

Kidspace: A Participatory Museum

Financial Statements
and Single Audit Reports and Schedules

December 31, 2021
(With Comparative Totals for 2020)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kidspace: A Participatory Museum
Pasadena, California

Opinion

We have audited the accompanying financial statements of Kidspace: A Participatory Museum (a California corporation) (the "Museum"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kidspace: A Participatory Museum as of December 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kidspace: A Participatory Museum and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kidspace: A Participatory Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kidspace: A Participatory Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kidspace: A Participatory Museum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 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.

Report on Summarized Comparative Information

We have previously audited Kidspace: A Participatory Museum (a California corporation)'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 23, 2021 . In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Ramon, California

September 20, 2022

Kidspace: A Participatory Museum
Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

| | 2021 | 2020 |
|--|---------------|---------------|
| ASSETS | | |
| Cash | \$ 2,027,990 | \$ 1,016,993 |
| Investments | 758,737 | 1,170,986 |
| Contributions and grants receivable, net | 38,435 | 54,680 |
| Employee retention tax credit receivable | 183,909 | - |
| Inventory | 42,552 | 57,346 |
| Prepaid and other current assets | 134,301 | 31,391 |
| Donated use of long-lived asset | 548,855 | 569,764 |
| Property and equipment | 11,991,202 | 12,668,138 |
| Total assets | \$ 15,725,981 | \$ 15,569,298 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable | \$ 36,979 | \$ 166,886 |
| Accrued expenses | 233,965 | 239,961 |
| Deferred revenue | 499,947 | 571,009 |
| Line of credit | - | 1,000,000 |
| Total liabilities | 770,891 | 1,977,856 |
| Net assets | | |
| Without donor restrictions | 13,724,984 | 12,358,415 |
| With donor restrictions | 1,230,106 | 1,233,027 |
| Total net assets | 14,955,090 | 13,591,442 |
| Total liabilities and net assets | \$ 15,725,981 | \$ 15,569,298 |

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

Kidspace: A Participatory Museum
Statement of Activities
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

| | Without Donor Restrictions | With Donor Restrictions | 2021 Total | 2020 Total |
|--|----------------------------------|----------------------------|----------------------|----------------------|
| Revenues, gains (losses) and other support | | | | |
| Admissions and memberships, net | | | | |
| Admissions and memberships | \$ 2,330,127 | \$ - | \$ 2,330,127 | \$ 638,041 |
| Discounted admissions | (245,614) | - | (245,614) | (205,630) |
| Total admissions and memberships, net | <u>2,084,513</u> | <u>-</u> | <u>2,084,513</u> | <u>432,411</u> |
| Grants and contributions | 1,301,904 | 74,120 | 1,376,024 | 1,045,913 |
| Government contribution (Paycheck Protection Program) | 528,337 | - | 528,337 | 528,762 |
| Shuttered venue operators grant | - | 2,114,323 | 2,114,323 | - |
| Employee retention tax credit | 321,551 | - | 321,551 | - |
| Gift store revenue, net | 122,325 | - | 122,325 | 23,515 |
| Facility rental | - | - | - | 1,645 |
| Other program revenue | 127,565 | - | 127,565 | 27,986 |
| Cafe loss, net | (55,003) | - | (55,003) | (41,302) |
| Birthday fee | - | - | - | 39,062 |
| Special events, net | 32,215 | - | 32,215 | 235,665 |
| Other revenue | 4,277 | - | 4,277 | 6,442 |
| Net assets released from restriction | <u>2,227,097</u> | <u>(2,227,097)</u> | <u>-</u> | <u>-</u> |
| Total revenues, gains (losses) and other support | <u>6,694,781</u> | <u>(38,654)</u> | <u>6,656,127</u> | <u>2,300,099</u> |
| Functional expenses | | | | |
| Program services | 4,124,730 | - | 4,124,730 | 3,518,661 |
| Management and general | 942,012 | - | 942,012 | 414,171 |
| Fundraising | <u>254,300</u> | <u>-</u> | <u>254,300</u> | <u>508,148</u> |
| Total functional expenses | <u>5,321,042</u> | <u>-</u> | <u>5,321,042</u> | <u>4,440,980</u> |
| Change in net assets from operations | <u>1,373,739</u> | <u>(38,654)</u> | <u>1,335,085</u> | <u>(2,140,881)</u> |
| Non-operating activities | | | | |
| Investment income, net | 2,466 | 35,733 | 38,199 | 58,276 |
| Gain (loss) on disposal of property and equipment | <u>(9,636)</u> | <u>-</u> | <u>(9,636)</u> | <u>2,000</u> |
| Total non-operating activities | <u>(7,170)</u> | <u>35,733</u> | <u>28,563</u> | <u>60,276</u> |
| Change in net assets | 1,366,569 | (2,921) | 1,363,648 | (2,080,605) |
| Net assets, beginning of year | <u>12,358,415</u> | <u>1,233,027</u> | <u>13,591,442</u> | <u>15,672,047</u> |
| Net assets, end of year | <u>\$ 13,724,984</u> | <u>\$ 1,230,106</u> | <u>\$ 14,955,090</u> | <u>\$ 13,591,442</u> |

