

GLASS AXIS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 and 2020

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Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Correction of Error

As discussed in Note 13 to the Financial Statements, certain errors resulting in over and understatement of amounts previously reported as of June 30, 2020 were uncovered during the year. This includes errors resulting in the understatement of amounts previously reported for Net Assets with Donor Restrictions, overstatement of amounts previously reported as gift certificate liabilities, and finally, overstatement amounts previously reported as work credit asset. Accordingly, amounts reported have been restated in the 2021 Financial Statements now presented. An adjustment has been made to the 2021 Financial Statements to correct the error. Our opinion is not modified with respect to that matter.

Wallace & Company LLP
November 4, 2021

Glass Axis, Inc.

Statement of Financial Position
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 46,922	\$ 108,528
Accounts Receivable, Net allowance (\$1,340 and \$0)	15,480	3,855
Grant Receivable	38,985	-
Deposits	4,357	4,357
Prepaid Expenses	2,237	2,918
Total Current Assets	<u>107,981</u>	<u>119,658</u>
Fixed Assets		
Equipment	263,001	255,797
Capital Lease Copier	5,213	5,213
Leasehold Improvements	735,339	735,893
	<u>1,003,553</u>	<u>996,903</u>
Accumulated Depreciation	527,051	460,236
Net Equipment	<u>476,502</u>	<u>536,667</u>
Other Assets		
Work-in-Process	55,319	-
Private Art Collection	58,750	58,750
Total Other Assets	<u>114,069</u>	<u>58,750</u>
Total Assets	<u>\$ 698,552</u>	<u>\$ 715,075</u>

Glass Axis, Inc.

Statement of Financial Position
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 14,397	\$ 9,393
Credit Card Payable	2,967	17,543
Deferred Revenue	8,376	18,410
Gift Certificates	15,914	-
Notes Payable (Current Portion)	57,465	30,988
Copier Lease (Current Portion)	1,072	1,025
Accrued Expenses	4,859	1,570
Total Current Liabilities	<u>105,050</u>	<u>78,929</u>
Long Term Liabilities		
Copier Lease (Net of Current Portion)	1,507	2,579
Notes Payable (Net of Current Portion)	226,799	281,238
Total Other Liabilities	<u>228,306</u>	<u>283,817</u>
Total Liabilities	<u>333,356</u>	<u>362,746</u>
<u>NET ASSETS</u>		
Net Assets		
Without Donor Restrictions	300,670	308,121
With Donor Restrictions	64,526	44,208
Total Net Assets	<u>365,196</u>	<u>352,329</u>
Total Liabilities and Net Assets	<u>\$ 698,552</u>	<u>\$ 715,075</u>

Glass Axis, Inc.

Statements of Activities
For the year ended June 30, 2021 with Comparative Totals for June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Total 2020</u>
Revenues And Other Support				
Art Sales	\$ 139,737	-	\$ 139,737	\$ 131,636
Class Fees	111,100	-	111,100	172,712
Rental Income	108,288		108,288	71,738
Contributions	14,217	-	14,217	32,162
Grants	20,363	213,651	234,014	100,862
Membership Revenue	8,042	-	8,042	14,757
Private Events	16,013		16,013	9,678
Miscellaneous	2,310		2,310	2,222
In-Kind Contributions	10,000		10,000	6,004
Fundraising	401		401	12,639
Interest	85		85	52
Paycheck Protection Program Loan Forgiveness	34,555		34,555	-
Net Assets Released From Restrictions	<u>193,333</u>	<u>(193,333)</u>	<u>-</u>	<u>-</u>
Total Revenues And Other Support	658,444	20,318	678,762	554,462
Expenses				
Program	496,970	-	496,970	432,251
Administrative	150,206	-	150,206	144,231
Fundraising	<u>18,719</u>	<u>-</u>	<u>18,719</u>	<u>16,039</u>
Total Expenses	<u>665,895</u>	<u>-</u>	<u>665,895</u>	<u>592,521</u>
Increase (Decrease) In Net Assets	(7,451)	20,318	12,867	(38,059)
Net Assets, Beginning Of Year	<u>308,121</u>	<u>44,208</u>	<u>352,329</u>	<u>380,176</u>
Net Assets, End Of Year	<u>\$ 300,670</u>	<u>\$ 64,526</u>	<u>\$ 365,196</u>	<u>\$ 342,117</u>

Glass Axis, Inc.

