

Mark Twain Home Foundation

Hannibal, Missouri

Financial Statements

Years Ended December 31, 2021 and 2020

Mark Twain Home Foundation
Index to Financial Statements
Years Ended December 31, 2021 and 2020

Financial Section:

Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 12

Financial Section

Independent Auditor's Report

To the Board of Directors of
Mark Twain Home Foundation

Opinion

We have audited the accompanying financial statements of Mark Twain Home Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 Mark Twain Home Foundation as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Mark Twain Home Foundation 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility 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 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, 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 Mark Twain Home Foundation'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 Mark Twain Home Foundation'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.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

April 28, 2022
Hannibal, Missouri

Mark Twain Home Foundation**Statements of Financial Position**

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 295,896	\$ 252,238
Cash and cash equivalents - Board Designated	186,133	258,219
Inventory	<u>71,602</u>	<u>80,852</u>
Total Current Assets	\$ 553,631	\$ 591,309
Investments	3,499,982	3,159,929
Property and equipment, net	2,959,284	2,958,544
Historic collection	<u>19,865,690</u>	<u>19,865,690</u>
Total Assets	<u><u>\$ 26,878,588</u></u>	<u><u>\$ 26,575,473</u></u>
Liabilities and Net Assets		
Notes payable - long term	<u>\$ -</u>	<u>\$ 150,000</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 150,000</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	\$ 3,749,547	\$ 3,399,854
Designated for endowment	-	-
With Donor Restrictions	<u>23,129,041</u>	<u>23,025,619</u>
Total Net Assets	<u><u>\$ 26,878,588</u></u>	<u><u>\$ 26,425,473</u></u>
Total Liabilities and Net Assets	<u><u>\$ 26,878,588</u></u>	<u><u>\$ 26,425,473</u></u>

See accompanying notes to financial statements.

Mark Twain Home Foundation**Statements of Activities**

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes In Net Assets Without Donor Restrictions:		
Support		
Charges for goods and services	\$ 713,225	\$ 367,248
Contributions	115,472	93,560
Programs, dues and memorials	78,167	64,594
Grants	6,550	-
Federal PPP/EIDL/CARE grants	83,354	114,664
Rental income	8,980	310
Investment income (loss)	42,616	74,706
Miscellaneous income	14,415	-
Total Support Without Restrictions	<u>\$ 1,062,779</u>	<u>\$ 715,082</u>
Net Assets Released from Restrictions and Reclassifications	-	-
Total Support Without Donor Restrictions and Reclassifications	<u>\$ 1,062,779</u>	<u>\$ 715,082</u>
Expenses:		
Program Services	<u>\$ 620,276</u>	<u>\$ 511,772</u>
Supporting Activities		
Management and general	\$ 200,134	\$ 213,681
Fundraising	117,224	107,326
Total Supporting Activities	<u>\$ 317,358</u>	<u>\$ 321,007</u>
Total Expenses	<u>\$ 937,634</u>	<u>\$ 832,779</u>
Change In Net Assets Without Donor Restrictions	<u>\$ 125,145</u>	<u>\$ (117,697)</u>
Changes In Net Assets With Donor Restrictions:		
Capital projects	\$ -	\$ -
Contributions	11,298	20,052
Investment return, net	316,672	138,948
Increase in appraised and insured value - historic collections	-	-
Change In Net Assets With Donor Restrictions	<u>\$ 327,970</u>	<u>\$ 159,000</u>
Total Change In Net Assets	<u>\$ 453,115</u>	<u>\$ 41,303</u>
Net Assets at Beginning of Year	<u>26,425,473</u>	<u>26,384,170</u>
Net Assets at End of Year	<u>\$ 26,878,588</u>	<u>\$ 26,425,473</u>

See accompanying notes to financial statements.