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

Kidspace: A Participatory Museum
Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

| | Program Services | Management and General | Fundraising | 2021 Total | 2020 Total |
|-------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
| Personnel expenses | | | | | |
| Salaries and wages | \$ 1,335,274 | \$ 360,208 | \$ 178,701 | \$ 1,874,183 | \$ 1,836,323 |
| Employee benefits | 167,757 | 45,393 | 22,520 | 235,670 | 332,762 |
| Payroll taxes | 96,535 | 26,121 | 12,959 | 135,615 | 132,984 |
| Total personnel expenses | <u>1,599,566</u> | <u>431,722</u> | <u>214,180</u> | <u>2,245,468</u> | <u>2,302,069</u> |
| Depreciation and amortization | 1,272,490 | 4,094 | 4,493 | 1,281,077 | 1,284,802 |
| Education expenses | 562,995 | 410 | 204 | 563,609 | 175,513 |
| Outside services | 137,292 | 171,268 | 806 | 309,366 | 119,669 |
| Office expense and supplies | 154,536 | 107,732 | 7,556 | 269,824 | 111,427 |
| Utilities and maintenance | 204,736 | 5,024 | 2,840 | 212,600 | 159,684 |
| Other expenses | 90,094 | 79,292 | 23,926 | 193,312 | 70,064 |
| Marketing | - | 117,055 | - | 117,055 | 85,253 |
| Insurance | 83,608 | 269 | 295 | 84,172 | 75,834 |
| Interest expense | - | 25,146 | - | 25,146 | 22,333 |
| Travel and conferences | 19,413 | - | - | 19,413 | - |
| Printing, postage and other | - | - | - | - | <u>34,332</u> |
| | <u>\$ 4,124,730</u> | <u>\$ 942,012</u> | <u>\$ 254,300</u> | <u>\$ 5,321,042</u> | <u>\$ 4,440,980</u> |

