

CENTER FOR PUPPETRY ARTS, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

CENTER FOR PUPPETRY ARTS, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	3-4
FINANCIAL STATEMENTS:	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Functional Expenses	8-9
Statements of Cash Flows	10
Summary of Accounting Policies	11-16
Notes to Financial Statements	17-21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	22
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	23-24
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE	
For each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	25-26
SCHEDULE OF FINDINGS	27
CORRECTIVE ACTION PLAN	28



BLAD & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1832 INDEPENDENCE SQ., STE. A DUNWOODY, GA 30338
770-512-7600 WWW.BLADCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Center for Puppetry Arts, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Center for Puppetry Arts, Inc. which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related summary of accounting policies and notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Puppetry Arts, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits for the years ended June 30, 2022 and 2021, in accordance with auditing standards generally accepted in the United States of America and, for the year ended June 30, 2022, 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 the Center for Puppetry Arts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

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 Center for Puppetry Arts, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements, continued

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 Center for Puppetry Arts, Inc.'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 Center for Puppetry Arts, Inc.'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* 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 schedule of expenditures of federal awards 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 December 6, 2022, on our consideration of Center for Puppetry Arts, Inc.'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 solely 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 Center for Puppetry Arts, Inc.'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 Center for Puppetry Arts, Inc.'s internal control over financial reporting and compliance.

Blad & Associates, P.C.

Dunwoody, Georgia

December 6, 2022

CENTER FOR PUPPETRY ARTS, INC.
Statements of Financial Position

	As of June 30,	
	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,396,194	\$ 900,893
Marketable securities	533,930	1,108,520
Contributions and other receivables, less reserve of of \$5,300 and \$5,300, respectively	47,052	14,144
Grants and contracts receivable	241,289	413,034
Inventory	51,742	106,674
Prepays	81,167	48,063
Total Current Assets	2,351,374	2,591,328
CASH RESTRICTED FOR LONG TERM PURPOSES (NOTE 2)	105,000	520,835
ASSETS RESTRICTED FOR ENDOWMENTS:		
Marketable securities	1,707,795	1,707,795
PROPERTY AND EQUIPMENT- NET	11,816,920	11,905,792
MUSEUM COLLECTION (NOTE 2)	4,223,499	4,147,859
WEBSITE REDESIGN- NET	14,213	42,638
TOTAL ASSETS	\$ 20,218,801	\$ 20,916,247
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 230,766	\$ 231,613
Deferred revenue	361,956	108,007
Line of credit (Note 3)	599,832	799,832
Paycheck Protection Program loan (Note 1)	-	443,563
Current maturities of notes payable (Note 3)	1,794	3,307
Total Current Liabilities	1,194,348	1,586,322
NOTES PAYABLE, LESS CURRENT MATURITIES (NOTE 3)	155,258	146,693
LONG-TERM DEFERRED REVENUE	246,278	-
Total Liabilities	1,595,884	1,733,015
NET ASSETS (NOTE 2):		
Net Assets Without Donor Restrictions	11,553,186	11,213,392
Net Assets With Donor Restrictions:		
Restricted by purpose or time	1,138,436	2,114,186
Restricted in perpetuity	5,931,295	5,855,654
Total Net Assets With Donor Restrictions	7,069,731	7,969,840
Total Net Assets	18,622,917	19,183,232
TOTAL LIABILITIES AND NET ASSETS	\$ 20,218,801	\$ 20,916,247