Statements of Activities
For the year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>
Revenues And Other Support			
Art Sales	\$ 131,636	-	\$ 131,636
Class Fees	172,712	-	172,712
Rental Income	71,738	-	71,738
Contributions	32,162	-	32,162
Grants	77,526	23,336	100,862
Membership Revenue	14,757	-	14,757
Private Events	9,678	-	9,678
Miscellaneous	2,222	-	2,222
In-Kind Contributions	6,004	-	6,004
Fundraising	12,639	-	12,639
Interest	52	-	52
Net Assets Released From Restrictions	<u>80,251</u>	<u>(80,251)</u>	<u>-</u>
Total Revenues And Other Support	611,377	(56,915)	554,462
Expenses			
Program	432,251	-	432,251
Administrative	144,231	-	144,231
Fundraising	<u>16,039</u>	<u>-</u>	<u>16,039</u>
Total Expenses	<u>592,521</u>	<u>-</u>	<u>592,521</u>
Increase (Decrease) In Net Assets	18,856	(56,915)	(38,059)
Net Assets, Beginning of Year	305,759	74,417	380,176
Net Assets, End of Year	<u>324,615</u>	<u>17,502</u>	<u>342,117</u>
Prior Period Adjustment	(16,494)	22,706	10,212
Restated Net Assets, End Of Year	<u>\$ 308,121</u>	<u>\$ 40,208</u>	<u>\$ 352,329</u>

Glass Axis, Inc.

Statements of Functional Expenses
For the year ended June 30, 2021 with Comparative Totals for June 30, 2020

	<u>Program</u>	<u>Admin</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Total 2020</u>
Payroll and Employee Benefits	\$ 141,236	\$ 26,482	\$ 8,827	\$ 176,545	\$ 146,900
Artist Commission	60,513	-	-	60,513	49,572
Artists and Instructor Fees	41,641	-	-	41,641	37,353
Rent	40,600	7,613	2,538	50,750	50,750
Utilities	51,599	9,675	3,225	64,499	54,749
Work Credit	16,402	-	-	16,402	15,630
Repairs and Maintenance	15,266	-	-	15,266	7,383
Shop Supplies	59,441	-	-	59,441	54,245
Postage	-	851	-	851	1,251
Office Supplies	2,938	551	184	3,672	4,769
Real Estate Tax	-	10,309	-	10,309	10,309
Travel	-	1,638	-	1,638	3,808
Dues and Subscriptions	-	1,682	-	1,682	2,170
Conferences and Workshops	-	1,580	-	1,580	1,670
Marketing and Promotion	-	12,249	-	12,249	16,551
Interest	-	7,276	-	7,276	8,413
Public Events	1,203	-	-	1,203	5,360
Professional Fees	-	30,733	-	30,733	15,334
Insurance	8,967	1,681	560	11,209	7,250
Bank/Administrative Fees	-	14,425	-	14,425	9,514
Depreciation	54,164	10,156	3,385	67,705	68,374
Bad Debts	-	2,479	-	2,479	2,573
Donations	3,000	-	-	3,000	5,650
Board Expenses	-	490	-	490	31
Loss on Disposal of Assets	-	2,460	-	2,460	2,741
Miscellaneous	-	7,877	-	7,877	10,171
Total Expenses	<u>\$ 496,970</u>	<u>\$ 150,206</u>	<u>\$ 18,719</u>	<u>\$ 665,895</u>	<u>\$ 592,521</u>

Glass Axis, Inc.