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

Kidspace: A Participatory Museum
Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 1,363,648 | \$ (2,080,605) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | |
| Depreciation and amortization | 1,302,064 | 1,305,850 |
| (Gain) loss on disposal of property and equipment | 9,636 | (2,000) |
| Net realized and unrealized gains on investments | (27,814) | (58,276) |
| Contributions restricted for long-lived assets | (46,863) | (41,351) |
| Changes in operating assets and liabilities | | |
| Contributions and grants receivable, net | 16,245 | 49,976 |
| Employee retention tax credit receivable | (183,909) | - |
| Inventory | 14,794 | (12,155) |
| Prepaid and other current assets | (102,910) | 73,639 |
| Accounts payable | (129,907) | 37,680 |
| Accrued expenses | (5,996) | 93,969 |
| Deferred revenue | <u>(71,062)</u> | <u>(25,154)</u> |
| Net cash provided by (used in) operating activities | <u>2,137,926</u> | <u>(658,427)</u> |
| Cash flows from investing activities | | |
| Proceeds from sales of investments | 500,148 | 90,000 |
| Purchases of investments | (60,085) | (46,646) |
| Proceeds from the sale of property and equipment | - | 2,000 |
| Purchases of property and equipment | <u>(613,855)</u> | <u>(162,848)</u> |
| Net cash used in investing activities | <u>(173,792)</u> | <u>(117,494)</u> |
| Cash flows from financing activities | | |
| (Repayments) borrowings on line of credit | (1,000,000) | 1,000,000 |
| Contributions restricted for long-lived assets | <u>46,863</u> | <u>41,351</u> |
| Net cash provided by (used in) financing activities | <u>(953,137)</u> | <u>1,041,351</u> |
| Net increase in cash | 1,010,997 | 265,430 |
| Cash, beginning of year | <u>1,016,993</u> | <u>751,563</u> |
| Cash, end of year | <u>\$ 2,027,990</u> | <u>\$ 1,016,993</u> |

Supplemental disclosure of cash flow information

| | | |
|------------------------------------|-----------|-----------|
| Cash paid during the year interest | \$ 25,146 | \$ 22,333 |
|------------------------------------|-----------|-----------|

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

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

1. NATURE OF OPERATIONS

Kidspace: A Participatory Museum (the "Museum" or "Kidspace") is a nonprofit corporation which operates a children's museum in Pasadena, California.

The vision of Kidspace is an evolution of the Museum's innovative activities that began over 35 years ago. The focus on kid-driven experiences descends directly from the Museum's early ideal of "A Participatory Museum." The many major and minor accomplishments of the Museum provide a rich background for what is to come.

As the premier children's museum in Southern California, Kidspace is putting plans in place to remain so for years to come. Throughout its history, the Museum has been ahead of the curve in the museum field, from pioneering hands-on, participatory experiences to embracing the unique power of outdoor learning. In recent years, the Museum has seen a record-breaking upswing in attendance through the opening of one-of-a-kind experiences such as the Galvin Physics Forest, the Imagination Workshop, Early Childhood Learning Center, and the Arroyo Adventure.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements and accompanying notes of the Museum have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Museum's financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - net assets not subject to donor-imposed restrictions.
- *Net assets with donor restrictions* - net assets subject to donor-imposed restrictions that will be met by actions of the Museum and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where resources be maintained in perpetuity by the Museum.

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 restriction. Investment income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law.

Contributions and promises to give

Contributions received are reported as with or without donor restrictions depending upon donor restrictions, if any.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and promises to give (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. As of December 31, 2021, the Museum considers all contributions receivable to be fully collectible; accordingly no allowance for doubtful accounts has been recorded.

Cash and cash equivalents

The Museum maintains cash and cash equivalents with major financial institutions. The Museum considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Museum places its cash and investments with high-credit, quality financial institutions. At times, such cash may be in excess of the FDIC insurance limit. Concentration of credit risk for contributions receivable are generally limited due to the dispersion of these items over a wide donor base. The Museum continually monitors its receivables and establishes valuation reserves as considered appropriate.

Investments

Investment transactions are recorded on trade date. Realized gains and losses on sales of investments are determined on the specific identification basis. Unrealized gains or losses on investments resulting from gain value fluctuations are recorded in the statement of activities during the year.

Fair value measurements

The Museum determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- *Level 1* - Quoted market prices are available in active markets for identical assets or liabilities as of the reporting date.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- *Level 2* - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- *Level 3* - Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used to estimate the fair value of assets and liabilities:

- Investments (Level 1). Investments in equity and debt securities are valued at their fair values as determined primarily by quoted market prices. Investments without quoted market prices, including real estate investments, are valued at fair value as determined by third-party appraisals, management's estimates or a combination of both.