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

Statement of Activities For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Contributions	\$ 505,230	\$ 435,956	\$ 941,186
Grants and contracts	160,300	-	160,300
Donated services and materials	196,202	-	196,202
Shuttered Venue Operators Grant	904,167	-	904,167
Paycheck Protection Program	443,563	-	443,563
Total Public Support	<u>2,209,462</u>	<u>435,956</u>	<u>2,645,418</u>
REVENUE:			
Performances	664,156	-	664,156
Museum	509,832	-	509,832
Education	377,505	-	377,505
Special events, net of direct benefits costs of \$35,969	203,009	-	203,009
Gift shop	258,190	-	258,190
Interest and dividends	-	131,191	131,191
Gain (loss) on marketable securities	-	(556,483)	(556,483)
Other revenue	134,797	-	134,797
Total Revenue	<u>2,147,489</u>	<u>(425,292)</u>	<u>1,722,197</u>
Total Public Support and Revenue before Transfers	4,356,951	10,664	4,367,615
Net Assets Released from Restrictions Due to Satisfaction of Donor-imposed Requirements	<u>910,773</u>	<u>(910,773)</u>	<u>-</u>
Total Public Support and Revenue	<u>5,267,724</u>	<u>(900,109)</u>	<u>4,367,615</u>
EXPENSES:			
Program	3,765,567	-	3,765,567
Management and general	806,591	-	806,591
Fundraising	355,772	-	355,772
Total Expenses	<u>4,927,930</u>	<u>-</u>	<u>4,927,930</u>
Net Changes in Net Assets	339,794	(900,109)	(560,315)
NET ASSETS:			
Beginning of Year	<u>11,213,392</u>	<u>7,969,840</u>	<u>19,183,232</u>
End of Year	<u>\$ 11,553,186</u>	<u>\$ 7,069,731</u>	<u>\$ 18,622,917</u>

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

Statement of Activities For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Contributions	\$ 693,089	\$ 1,248,313	\$ 1,941,402
Grants and contracts	109,747	-	109,747
Donated services and materials	171,288	-	171,288
Employee Retention Credit	381,234	-	381,234
Paycheck Protection Program	463,638	-	463,638
Total Public Support	<u>1,818,996</u>	<u>1,248,313</u>	<u>3,067,309</u>
REVENUE:			
Performances	56,890	-	56,890
Museum	189,114	-	189,114
Education	145,088	-	145,088
Special events, net of direct benefits costs of \$0	163,150	-	163,150
Gift shop	82,311	-	82,311
Interest and dividends	-	84,094	84,094
Gain (loss) on marketable securities	-	565,354	565,354
Other revenue	73,478	-	73,478
Total Revenue	<u>710,031</u>	<u>649,448</u>	<u>1,359,479</u>
Total Public Support and Revenue before Transfers	2,529,027	1,897,761	4,426,788
Net Assets Released from Restrictions Due to Satisfaction of Donor-imposed Requirements	<u>811,376</u>	<u>(811,376)</u>	<u>-</u>
Total Public Support and Revenue	<u>3,340,403</u>	<u>1,086,385</u>	<u>4,426,788</u>
EXPENSES:			
Program	2,384,971	-	2,384,971
Management and general	637,467	-	637,467
Fundraising	247,013	-	247,013
Total Expenses	<u>3,269,451</u>	<u>-</u>	<u>3,269,451</u>
Net Changes in Net Assets	70,952	1,086,385	1,157,337
NET ASSETS:			
Beginning of Year	<u>11,142,440</u>	<u>6,883,455</u>	<u>18,025,895</u>
End of Year	<u><u>\$ 11,213,392</u></u>	<u><u>\$ 7,969,840</u></u>	<u><u>\$ 19,183,232</u></u>

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.
Statement of Functional Allocation
For the Year Ended June 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and related	\$ 2,002,335	\$ 462,391	\$ 239,307	\$ 2,704,033
Outside services	308,829	71,964	32,751	413,544
Marketing	57,049	40,797	5,149	102,995
Office	12,457	2,876	1,489	16,822
Supplies	75,850	746	12,084	88,680
Store Inventory	116,180	-	-	116,180
Occupancy	152,128	3,994	1,996	158,118
Travel	37,601	1,230	3,762	42,593
Insurance	85,749	2,251	1,125	89,125
Interest	21,747	571	285	22,603
Depreciation and amortization	599,927	15,749	7,870	623,546
Telecommunications	12,263	2,832	1,466	16,561
Postage and printing	13,858	7,534	9,516	30,908
Bank charges	-	73,396	-	73,396
Network fees	66,237	-	-	66,237
Royalties	69,991	-	-	69,991
Bad Debt	575	1,342	-	1,917
Regrants	2,000	-	-	2,000
Donated goods and services	87,558	97,521	11,123	196,202
Other	43,233	21,397	27,849	92,479
Total expenses	<u>\$ 3,765,567</u>	<u>\$ 806,591</u>	<u>\$ 355,772</u>	<u>\$ 4,927,930</u>