Mark Twain Home Foundation
Statements of Cash Flow
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 453,115	\$ 41,303
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,260	25,293
PPP loan principal forgiveness	(83,354)	-
(Increase) Decrease in:		
Inventory	9,250	9,648
Prepaid expenses	-	5,514
Increase (Decrease) in:		
Payroll liabilities	-	(1,031)
	<u>\$ 402,271</u>	<u>\$ 80,727</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Investing Activities:		
Increase in historic collections	\$ -	\$ -
Increase in endowment fund	(340,053)	(346,456)
Purchase of property and equipment	(24,000)	-
Decrease in board designated funds	72,086	169,377
	<u>\$ (291,967)</u>	<u>\$ (177,079)</u>
Net Cash Provided (Used) by Investing Activities		
Cash Flows from Financing Activities:		
Debt proceeds	\$ 83,354	\$ 150,000
Debt payments	(150,000)	-
	<u>\$ (66,646)</u>	<u>\$ 150,000</u>
Net Cash Provided by (Used for) Financing Activities		
	<u>\$ 43,658</u>	<u>\$ 53,648</u>
Net Increase (Decrease) in Cash		
Cash, Beginning of Year	<u>252,238</u>	<u>198,590</u>
Cash, End of Year	<u>\$ 295,896</u>	<u>\$ 252,238</u>
Supplemental Disclosures		
Cash paid for interest	<u>\$ 2,700</u>	<u>\$ -</u>
Noncash activities	None	None

See accompanying notes to financial statements.

Mark Twain Home Foundation

Statement of Functional Expenses

Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 247,281	\$ 42,666	\$ 80,150	\$ 370,097
Employee benefits	28,537	4,924	9,250	42,711
Payroll taxes	19,878	3,430	6,444	29,752
Building and grounds maintenance	42,567	-	-	42,567
Office operations	-	11,809	-	11,809
Insurance	-	43,564	-	43,564
Utilities	-	43,099	-	43,099
Programs	56,721	-	-	56,721
Fundraising	-	-	21,380	21,380
Museum store	224,086	-	-	224,086
Management fees - investments	-	15,472	-	15,472
Professional fees	-	9,210	-	9,210
Volunteers	1,206	-	-	1,206
Interest Expense	-	2,700	-	2,700
Depreciation	-	23,260	-	23,260
Total Functional Expenses	<u>\$ 620,276</u>	<u>\$ 200,134</u>	<u>\$ 117,224</u>	<u>\$ 937,634</u>

See accompanying notes to financial statements.

Mark Twain Home Foundation

Statement of Functional Expenses

Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 217,258	\$ 37,486	\$ 70,419	\$ 325,163
Employee benefits	26,812	4,626	8,690	40,128
Payroll taxes	16,559	2,858	5,368	24,785
Building and grounds maintenance	27,330	-	-	27,330
Office operations	-	19,608	-	19,608
Insurance	-	58,453	-	58,453
Utilities	-	43,217	-	43,217
Programs	91,679	-	-	91,679
Fundraising	-	-	22,849	22,849
Museum store	131,819	-	-	131,819
Management fees - investments	-	13,075	-	13,075
Professional fees	-	9,065	-	9,065
Volunteers	315	-	-	315
Depreciation	-	25,293	-	25,293
Total Functional Expenses	<u>\$ 511,772</u>	<u>\$ 213,681</u>	<u>\$ 107,326</u>	<u>\$ 832,779</u>

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

A. Organization

The Mark Twain Home Foundation (Foundation) is a non-profit organization operating in Hannibal, Missouri since 1974. The Foundation was organized for the benefit of the public in general and the citizens of the City of Hannibal, Missouri, to perpetuate the memory of Mark Twain (Samuel L. Clemens) and his literary works by contributing to and assisting in the maintenance, operation, expansion, acquisition and erection of the public buildings, including but not limited to, the Mark Twain Home and Museum, monuments and all other property, whether real, personal or mixed, and all perpetuation of the memory of Mark Twain and his literary works and which are now or shall hereafter be under the management and control of the Mark Twain Home Board, an executive board established by the City of Hannibal, Missouri, or any successor authority to such board in the same or similar capacity, and by holding, maintaining, operating, expanding, acquiring and erecting any property, whether real, personal or mixed, and all appurtenances thereto, which pertains to the perpetuation of the memory of Mark Twain and his literary works.

B. Financial Statement Presentation

The Foundation has chosen to maintain its accounting records on the modified cash basis of accounting. Under the cash basis of accounting, revenues are recognized when received, and expenses are recognized when disbursed. This cash basis has been modified to include investments and related earnings including unrealized gains and losses, inventory, and fixed assets.