Contributed goods and services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Kidspace received approximately \$42,000 in pro-bono legal services during the year ended December 31, 2021.

The Museum receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No donated services have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Property and equipment

The Museum capitalizes all property and equipment with a cost greater than \$1,000 with an estimated useful life in excess of one year. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of the contribution. Minor repairs and maintenance are charged against earnings as incurred. Major repairs and maintenance that extend the useful life of the respective asset are capitalized.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

| | |
|-------------------------|------------|
| Buildings | 40 years |
| Exhibits | 5-40 years |
| Furniture and equipment | 3-10 years |

Long-lived assets

The Museum reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. No impairment losses were recognized during the year ended December 31, 2021.

Inventory

Inventory consists of products such as educational books, toys, games and crafts. Inventory is valued at the lower of cost or net realizable value. The Museum utilizes the weighted average method of inventory valuation.

Revenue recognition

Revenue, other than from contributions, bequests, and unconditional grants, is recognized in the period in which the service has been provided.

The management of the Museum estimates that the cost of memberships equals the fair value of goods and services received by members. Accordingly, the Museum recognizes membership sales as revenue over the membership period, using the straight-line basis. Virtually all memberships sold cover a period of one year.

The Museum recognizes revenue from admissions and discounted admissions coupons upon the visit to the Museum.

The Museum earns revenue from its various programs, including school and community partnerships, camps, and birthday parties. The Museum recognizes program revenue when the related activity occurs.

The Museum recognizes store revenue upon sale of the merchandise. Estimated returns are not material.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenue

Deferred revenue relates to membership fees, program revenues and gift cards where cash has been received, but services have not yet been performed. These revenues are recognized in the period when the services are rendered and performance obligations met.

Advertising costs

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2021 were \$24,362 and are included in marketing in the statement of functional expenses.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses, such as payroll and benefits, have been allocated among program services and supporting services based upon employees' time spent by function. Facility related costs such as depreciation and maintenance have been allocated based on estimated square footage used by various departments.

Income tax status

The Museum is a qualified charitable organization exempt from federal income and California franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code, respectively.

The Museum has evaluated its current tax positions and has concluded that as of December 31, 2021, the Museum does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires Museum management to make estimates and assumptions that affect certain reported amounts and disclosures. Uses of estimates include, but are not limited to, accounting for fair value of investments, the allowance for doubtful accounts and contributions receivable and depreciation. Actual results could differ from those estimates.

Summarized financial information

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

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain 2020 amounts have been reclassified to conform to the 2021 financial statement presentation.

3. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business and shelter-in-place orders. The Museum has taken several measures to monitor and mitigate the effects of COVID-19, including safety and health measures for its employees, such as social distancing and working from home. The Museum closed to the general public beginning March 16, 2020 to comply with mandated shelter-in-place orders, and did not reopen to the public until April 22, 2021. While the Museum was able to reopen, it was required to do so at a reduced capacity to comply with state and local governmental authorities. As a result of the shutdown, the Museum was forced to reduce or furlough a portion of its staff. As noted in Notes 11, 12 and 13 the Museum took advantage of the government relief programs available and has explored various liquidity options. It is probable that this matter will negatively impact the Museum. However, the ultimate impact and duration cannot be reasonably estimated at this time.