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.
Statement of Functional Allocation
For the Year Ended June 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and related	\$ 1,142,428	427,645	\$ 179,699	\$ 1,749,772
Outside services	144,927	60,285	25,215	230,427
Marketing	42,058	8,582	2,665	53,305
Office	5,105	1,911	803	7,819
Supplies	16,639	57	7,077	23,773
Store Inventory	32,294	-	-	32,294
Occupancy	102,007	2,678	1,338	106,023
Travel	398	81	221	700
Insurance	72,668	1,908	953	75,529
Interest	17,705	465	232	18,402
Depreciation and amortization	597,224	15,678	7,834	620,736
Telecommunications	14,809	5,543	2,329	22,681
Postage and printing	3,903	686	1,837	6,426
Bank charges	-	32,661	-	32,661
Network fees	60,954	-	-	60,954
Royalties	1,798	-	-	1,798
Bad Debt	231	540	-	771
Regrants	3,000	-	-	3,000
Donated goods and services	102,025	60,608	8,655	171,288
Other	24,798	18,139	8,155	51,092
Total expenses	<u>\$ 2,384,971</u>	<u>\$ 637,467</u>	<u>\$ 247,013</u>	<u>\$ 3,269,451</u>

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

Statements of Cash Flows

	For the Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes In net assets	\$ (560,315)	\$ 1,157,337
Adjustments to changes in net assets to net cash flows from operating activities:		
Depreciation and amortization	623,546	620,736
Realized/unrealized loss (gain) on marketable securities	(556,483)	(565,354)
Contributions restricted for long term purposes	(20,000)	(818,755)
Donated museum collection items	(75,640)	(75,699)
Bad debt provision	1,917	771
Paycheck Protection Program loan forgiveness	(443,563)	(463,638)
(Increase) decrease in accounts receivable	136,920	(299,516)
(Increase) decrease in inventory	54,932	29,311
(Increase) decrease in prepaids	(33,104)	(8,679)
Increase (decrease) in accounts payable and accruals	(847)	71,495
Increase (decrease) in deferred revenue	500,227	8,336
Net cash flows from operating activities	<u>(372,410)</u>	<u>(343,655)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Marketable securities proceeds (purchases)	1,131,073	59,410
Purchases of property and equipment	<u>(506,249)</u>	<u>(312,818)</u>
Net cash flows from investing activities	<u>624,824</u>	<u>(253,408)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program loan - round 2 (Note 1)	-	443,563
Proceeds received from notes payable	-	150,000
Payments on line of credit	(192,948)	-
Collections of contributions restricted for long-term purposes	<u>20,000</u>	<u>818,755</u>
Net cash flows from financing activities	<u>(172,948)</u>	<u>1,412,318</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,466	815,255
Beginning of year	<u>1,421,728</u>	<u>606,473</u>
End of year	<u><u>\$ 1,501,194</u></u>	<u><u>\$ 1,421,728</u></u>
RECONCILIATION OF CASH BALANCE:		
Cash and cash equivalents	\$ 1,396,194	\$ 900,893
Cash restricted for long-term purposes	<u>105,000</u>	<u>520,835</u>
	<u><u>\$ 1,501,194</u></u>	<u><u>\$ 1,421,728</u></u>
SUPPLEMENTAL INFORMATION:		
Interest expense payments	\$ 22,611	\$ 18,402

See accompanying summary of accounting policies and notes to financial statements.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

ORGANIZATION

The Center for Puppetry Arts, Inc., (the "Organization"), is a Georgia non-profit corporation. The Organization's purpose is to promote puppetry arts to the public through performances, a museum, and education.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The net assets, revenue, support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes:

Net assets without donor restrictions are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires reliance on accounting information based on estimates which may or may not come true in the near term. Significant estimates include the functional expense allocation, the capitalization of property and equipment and the estimated fair value of donated museum collections.

INCOME TAXES

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of section 509(a).