Statements of Functional Expenses
For the year ended June 30, 2020

	Program	Admin	Fundraising	Total 2020
Payroll and Employee Benefits	\$ 117,520	\$ 22,035	\$ 7,345	\$ 146,900
Payroll Taxes	-	-	-	-
Employee Benefits	-	-	-	-
Artist Commission	49,572	-	-	49,572
Artists and Instructor Fees	37,353	-	-	37,353
Rent	40,600	7,613	2,538	50,750
Utilities	43,799	8,212	2,737	54,749
Work Credit	15,630	-	-	15,630
Repairs and Maintenance	7,383	-	-	7,383
Shop Supplies	54,245	-	-	54,245
Postage	-	1,251	-	1,251
Office Supplies	-	4,769	-	4,769
Real Estate Tax	-	10,309	-	10,309
Travel	-	3,808	-	3,808
Dues and Subscriptions	-	2,170	-	2,170
Conferences and Workshops	-	1,670	-	1,670
Marketing and Promotion	-	16,551	-	16,551
Interest	-	8,413	-	8,413
Public Events	-	5,360	-	5,360
Professional Fees	-	15,334	-	15,334
Insurance	5,800	1,450	-	7,250
				-
Bank Fees	-	9,514	-	9,514
Depreciation	54,699	10,256	3,419	68,374
Bad Debts	-	2,573	-	2,573
Donations	5,650	-	-	5,650
Board Expenses	-	31	-	31
Loss on Disposal of Assets	-	2,741	-	2,741
Miscellaneous	-	10,171	-	10,171
Total Expenses	<u>\$ 432,251</u>	<u>\$ 144,231</u>	<u>\$ 16,039</u>	<u>\$ 592,521</u>

Glass Axis, Inc.

Statements of Cash Flows
For the year ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
(Decrease) in Net Assets	\$ 12,867	\$ (38,059)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	67,705	68,374
(Increase) Decrease in Grants Receivable	(38,985)	55,420
(Increase) Decrease in Accounts Receivable	(11,625)	16,294
(Increase) Decrease in Prepaid Expenses	681	7,000
Increase in Accounts Payable	5,004	1,842
(Decrease) Increase in Credit Card Payable	(14,576)	9,042
(Decrease) in Deferred Revenue	(10,034)	(5,080)
Increase (Decrease) in Gift Certificates	15,914	(12,849)
Increase (Decrease) in Accrued Expenses	3,289	(798)
(Decrease) in Other Current Liabilities	-	(2,880)
Net Cash (Used) Provided by Operating Activities	<u>30,240</u>	<u>98,306</u>
Cash Flows from Financing Activities		
(Payments) on Copier Lease Payable	(1,025)	(980)
Paycheck Protection Program Loan Disbursement	34,062	34,555
Paycheck Protection Program Loan (Forgiveness)	(34,555)	-
(Payments) on Notes Payable	<u>(27,469)</u>	<u>(14,444)</u>
Net Cash (Used) by Financing Activities	<u>(28,987)</u>	<u>19,131</u>
Cash Flows From Investing Activities		
Private Collection Additions	-	(1,750)
Loss on Disposal of Fixed Assets	2,460	2,741
Work-in-Process	(55,319)	
Fixed Asset Additions	<u>(10,000)</u>	<u>(9,367)</u>
Net Cash (Used) by Operating Activities	<u>(62,859)</u>	<u>(8,376)</u>
Net (Decrease) Increase in Cash	(61,606)	109,061
Beginning Cash	<u>108,528</u>	<u>52,011</u>
Ending Cash	<u><u>\$ 46,922</u></u>	<u><u>\$ 161,072</u></u>

Glass Axis, Inc.

Notes to Financial Statements June 30, 2021 and 2020

Note 1 - Description of Activities and Summary of Significant Accounting Policies

Description of Activities

Glass Axis, Inc. ("Glass Axis"), a not-for-profit corporation, was founded in 1987 and provides artists, students, and the public with the tools necessary to create innovative works in glass while learning, sharing and teaching the art form to others.

At Glass Axis, member artists have access to affordable glass blowing, glass fusing, torch working, cold working, stained glass and neon facilities. In addition, members can exhibit and sell their works at the center, participate in public events and art sales, and teach those who want to learn about the craft and/or improve their skills.

Principles of Accounting

The financial statements of Glass Axis have been prepared on the accrual basis in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

During the fiscal year, the Organization adopted Financial Accounting Standards Board (FASB) ASU 2014-09: clarifying the scope and the accounting guidance for contributions received and contributions made (ASU 2018-08). They both establish standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions. The impact of the above mentioned standards were determined to have no impact on the financial statements for the current year.

The Organization has also adopted ASC 958-10-65-1, "Not-For-Profit Entities – Presentation of Financial Statements". Under ASC 958-10-65-1, The Organization is required to report information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions, and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - **Description of Activities and Summary of Significant Accounting Policies (Continued)**

Basis of Presentation (Continued)

For the period ending June 30, 2021, the Financial Accounting Standards Board ("FASB") has issued Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers", which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes previous industry-specific guidance.