4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Museum's assets at fair value as of December 31, 2021:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Fair Value</u> |
|---------------------|-------------------|----------------|----------------|-------------------|
| Equity mutual funds | \$ 330,580 | \$ - | \$ - | \$ 330,580 |
| Fixed income | <u>428,157</u> | <u>-</u> | <u>-</u> | <u>428,157</u> |
| | <u>\$ 758,737</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 758,737</u> |

5. CONTRIBUTIONS AND GRANTS RECEIVABLE

A discount rate of 2.5% has been used to calculate the present value of contributions and grants receivable.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

5. CONTRIBUTIONS AND GRANTS RECEIVABLE (continued)

Contributions and grants receivable consisted of the following:

| | |
|-----------------------------------|-------------------------|
| Receivables in less than one year | \$ 35,996 |
| Receivables in one to five years | <u>2,500</u> |
| | 38,496 |
| Less: unamortized discount | <u>(61)</u> |
| | <u><u>\$ 38,435</u></u> |

6. DONATED USE OF LONG-LIVED ASSET

The Museum leases the property where it is located from the City of Pasadena for a lease cost of \$1 per year. The term of the lease was for fifty years through 2048. The fair market value of this lease was recorded as revenue in the period the property was contributed and the related assets will be expensed as rent over the fifty-year term of the lease. Kidspace is responsible for the renovation, operation and maintenance of the premises.

The terms of the lease stipulate that the property will be returned to the City of Pasadena at the end of the lease. Accordingly, the asset has been classified as with donor restrictions in the accompanying financial statements. The amortization expense of donated use of long-lived asset for the year ended December 31, 2021 was \$20,909. Amortization expense of \$20,909 will be recorded each year through the end of the lease.

Donated use of the long-lived asset consisted of the following:

| | |
|--------------------------|--------------------------|
| Long-lived asset | \$ 1,045,440 |
| Accumulated amortization | <u>(496,585)</u> |
| | <u><u>\$ 548,855</u></u> |

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

| | |
|--------------------------|-----------------------------|
| Buildings | \$ 17,310,053 |
| Exhibits | 10,302,670 |
| Furniture and equipment | <u>901,975</u> |
| | 28,514,698 |
| Accumulated depreciation | <u>(16,523,496)</u> |
| | <u><u>\$ 11,991,202</u></u> |

Depreciation expense for the year ended December 31, 2021, was \$1,260,168 (excluding \$20,987 included as café loss, net on the statement of activities).

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

8. LINE OF CREDIT

The Museum maintained a line of credit in the amount of \$1,000,000. Interest on the line of credit was variable based on the prime rate less 0.25% and due monthly. The Bank's rate was 3.00% at December 31, 2021. There was no outstanding balance on the line of credit at December 31, 2021. The line of credit expired in February 2022 and was not renewed.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

| | |
|---------------------------------|---------------------|
| Capital campaign | \$ 9,122 |
| Donated use of long-lived asset | 548,855 |
| Programs and exhibits | 86,612 |
| Investment in perpetuity | <u>585,517</u> |
| | <u>\$ 1,230,106</u> |

Net assets without donor restrictions released from restriction during the year were as follows:

| | |
|----------------------------------|---------------------|
| Passage of time | \$ 46,865 |
| Amortization of long-lived asset | 20,909 |
| Various programs | 45,000 |
| Shuttered venue operators grant | <u>2,114,323</u> |
| | <u>\$ 2,227,097</u> |

10. ENDOWMENT

The Museum's endowment consists of donor-restricted endowment funds. The donor-restricted endowment consists of \$500,000 of original corpus gifts. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The primary long-term financial objective for the Museum's endowment is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. The endowment is also managed to optimize the long run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that funds the Museum's existing spending policy and allows sufficient reinvestment to grow the endowment principal at a rate that exceeds inflation (as measured by the Consumer Price Index).

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

10. ENDOWMENT (continued)

The Museum's Board of Directors is in the process of developing a spending policy that will distribute a specific payout rate of the endowment base to support the Museum's programs. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy will minimize the probability of invading the principal over the long term. There were no appropriations from the endowment during the year ended December 31, 2021.