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of June 30, 2022 and 2021, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, taxing authorities have three years to examine a filing from the later of the filing date or the extended due date of the filing.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

MARKETABLE SECURITIES

Marketable securities are recorded at fair value with gains and losses reported in the statement of activities. Donated marketable securities are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy. Balances may, at times, exceed federally insured limits. Management believes it is not exposed to any significant credit risk on marketable securities accounts and the Organization has not experienced any such losses in such accounts during the fiscal year.

FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value for marketable securities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, generally accepted accounting principles established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Other significant observable inputs not quoted on active markets, but corroborated by market data
- Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to fair value of the underlying assets

The value on a recurring basis as of June 30, 2022, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Publicly traded securities	\$ 2,241,725	\$ 2,241,725	\$ -	\$ -

The value on a recurring basis as of June 30, 2021, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Publicly traded securities	\$ 2,816,315	\$ 2,816,315	\$ -	\$ -

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

FAIR VALUES OF FINANCIAL INSTRUMENTS, continued

Marketable securities consist of the following as of June 30:

	2022	2021
Fixed income funds	\$ 661,166	\$ 881,344
Equity funds	1,385,648	1,670,988
Alternative strategies funds	127,090	86,667
Real estate investment funds	67,821	177,316
	<u>\$ 2,241,725</u>	<u>\$2,816,315</u>

Gains and losses from investments are reported in the statements of activities.

RECEIVABLES

Receivables are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants with payment dates in future periods, restricted by the donor for specific purposes, or designated for future periods are reported as revenue with donor restrictions that increases that net asset class. Management reviews amounts past due and provides an allowance for those amounts deemed uncollectible. Management has recorded an allowance of \$5,300 and \$5,300 for the years ended June 30, 2022 and 2021, respectively.

INVENTORY

The Organization's inventory consists primarily of items held for resale in the gift shop. Inventory is stated at the lower of cost or market.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or the fair market value at the time of the donation for contributed items. Depreciation is computed over the estimated useful lives (3-40 years) of the assets using the straight-line method. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

PROPERTY AND EQUIPMENT, continued

Property and equipment consist of the following:

	As of June 30,	
	2022	2021
Buildings and improvements	\$17,445,206	\$16,931,105
Furniture and equipment	1,500,554	1,417,425
Vehicles	59,403	59,403
Construction in progress	80,221	175,678
Land	1,781,074	1,781,074
Property and Equipment	20,866,458	20,364,685
Less accumulated depreciation	(9,049,538)	(8,458,893)
Property and Equipment - Net	<u>\$11,816,920</u>	<u>\$11,905,792</u>

MUSEUM COLLECTION

The museum collection represents works of arts or historically significant items in the field of puppetry that are held for public exhibition in the Organization's museum or exhibits. The Organization's policy is to capitalize all collections at cost or, for donated items, at fair market value at the time of the donation. In accordance with the Organization's policy, the proceeds from the sale of collection items must be used to acquire other collection items. The Organization has designated the collection as inexhaustible and, accordingly, does not record depreciation for these assets. For the years ended June 30, 2022 and 2021, the museum collection totaled \$4,223,499 and \$4,147,859, respectively.

WEBSITE REDESIGN

Website costs incurred during the planning, training and operation stages are expensed as incurred. Website application and infrastructure development costs are capitalized. Once in use, the website capitalized costs are amortized over estimated useful life of 3 years. Amortization expense totaled \$71,062 and \$42,638, respectively, for the years ended June 30, 2022 and 2021.

PUBLIC SUPPORT AND REVENUE RECOGNITION

Support is recognized in the year received at its fair market value. Contributions with donor-imposed restrictions are reported as restricted-support. The satisfaction or expiration of donor-imposed restrictions is recorded as a transfer from net assets with restrictions to net assets without restrictions in the year the satisfaction or expiration occur.

The Organization classifies donor-restricted contributions as net assets without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

PUBLIC SUPPORT AND REVENUE RECOGNITION, continued

Pledges to give payments in future years are recorded as support in the year the pledge is made. The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected collection period.

The Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) using the five-step approach. Revenues are recognized at a point in time.