The Organization has numerous revenue streams impacted by the implementation of ASC 606, including revenue transactions related to class fees, art sales, and equipment rental. With consideration to ASC 606, the Organization recognizes revenue at the point in time at which performance obligations are satisfied. Prepayment for goods/services are reflected as deferred revenue until the point in time which revenue is earned.

For the period ending June 30, 2021, the ASU 958 (Updated) has modified the revenue recognition regarding contribution, which are effective for the reporting year beginning July 1, 2020. The modified standard stipulates that a contribution is recognized as unconditional and therefore recognized as revenue if any donor-imposed conditions are met (barriers and right of return to contributor or release from obligation by the donor.) The organization believes that all contributions recognized meet the modified standards as unconditional. Prior to implementation of ASU 958 (Update) the organization was recognizing its revenue under the originally issued ASU 958.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Glass Axis considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Goods, Services and Assets

A substantial number of unpaid volunteers have made significant contributions of their time to Glass Axis. The value of these services as well as other donated goods and services are not reflected in these statements since they are not susceptible to objective measurement or valuation. Donated assets are noncash donations, which are recorded as contributions at their estimated fair values at the date of donation.

Grants and Accounts Receivable

Grants and Accounts Receivables are stated at the amount the Organization expects to collect from outstanding balances. When considered necessary, the Organization provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. As of June 30, 2021, and 2020, an allowance for doubtful accounts of \$1,340 and \$0, respectively, was reserved for on the statement of financial position.

Glass Axis, Inc.

Notes to Financial Statements June 30, 2021 and 2020

Property and Equipment

Purchased capital assets are carried at cost, less accumulated depreciation. Donated capital assets are carried at the fair market value of the assets donated on the date the donation is made. Depreciation is computed based on the estimated useful life of the assets using the straight-line method. When capital assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts with any gain or loss reflected in operations. Maintenance and repairs are expensed as incurred. Depreciation expense for the year ended June 30, 2021 and 2020 totaled \$67,705 and \$68,374, respectively.

Work-in-Process

Work in process consists of costs incurred related to new furnace equipment. Costs for the new equipment is accumulated until the items are delivered and installed, at which time the total costs are capitalized to Equipment on the Statement of Financial position. Work in process totaled \$55,319 and \$0 for years ended June 30, 2021 and 2020, respectively.

Use of Estimates

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, the Organization evaluates the estimates and assumptions based on new information. The Organization believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Collection Items

Collection items consist of art objects that are held for educational and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and kept unencumbered, and the activities verifying their existence and assessing their condition are performed continuously.

Collection items purchased by Glass Axis are recorded at cost, and collection items donated to the Organization are recorded at fair value, based on the estimated market value at the date of donation. Gains and losses from sales or disposals of collection items are reported as changes in net assets based on the absence or existence of donor-imposed restrictions.

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - **Description of Activities and Summary of Significant Accounting Policies (Continued)**

Deferred Revenue

With respect to ASC 606, deferred income is handled in the following manner:

Income from equipment rental, space rental, and class tuition is deferred and recognized in the year in which the event takes place, at which point revenue is earned. Additionally, Glass Axis carries on a membership campaign that provides members benefits for a year from the sign-up date. Accordingly, membership revenue is recognized in the year the benefits to the members are derived. Finally, Glass Axis will provide members with work credit for making items or teaching classes on behalf of the Organization. Work credit cannot be redeemed for cash, but it can be used to offset certain expenses incurred by members. The amount of work credit provided is based on arrangements made with individual members. Accordingly, revenue is recognized at the point which the credit is utilized by members. Deferred revenue is comprised of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Deferred Equipment/Space Rental/Tuition	\$5,829	\$8,883
Work Credit	2,547	6,331
Deferred Membership	---	<u>3,196</u>
Total Deferred Revenue	<u>\$8,376</u>	<u>\$18,410</u>

Gift Cards

Gift card sales are recorded as a liability at the point of sale. Gift card revenue is recognized at the point in time at which the customer redeems the gift card. Gift card liability balance is comprised of gift cards issued but not yet redeemed as of year-end.