Under requirements of the Financial Accounting Standards Board, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Foundation is required to present a statement of cash flows.

Net assets with donor restrictions include gifts for which a donor-imposed restriction has not been met and promises to give for which the ultimate purposes of the proceeds are restricted by the donor. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction. It also includes gifts, trusts and pledges which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash consists of deposited cash and checking accounts, which are stated at cost which approximates fair value.

D. Investments

Investments are reported at fair value, which is based on quoted market prices, which approximates fair value. Gains and losses on sales of investments are generally determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end market valuations.

E. Inventory

Inventory is valued at the lower of cost or market, using the first-in, first-out method, and consist of items for resale in the Foundation's gift shops.

F. Property and Equipment

The Foundation does not have a formal capitalization policy; however, its usual practice is to capitalize acquisitions of property and equipment greater than \$1,000 and a useful life of greater than two years. These are recorded at cost for items purchased by the Foundation. Property and equipment donated to the Foundation are recorded at approximate fair market value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets which range from three to ten years.

1. Summary of Significant Accounting Policies (Continued)

G. Description of Program Services and Supporting Activities

The Foundation's program services include educational programs and various exhibitions and events held throughout the year.

Management and General – Includes the administrative activities that support the overall operation of the office and governance of the organization. This includes staff meetings, cleaning, board meetings, general errands, professional training/learning activities, strategic planning and accounting functions.

Fundraising – Includes resources used to generate contributions and support for the organization as a whole.

H. Revenues, Gains and Other Support

Revenue is recognized when received and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Foundation. Conditional promises to give are not recorded until conditions are substantially met. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restriction.

Memberships are comprised of individuals and businesses. Dues are on a graduated scale with the base fee starting at \$25 for individuals. Members receive free admission to museums and to certain exhibits and events. Members also receive a bimonthly publication and discounts at affiliated gift shops.

The Foundation recognizes revenue from its advertising activities during the year in which the related services are provided to the advertiser. The performance obligation of providing advertising through the Foundation's bimonthly newsletter is simultaneously received and consumed by the reader, therefore, the revenue is recognized ratably by each newsletter issuance over the course of the year. Contracts for advertising services are combined into a single portfolio of similar contracts. Payment for advertising can be done with each issue or can be paid at the contract ad rate for multiple issues. Payment is required before the start of the services. All amounts received prior to the performance year are deferred to the applicable period. The Foundation did not have any amounts deferred at December 31, 2021.

I. Donated Materials and Services

The Foundation records the value of donated materials and equipment when there is an objective basis available to measure their value. Donated materials and equipment are reflected in the accompanying financial statements at their estimated values at date of receipt.

The Foundation receives donated services from a variety of unpaid volunteers assisting with the activities throughout the year. The Foundation has not recognized any amounts in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

K. Functional Expenses

The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification. Other expenses are allocated based as a function of staff time, which is based on periodic time studies as approved by management. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Foundation.

1. Summary of Significant Accounting Policies (Concluded)

L. Income Taxes

The Mark Twain Home Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. IRS Form 990, *Return of Organization Exempt from Income Tax*, for the year ended December 31, 2021 and prior years have been or will be filed. Income tax filings are subject to audit by various taxing authorities and are open for audit for the years 2019 to 2021.

M. Fair Value

The Foundation accounts for its investments at fair value, in accordance with FASB Accounting Standards Codification. This codification requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statements of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

The carrying amounts of accounts receivable, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short period of maturity.

N. Reclassifications

Certain reclassifications may have been made to the prior year financial statement presentation to correspond with the current year's format. Net position and changes in net position are unchanged due to these reclassifications.

O. Subsequent Events

Subsequent events have been evaluated through April 28, 2022, the date the financial statements were available to be issued.

2. Liquidity and Availability Management

On December 31, 2021, the Foundation had \$553,631 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditure consisting of cash of \$482,029 and inventory of \$71,602. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

On December 31, 2020, the Foundation had \$591,309 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditure consisting of cash of \$510,457, and inventory of \$80,852. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Foundation does not currently have a policy structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liability need arise, the Foundation could also draw upon its investments set aside for endowment.