EXPENSE RECOGNITION

All expenses are recognized in the statement of activities as decreases in net assets without donor restrictions. The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification.

RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the report results of operations.

ADVERTISING

The Organization charged advertising totaling \$205,887 and \$148,123 to expense during the years ended June 30, 2022 and 2021, respectively. Primarily all of the advertising was donated to the Organization. For nondirect-response advertising, the Organization's policy is to expense costs as incurred.

DONATED SERVICES AND MATERIALS

Donated services and materials are recognized at their estimated values at the date of service or donation. The accompanying statements of activities reflect the following contributed services and materials:

	For the year ended June 30,	
	2022	2021
Advertising and publicity	\$ 102,892	\$ 94,818
Supplies and maintenance	4,226	4,395
Travel	-	29
Legal	50,044	36,733
Information technology services	36,539	34,800
Other	2,501	513
	<u>\$ 196,202</u>	<u>\$ 171,288</u>

CENTER FOR PUPPETRY ARTS, INC.

SUMMARY OF ACCOUNTING POLICIES

DONATED SERVICES AND MATERIALS, continued

In addition, many individuals volunteer time and perform a variety of tasks that assist the Organization with various administrative and program functions. No amounts have been recorded in the financial statements to reflect these volunteers because these donated services do not meet the criteria for recognition.

CONCENTRATIONS

During the year ended June 30, 2022, the Organization received revenue from two sources representing 30% of its total revenues.

During the year ended June 30, 2021, the Organization received revenue from one source representing 17% of its total revenues.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2022, the Center entered into a contract to sell a parcel of its land. The transaction is expected to close in August, 2023.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting standard, ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2021. It is to be adopted using a modified retrospective approach or through a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Organization is does not anticipate a material impact on the financial statements upon adoption of this new standard.

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ECONOMIC UNCERTAINTY DUE TO COVID-19 PANDEMIC AND PPP LOAN

During the years ended June 30, 2022 and 2021, the United States economy was negatively impacted as a result of the COVID-19 pandemic. As the pandemic continues, the Organization continues to evaluate the financial and organizational impact of the economic uncertainty.

On April 17, 2020, the Organization obtained a \$462,700 loan under the first round of the Small Business Administration's Paycheck Protection Program (PPP). Under the terms of the loan agreement, the Organization will make equal monthly payments plus 1% interest over a period of time. If certain conditions are met under the program's loan use guidelines, the loan can be forgiven.

On March 26, 2021, the Organization obtained a \$442,625 loan under the second round of the PPP. Under the terms of the loan agreement, the Organization will make equal monthly payments plus 1% interest over a period of time. If certain conditions are met under the programs' loan use guidelines, the loan can be forgiven.

Based on non-authoritative technical practice aids and current industry discussions, not-for-profit entities have the option to account for PPP loans under either the debt or grant model. The Organization has chosen to follow the debt model, which records the PPP loan as a financial liability until the SBA has approved the forgiveness. At that point in time, the Organization will recognize income to the extent of the forgiveness. During the year ended June 30, 2021, the Organization applied for and received full forgiveness from its lender for the PPP round 1 and recognized \$463,638 of revenue related to the original loan and accrued interest. During the year ended June 30, 2022, the Organization applied for and received full forgiveness from its lender for the PPP round 2 and recognized \$443,563 of revenue related to the original loan and accrued interest.

During the year of June 30, 2021, the Organization was shut down as a result of a government mandate. As a result, the Organization was eligible for assistance via the Employee Retention Credit. The Organization applied for the credit and recognized refund revenue of \$381,234 during the year of June 30, 2021. The Organization received partial payment during the year ended June 30, 2022, and expects the remaining balance to be paid in the year June 30, 2023.

During the year of June 30, 2022, the Organization received a Shuttered Venue Operators Grant award in the amount of \$904,167. In accordance with GAAP, the award is considered a contingent grant until the funds are expended. In the year ended June 30, 2022, the Organization expended all appropriate costs and recognized the entire grant amount as revenue during the year of June 30, 2022.