Expense Allocation

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

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - **Description of Activities and Summary of Significant Accounting Policies (Continued)**

Federal Income Tax

Glass Axis is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application state law, except on net income derived from unrelated business activities. Glass Axis has no obligation for any unrelated business income tax for the year ended June 30, 2021, and, accordingly, no income tax expense is recorded in the financial statements for the fiscal year then ended.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, Glass Axis may recognize 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 taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Glass Axis and various positions related to the potential sources of UBIT. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2021.

Glass Axis files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Ohio. Glass Axis is generally no longer subject to examination by the Internal Revenue Service for years before June 30, 2016.

Note 2 - **Concentration of Credit Risk**

Glass Axis holds its cash in various accounts. There is a possibility that they could go over the federally insured limit of \$250,000 on all interest-bearing accounts. All non-interest-bearing deposit accounts are fully insured through FDIC. As of and for the year ended June 30, 2021 and 2020, Glass Axis did not exceed these federally insured limits.

For the year ended June 30, 2021, Glass Axis received \$111,100 (approximately 16% of its revenue) from class tuition for classes held at their space, and \$139,737 (approximately 21% of its revenue) from art sales held at their space. For the year ended June 30, 2020, Glass Axis received \$172,712 (approximately 31% of its revenue) from class tuition for classes held at their space, and \$131,636 (approximately 24% of its revenue) from art sales held at their space. A significant reduction in the number of classes held by and at Glass Axis, or a significant reduction in the amount of art provided for sale by artists could have a significant impact on the sustainability of the organization

Note 3 - **Advertising Costs**

Glass Axis uses advertising to promote its programs among the audience it serves. Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2021, and 2020 totaled \$12,249 and \$16,551, respectively.

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 4 –Operating Lease

Glass Axis leases office space. In a April 2014, Glass Axis placed a security deposit of \$4,357 to secure its facility at 610 W. Torn Street, and entered into a lease to rent the space through March 2024. The lease provided Glass Axis with 12,500 feet of space, and contains a renewal option at the end of the initial period. For the term of the lease, Glass Axis pays a base rent of \$3.50 per square foot, or \$3,949 monthly. As part of the lease, the Organization is also responsible for common area maintenance changes, property taxes, and insurance costs.

In May 2016, Glass Axis added an additional 2,000 square feet of space at the site for a total leased space of 14,500 square feet. Base rent per square foot remained the same and total base rent increased to \$4,229 per month, and the lease term was extended to December 2024. Total rent expense for the years ended June 30, 2021 and 2020 totaled \$50,750. Future required minimum rental payments to be made under the lease are as follows for the fiscal years ending June 30:

<u>Year</u>	<u>Amount</u>
2022	50,750
2023	50,750
2024	50,750
2025	<u>25,374</u>
	<u>\$177,624</u>

Note 5 –Grants and Accounts Receivable

As of June 30, 2021 and 2020 the grants receivable balance on the statement of financial position consists of the following:

<u>Grantor</u>	<u>6/30/21 Balance</u>	<u>6/30/20 Balance</u>
Greater Columbus Arts Council	\$21,159	\$ ---
Ohio Arts Council	<u>17,826</u>	<u>---</u>
Total	<u>\$38,985</u>	<u>\$ ---</u>

Glass Axis does not discount grants receivable that are to be collected in one year or less. These grants are expected to be fully collectible.

As of June 30, 2021 and 2020, the accounts receivable balance consists of amounts owed to Glass Axis by members for equipment rental, facilities rental, and class tuition. Accounts receivable reflected on the statement of financial position consists of the following:

	<u>6/30/21 Balance</u>	<u>6/30/20 Balance</u>
Accounts Receivable	\$16,820	\$ 3,855
Allowance for Doubtful Accounts	<u>(1,340)</u>	<u>---</u>
Total	<u>\$15,480</u>	<u>\$ 20,149</u>

Glass Axis, Inc.Notes to Financial Statements
June 30, 2021 and 2020**Note 6 -In-Kind Donations**

The fair values of in-kind donations consist of the following at the fiscal year ended June 30:

	<u>2021</u>	<u>2020</u>
Public Events	\$ ---	\$3,294
Fixed Assets	10,000	---
Artwork	---	1,750
Other	---	960
Total	<u>\$10,000</u>	<u>\$6,004</u>

Note 7 -Net Assets with Donor Restrictions

Activity for the year ended June 30, 2021 is summarized as outlined below:

<u>Grant</u>	<u>Beginning Balance</u>	<u>New Gifts</u>	<u>Released</u>	<u>Ending Balance</u>
Columbus Foundation (FY 2021)	\$26,706	\$---	\$(26,706)	\$---
GCAC (6/1/20-9/30/20)	17,502	---	(17,502)	---
GCAC (10/1/20-12/31/20)	---	23,336	(23,336)	---
GCAC (1/1/21-5/31/21)	---	40,444	(40,444)	---
GCAC (6/1/21-12/31/21)	---	41,318	(6,045)	36,273
Columbus Dept. Parks and Rec.	---	20,000	(20,000)	---
OAC – CARES	---	59,300	(59,300)	---
Columbus Foundation (FY 2022)	---	<u>28,253</u>	---	<u>28,253</u>
	<u>\$44,208</u>	<u>\$213,651</u>	<u>\$(193,333)</u>	<u>\$64,525</u>

Activity for the year ended June 30, 2020 is summarized as outlined below:

<u>Grant</u>	<u>Beginning Balance</u>	<u>New Gifts</u>	<u>Released</u>	<u>Ending Balance</u>
Columbus Foundation (FY 2020)	\$17,486	\$---	\$(17,486)	\$---
GCAC (6/1/19-5/31/20)	56,931	---	(56,931)	---
Columbus Foundation (FY 2021)	---	26,706	---	26,706
GCAC (6/1/20-9/30/20)	---	<u>23,336</u>	<u>(5,834)</u>	<u>17,502</u>
	<u>\$74,417</u>	<u>\$23,336</u>	<u>\$(80,251)</u>	<u>\$44,208</u>

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 8 – **Notes Payable**

Notes Payable as of June 30, 2021 consist of the following:

2021

Note payable to JLK Financial LLC of \$500,000, with annual interest rate of 3.5% compounded monthly. Note was originally due September 2024, however in April 2020, the lender granted Glass Axis a moratorium on note payments through January 21, 2021, effectively extending the due date of the note to May 2025. Principal and interest payments of \$5,404 are made monthly (aside from moratorium period). The note is secured by all equipment, furniture, fixtures, inventory, leasehold improvements, and other personal property on its premises at 610 W. Town Street, Columbus, Ohio.

\$237,013

Note payable to Jennifer J. Brown of \$56,088, Beginning April 2015 with no due date. Annual interest rate of 3.0% compounded monthly on the balance outstanding. Payments are variable and based on amounts that will not impair Glass Axis cash flow needs. The note is secured by all equipment, furniture, fixtures, inventory, leasehold improvements, and other personal property on its premises at 610 W. Town Street, Columbus, Ohio

\$ 13,189

On March 16, 2021, Glass Axis received \$34,062 from the Small Business Administration (SBA) through the Paycheck Protection Program (Round II.) As of June 30, 2021, the full balance is reflected as a note payable on the Statement of Financial Position until expensed and potential forgiveness determined by the SBA. As of June 30, 2021, Glass Axis is continuing to analyze potential loan forgiveness.

\$ 34,062

Less: Current Portion

\$284,264

(57,465)

\$226,799

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 8 – Notes Payable (Continued)

Notes Payable as of June 30, 2020 consist of the following: **2020**

Note payable to JLK Financial LLC of \$500,000, with annual interest rate of 3.5% compounded monthly. Note was originally due September 2024, however in April 2020, the lender granted Glass Axis a moratorium on note payments through January 21, 2021, effectively extending the due date of the note to May 2025. Principal and interest payments of \$5,404 are made monthly (aside from moratorium period). The note is secured by all equipment, furniture, fixtures, inventory, leasehold improvements, and other personal property on its premises at 610 W. Town Street, Columbus, Ohio.

