance due to the Institute having to cease normal operations of its Discovery Center, Events, and other services for several months because of the global pandemic and local governmental orders. $542,159 was spent for the year ended June 30, 2020. The Institute used the Government Grant Model to recognize the forgiveness revenue of $542,159 for the year ended June 30, 2020, and accounted for the remaining amount as a note payable at June 30, 2020. The amount of forgiveness is based on criteria being "substantially met". Since the Institute received full forgiveness of the loan in January 2021 from the Small Business Administration (SBA), $262,129 was recognized as revenue for the year ended June 30, 2021.

The Institute received a second draw PPP loan of $851,467 in March 2021 to provide payroll assistance due to the Institute having to cease normal operations of its Discovery Center, Events, and other services for several months because of the global pandemic and local governmental orders. The Institute received full forgiveness of the loan in July 2021 from the SBA. As such, the entire amount was recognized as revenue for the year ended June 30, 2021.

Note 11: Liquidity

The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Institute has a goal to maintain financial assets, which consists of cash on hand to meet normal operating expenses.

In addition, the Institute is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Institute must maintain sufficient resources to meet those responsibilities to its donors. Thus, these financial assets may not be available for general expenditures within one year.

The following reflects the Institute's financial assets, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions, within one year of the statement of financial position date.

Financial assets available at June 30, 2021	$ 4,200,916
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Subject to appropriation and satisfaction of donor restrictions	(227,327)
Restricted by donor for perpetual use	(3,859)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,969,730

The Institute is party to split-interest agreements in which donors contribute assets in exchange for a fixed dollar annual return. Investments of $4,847,323 are restricted for such purposes and are therefore not included in the quantitative information above. See Note 1 for additional information.