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Amounts required to be invested in perpetuity:

	As of June 30,	
	2022	2021
General endowment fund (a)	\$ 402,500	\$ 402,500
Artistic endowment fund (b)	945,918	945,918
Barbara Wyllly endowment fund (c)	209,377	209,377
Goizueta Foundation endowment (b)	150,000	150,000
Museum collection	4,223,500	4,147,859
	<u>\$ 5,931,295</u>	<u>\$5,855,654</u>

- (a) -income is unrestricted (Capital Campaign III)
- (b) -income is restricted for creative programming, portion of income must be reinvested (Artistic Endowment Campaign)
- (c) -income is restricted to support the executive director's artistic and programming responsibilities (Barbara Wyllly Endowment Campaign)

The Organization's endowment investment policy is to primarily invest in money market funds and publicly traded equity and debt instruments. Amounts are spent from the endowments at the Organization's discretion. Changes in assets invested with endowment funds are as follows:

	Restricted for specified purpose	Restricted in perpetuity	Total
Balance at 6/30/20	\$ 776,028	\$ 1,707,795	\$ 2,483,823
Interest and dividends earned	84,094	-	84,094
Management fees	(12,448)	-	(12,448)
Realized and unrealized gains (loss)	565,354	-	565,354
Withdrawals	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Balance at 6/30/21	1,213,028	1,707,795	2,920,823
Interest and dividends earned	131,191	-	131,191
Management fees	(12,741)	-	(12,741)
Realized and unrealized gains (loss)	(556,484)	-	(556,484)
Withdrawals	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Balance at 6/30/22	<u>\$ 674,994</u>	<u>\$ 1,707,795</u>	<u>\$ 2,382,789</u>

* \$141,064 of these investments are held in cash accounts and, therefore, these amounts are included in cash and cash equivalents on the Statement of Financial Position as of June 30, 2022.

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS, continued

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) has been adopted by the State of Georgia. The Board of the Organization has reviewed UPMIFA and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers: (1) The duration and preservation of the endowment fund; (2) The purposes of the Organization and the endowment fund; (3) General economic conditions; (4) The possible effect of inflation or deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of the Organization; and (7) The investment policies of the Organization.

The assets of the general endowment are invested in a segregated investment account and the remaining endowment funds (collectively referred to as the “consolidated artistic endowment fund”) are invested in another investment account.

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS, continued

Net assets with specified purposes consisted of cash and receivables restricted for the following:

	As of June 30,	
	2022	2021
Capital campaign purpose related to facility expansion/renovation	\$ 70,000 *	\$ 505,835
Artistic purposes – accum. earnings on artistic endowment	283,940	628,270
Operating – accum. earnings on general endowment	391,054	584,758
Field trips	5,000	-
Website redesign	15,000 *	15,000
Education	25,000	25,000
Museum	70,000	120,000
Guest artist	-	25,000
New production	-	25,000
Fiscal year 2024 and 2025 operations	20,000 *	-
Fiscal year 2023 operations	135,000	40,000
Marketing	15,000	15,000
Puppetry now	15,000	40,000
Other	93,442	90,323
	<u>\$ 1,138,436</u>	<u>\$ 2,114,186</u>

*Donor-imposed restrictions that limit their use to long term purposes are reflected as noncurrent assets.

NOTE 3 – DEBT

The Organization has an \$800,000 line of credit from a bank. The line of credit is secured by all assets and matures in January 2023. Under the terms of the agreement, interest is payable monthly at the bank's prime rate minus 1.5 percent with the principal payable in full at maturity. Prime rate as of June 30, 2022 was 3.25%. The outstanding balance as of June 30, 2022 was \$599,832.

During the year ended June 30, 2021, the Organization obtained a \$150,000 promissory note payable with the US Small Business Administration. The note is collateralized by all tangible and intangible personal property. Under the terms of the agreement, the note is payable in monthly installments, the annual interest rate is 2.75%, and the note matures in 30 years. During the year ended June 30, 2022, the SBA extended payment terms resulting in the first payment due in January 2023. As of June 30, 2022, the current amount due is \$1,794 with the remaining principal balance of \$148,206 being considered long-term. Included in the long-term liabilities balance is \$7,563 of accrued interest.