\$265,001

Note payable to Jennifer J. Brown of \$56,088, Beginning April 2015 with no due date. Annual interest rate of 3.0% compounded monthly on the balance outstanding. Payments are variable and based on amounts that will not impair Glass Axis cash flow needs. The note is secured by all equipment, furniture, fixtures, inventory, leasehold improvements, and other personal property on its premises at 610 W. Town Street, Columbus, Ohio

\$ 8,053

On April 24, 2020, Glass Axis received \$34,555 from the Small Business Administration (SBA) through the Paycheck Protection Program. As of June 30, 2020, the full balance is reflected as a note payable on the Statement of Financial Position until expensed and potential forgiveness determined by the SBA. As of June 30, 2020, Glass Axis is continuing to analyze potential loan forgiveness.

\$ 34,555

Less: Current Portion

\$307,609

(30,988)

\$276,621

Note 9 – PPP Loan

On April 24, 2020, Glass Axis Received \$34,555 from the Small Business Administration (SBA) through the Paycheck Protection Program. As of June 30, 2020, the entirety of this balance was reflected as a note payable on the Statement of Financial Position. Subsequent to year-end 2020, Glass Axis was notified by the SBA that the loan had been forgiven in its entirety. Due to this, the balance is reflected as Paycheck Protection Program Loan Forgiveness income on the Statement of Activities as of June 30, 2021.

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 10 – Capital Lease

In November 2018, the Organization acquired copier equipment under a non-cancellable lease agreement which requires monthly payments of \$97.19 through October 2023, including interest imputed at 4.5%.

Future minimum lease payments due under this lease are as follows as of June 30, 2021:

	<u>Balance</u>	<u>Short Term</u>	<u>Long Term</u>
Copier Lease			
Inception Value of \$5,213. Payments are due monthly at \$97.19 for 60 months.			
Includes imputed interest of 4.5%	<u>\$ 2,579</u>	<u>\$ 1,072</u>	<u>\$ 1,507</u>
	<u>\$ 2,579</u>	<u>\$ 1,072</u>	<u>\$ 1,507</u>

Future minimum lease payments due under this lease are as follows as of June 30, 2020:

	<u>Balance</u>	<u>Short Term</u>	<u>Long Term</u>
Copier Lease			
Inception Value of \$5,213. Payments are due monthly at \$97.19 for 60 months.			
Includes imputed interest of 4.5%	<u>\$ 3,604</u>	<u>\$ 1,025</u>	<u>\$ 2,579</u>
	<u>\$ 3,604</u>	<u>\$ 1,025</u>	<u>\$ 2,579</u>

Interest expense on the capital lease obligation was \$141 and \$186 for the years ended June 30, 2021, and 2020, respectively.

The leased assets are included in the financial statements as follows at June 30:

	<u>2021</u>	<u>2020</u>
Cost Included in Equipment	\$5,213	\$5,213
Less Accumulated Depreciation	<u>(2,737)</u>	<u>(1,694)</u>
Net Book Value	<u>\$2,476</u>	<u>\$3,519</u>

Glass Axis, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

Note 11 – Liquidity

The following reflects the Organization's financial assets as of the date of the statements of financial position. Financial assets at year-end are reduced by amounts not available for general use due to donor-imposed restrictions that will not expire within one year of the financial position date. Donor restricted amounts that will become available for general use within the year subsequent to June 30, 2021 and 2020 are detailed below:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year-End	<u>\$101,387</u>	<u>\$112,383</u>
Financial Assets Available for Use Within One Year	<u>\$101,387</u>	<u>\$112,383</u>

The Organization defines financial assets as Cash, Grants Receivable, and Accounts Receivable.

	<u>2021</u>	<u>2020</u>
Cash	\$46,922	\$108,528
Grants Receivable	38,985	---
Accounts Receivable	<u>15,480</u>	<u>3,855</u>
	<u>\$101,387</u>	<u>\$115,528</u>

Note 12 – Correction of Prior Period

During the previous year, the Gift Certificate Liability balance on the Statement of Financial Position was overstated by \$16,543. Additionally, the Work Credit Asset balance on the Statement of Financial Position was overstated by \$6,331. Finally, the Net Assets with Donor Restrictions balance on the Statement of Financial Position was understated by \$26,706 (with the Net Assets Without Donor Restrictions balance overstated by \$26,706). The amounts were noted during the current year and a prior period adjustment was made accordingly.

Note 13– Subsequent Events

Subsequent events were evaluated through November 4, 2021 which is the financial statement issuance date.