Interpretation of relevant law

The Museum's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as net assets with donor restriction (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 the donor-restricted endowment fund is classified as without donor restrictions once the amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 Museum and 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
- (7) The investment policies of the Museum

Endowment composition

Endowment net asset composition by type of fund as of December 31, 2021 is as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|-------------------------------|----------------------------|------------|
| Donor-restricted endowment funds | \$ - | \$ 585,517 | \$ 585,517 |

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

10. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2021 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------|---------------------------------------|------------------------------------|--------------------------|
| Balance, December 31, 2020 | \$ - | \$ 549,784 | \$ 549,784 |
| Investment income, net | <u>-</u> | <u>35,733</u> | <u>35,733</u> |
| Balance, December 31, 2021 | <u><u>\$ -</u></u> | <u><u>\$ 585,517</u></u> | <u><u>\$ 585,517</u></u> |

11. GOVERNMENT CONTRIBUTION (PAYCHECK PROTECTION PROGRAM)

In March 2021, the Museum received \$528,337 in a second round of loan funding from the Paycheck Protection Program (the "PPP"), established pursuant to the recently enacted Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and administered by the U.S. Small Business Administration ("SBA"). The unsecured loan (the "PPP Loan") was evidenced by a promissory note of the Museum dated March 17, 2021 (the "Note") in the principal amount of \$528,337 with a bank, the lender. Under the terms of the Note and the PPP Loan, interest accrued on the outstanding principal at the rate of 1.0% per annum. Payments of principal and interest were deferred for borrowers who applied for loan forgiveness until the SBA remitted the borrower's loan forgiveness amount to the lender. In March 2022, the SBA granted full forgiveness of the loan and accordingly, the Museum has accounted for the PPP loan as a conditional contribution. Proceeds received under the PPP loan were recognized as revenue when the Museum incurred expenditures in compliance with the promissory note provisions and when the conditions had been substantially met. The Museum recognized government contributions totaling \$528,337 during the year ended December 31, 2021 based on qualifying expenditures made under the PPP that were subsequently forgiven.

12. SHUTTERED VENUE OPERATORS GRANT

During the year ended December 31, 2021, the Museum was granted and received \$2,114,323 under the Shuttered Venue Operators Grant ("SVOG") program implemented by the SBA under the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and later amended by the American Rescue Plan Act. The SVOG program was created to prevent widespread closures of venues that were devastated by the loss of revenue due to the COVID-19 pandemic. The SVOG program provides eligible applicants with grants equal to 45% of their gross earned revenue, up to a maximum of \$10,000,000 reduced by borrowings under the second round of PPP funding. Under the terms of the grant, the Museum was allowed to utilize the funds for qualifying expenditures of the program during the period January 1, 2021 through December 31, 2021, and recognized the entirety of the received funds as revenue during the year ended December 31, 2021.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

13. EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit ("ERC"), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the CARES Act and was subsequently amended through additional legislation. The tax credit is equal to 50% of the qualified wages, up to \$10,000 per employee, an employer whose business has been financially impacted by COVID-19 pays to employees after March 12, 2020, and before January 1, 2022. The Museum determined it was eligible to apply for the ERC and calculated a total ERC of \$321,551 for the wages paid during the period January 1, 2021 through December 31, 2021. As the ERC refund relates to salaries and wages paid during 2021 and as the Museum has satisfied all conditions of the program, the Museum has recognized income and a corresponding receivable for the calculated ERC as of and for the year ended December 31, 2021. As of December 31, 2021, \$137,642 had been received.

14. COMMITMENTS AND CONTINGENCIES

Leases

The Museum leases property and equipment under non-cancelable operating leases that expire at various dates through September 2024.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

| | | |
|------|----|---------------------|
| 2022 | \$ | 4,060 |
| 2023 | | 4,060 |
| 2024 | | <u>535</u> |
| | \$ | <u><u>8,655</u></u> |

Lease expense for the year ended December 31, 2021 was \$10,956.