CENTER FOR PUPPETRY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – DEBT, continued

Future maturities of the note payable are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 1,794
2023	3,361
2024	3,454
2025	3,551
2026	3,977
Thereafter	<u>133,863</u>
Total	<u>\$ 150,000</u>

NOTE 4 – CONTINGENCIES

Grants and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions. Although the return of funds is a possibility, management deems the contingency unlikely.

NOTE 5 – PENSION PLAN

The Organization has a Tax Deferred Annuity plan, as defined under Section 403(b) of the Internal Revenue Code. The employee can make contributions to the plan through a salary reduction agreement with the Organization, subject to certain maximum limitations. The Organization can make a discretionary contribution to the plan up to three percent of the employee's compensation. In January 2022, the Organization's board approved a retirement match of up to 2%. The plan is underwritten and maintained by an outside party. During the years ended June 30, 2022 and 2021, total employer's contributions to the plan were \$8,820 and \$228, respectively.

NOTE 6 – LIQUIDITY AND FUNDS AVAILABLE

The Organization has \$2,270,207 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$1,396,194, marketable securities of \$533,930, receivables of \$288,341, and inventory of \$51,743. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents to meet short term normal operating expenses. Including in these financial assets are a total amount of \$1,033,436 with donor-imposed restrictions that are available to be used in the next year. The Organization has a \$800,000 line of credit as discussed in Note 3. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CENTER FOR PUPPETRY ARTS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2022

Federal Agency/
Pass-Thru State Agency

	<u>CFDA #</u>	<u>Expended</u>
<u>MAJOR PROGRAM</u>		
Small Business Administration/ Shuttered Venue Operators Grant	59.075	\$ 904,167
<u>NON-MAJOR PROGRAMS</u>		
National Endowment for the Arts	45.024	37,500
National Endowment for the Arts/Georgia Council for the Arts	45.025	<u>25,000</u>
		<u>\$ 966,667</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Center for Puppetry Arts, Inc. under programs of the federal government for the year ended June 30, 2022. 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 Center for Puppetry Arts, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Center for Puppetry Arts, Inc.

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 are limited as to reimbursement.

**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 and Officers of
Center for Puppetry Arts, Inc.
Atlanta, Georgia

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 Center for Puppetry Arts, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 December 6, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Center for Puppetry Arts, Inc.’s internal control over financial reporting (internal control) to determine the 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 Center for Puppetry Arts, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 organization’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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for Puppetry Arts, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blad & Associates, P.C.

Dunwoody, Georgia
December 6, 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 and Officers of
Center for Puppetry Arts, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited Center for Puppetry Arts, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on the Center for Puppetry Arts, Inc.'s major federal program for the year ended June 30, 2022. Center for Puppetry Arts, Inc.'s major federal program is identified in the summary of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Center for Puppetry Arts, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Center for Puppetry Arts, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Center for Puppetry Arts, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Center for Puppetry Arts, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of Center for Puppetry Arts, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Center for Puppetry Arts, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Center for Puppetry Arts, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Blad & Associates, P.C.

Dunwoody, Georgia
December 6, 2022

CENTER FOR PUPPETRY ARTS, INC.

SCHEDULE OF FINDINGS Year Ended June 30, 2022

A. SUMMARY OF AUDIT FINDINGS

1. The auditor's report expresses an unqualified opinion on the financial statements of Center for Puppetry Arts, Inc.
2. During the audit of the financial statements, we found no material weaknesses or significant deficiencies in internal control.
3. No instances of noncompliance material to the financial statements of Center for Puppetry Arts, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies relating to the internal control over the major federal program are reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for Center for Puppetry Arts, Inc. expresses an unmodified opinion on the major federal program.
6. The Small Business Administration / Shuttered Venue Operators Grant – (CFDA #59.075) was tested as a major program.
7. The threshold for distinguishing Types A and B programs was \$750,000.
8. Center for Puppetry Arts, Inc. did not qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

C. FINDING – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

CENTER FOR PUPPETRY ARTS, INC.

CORRECTIVE ACTION PLAN Year Ended June 30, 2022

A. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

B. FINDING – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.