In addition, the Museum has an operating lease agreement with the City of Pasadena for the intended purpose of the museum. Under the terms of the lease, the Museum pays rent of \$1 per year over the initial fifty-year term which expires in 2048 (See Note 6). In consideration of the favorable lease terms, the Museum has agreed to numerous provisions and covenants with the City of Pasadena, which include hours of operations, displacement events, fees and admission and ownership of improvements.

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

14. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings

In the ordinary course of conducting business, the Museum becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Museum which, from time to time, may have an impact on changes in net assets. The Museum believes that these proceedings, individually or in the aggregate, would not have a material effect on the accompanying financial statements.

15. EMPLOYEE BENEFIT PLANS

The Museum offers its employees a 403(b) savings plan administered by Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), which covers substantially all of the employees to which the Museum may contribute at its discretion. The Museum made no contributions to the plan on behalf of its employees during the year ended December 31, 2021.

16. RELATED PARTY

The Museum received \$137,610 in contributions from board members and other related parties during the year ended December 31, 2021.

17. LIQUIDITY AND FUNDS AVAILABLE

As part of the Museum's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, the Museum has cash available. Contributions receivable that are considered current will be collected from donors within one year from the date of the statement of financial position and will be available for general expenditures.

The Executive Committee of the Board of Directors reviews the Museum's statement of financial position and monitors cash balances on a monthly basis. The Executive Committee expects to maintain a minimum cash balance to cover 90 days of operating expenses during 2022.

The following is a quantitative disclosure which describes assets that are available within one year of December 31, 2021 to fund general expenditures and other obligations when they become due:

| | |
|--|---------------------|
| Financial assets | |
| Cash | \$ 2,027,990 |
| Contributions and grants receivable, current portion | 35,996 |
| Investments | <u>758,737</u> |
| | 2,822,723 |
| Donor-restricted investments | <u>(585,517)</u> |
| | <u>\$ 2,237,206</u> |

Kidspace: A Participatory Museum
Notes to Financial Statements
December 31, 2021

17. LIQUIDITY AND FUNDS AVAILABLE (continued)

The Museum has financial assets available at December 31, 2021 to cover approximately 157 days of operating expenses based on the 2022 monthly budgeted run rate for all program and support services expense of approximately \$432,550, excluding depreciation and amortization.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 20, 2022, the date that these financial statements were issued. There were no subsequent events that would require adjustments to or disclosures in these financial statements, other than the matter described in Note 11.

SINGLE AUDIT REPORTS AND SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Kidspace: A Participatory Museum
Pasadena, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kidspace: A Participatory Museum (a California corporation) (the "Museum"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Museum's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Ramon, California

September 20, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Kidspace: A Participatory Museum
Pasadena, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kidspace: A Participatory Museum (a California corporation) (the "Museum")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Museum's major federal programs for the year ended December 31, 2021. The Museum's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Museum complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Museum and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Museum's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Museum's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Museum's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Museum's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Museum's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Museum's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Ramon, California

September 20, 2022

Kidspace: A Participatory Museum
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2021

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Assistance Listing | Pass-Through Entity Identifying Number | Total Federal Expenditures |
|---|-----------------------|---|-------------------------------|
| <u>Expenditures of Federal Awards</u> | | | |
| Small Business Administration | | | |
| Direct awards | | | |
| Shuttered Venue Operators Grant | 59.075 | | \$ <u>2,114,323</u> |
| Total Expenditures of Federal Awards | | | \$ <u><u>2,114,323</u></u> |

The accompanying notes to the Schedule of Expenditures of Federal Awards
 are an integral part of this schedule.

Kidspace: A Participatory Museum
Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kidspace: A Participatory Museum (a California corporation) (the "Museum") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Museum, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Museum.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

Kidspace: A Participatory Museum
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major programs:

| <u>Name of Federal Program or Cluster</u> | <u>Assistance Listing</u> |
|---|---------------------------|
| Shuttered Venue Operators Grant | 59.075 |
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

Kidspace: A Participatory Museum
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Kidspace: A Participatory Museum
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

There were no prior year findings.