3. Deposits

The Foundation maintains several bank accounts at various financial institutions. As of December 31, 2021 and 2020, the carrying amount of those deposits was \$482,029 and \$510,457, respectively. At various times throughout the year, the Foundation's cash deposits may exceed the federally insured limits.

4. Investments – Endowment Funds

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investments as of December 31, 2021 consist of the following:

	<u>2021</u>		<u>2020</u>	
	<u>Original Cost</u>	<u>Market Value</u>	<u>Original Cost</u>	<u>Market Value</u>
Cash equivalents	\$ 306,902	\$ 306,902	\$ 299,999	\$ 299,999
Fixed income securities	701,698	702,082	579,139	601,799
Closed end mutual funds - fixed income	138,801	257,318	-	-
Mutual funds - fixed income	364,206	368,882	334,212	345,816
Mutual funds - equity	190,519	264,789	213,749	226,294
Mutual funds - international	299,271	351,491	267,128	367,247
Equities	784,920	1,248,518	962,352	1,318,774
Total	<u>\$ 2,786,317</u>	<u>\$ 3,499,982</u>	<u>\$ 2,656,579</u>	<u>\$ 3,159,929</u>

The Endowment funds consist of the following:

	<u>2021</u>	<u>2020</u>
Endowment fund	2,697,724	2,433,727
Endowment maintenance	565,627	512,953
Total	<u>\$ 3,263,351</u>	<u>\$ 2,946,680</u>

5. Fair Value Measurements

The Foundation adopted accounting standards for fair value measurements. The standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended December 31, 2021 and 2020 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	<u>Assets at Fair Value as of December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 3,499,982	\$ -	\$ -	\$ 3,499,982
Total Investments	<u>\$ 3,499,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,499,982</u>

	<u>Assets at Fair Value as of December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 3,159,929	\$ -	\$ -	\$ 3,159,929
Total Investments	<u>\$ 3,159,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,159,929</u>

6. Property and Equipment

Following is a summary of property and equipment on December 31, 2021 and 2020:

	2021	2020
Property, plant and equipment	\$ 3,363,497	\$ 3,339,497
Accumulated depreciation	(404,213)	(380,952)
Net property and equipment	\$ 2,959,284	\$ 2,958,545

Depreciation expense for the years ended December 31, 2021 and 2020 was \$23,260 and \$25,293, respectively.

7. Line of Credit

The Company renewed a \$400,000.00 secured line of credit on February 16, 2021, with the HNB National Bank at an interest rate of 4.00% per annum and to extend the maturity date to February 16, 2022. There was no balance outstanding on the line of credit at December 31, 2021 and 2020, respectively. The purpose of this line of credit is for operating capital.

8. Long-term Debt

On June 24, 2021, the Foundation negotiated a term-loan agreement with the Small Business Administration (SBA) at an interest rate of 2.75% per annum. Terms included monthly payments of \$641 to commence on June 24, 2021, with a maturity date of June 24, 2051. This loan was paid off during the current fiscal year.

9. Leases

On January 12, 1990, a lease was made and entered into by and between the City of Hannibal, a municipal corporation, by and through its duly constituted and authorized Mark Twain Home Board, and the Mark Twain Home Foundation, an unrelated not-for-profit corporation.

The lease is for all personal and real properties now owned by the Mark Twain Home Board. The property is located in the City of Hannibal and consists of properties associated with the Mark Twain Historic area and related properties.

The term of this Lease shall be for twenty (20) years, beginning on January 1, 1990, and terminating, unless otherwise renewed as herein provided, on January 1, 2010. This Lease shall automatically renew for successive terms of twenty (20) years, each upon the same terms and conditions, unless terminated by either party by giving written notice to the other party at least one (1) year prior to the termination of the original or renewal term, as the case may be.

The Mark Twain Home Foundation shall pay the City of Hannibal as rental for the leased premises the sum of One Dollar (\$1.00) per year, which shall be payable in advance on the 1st day of January, 1990, and on the 1st day of January of each and every year thereafter during the term of this lease. As additional consideration, the Mark Twain Home Foundation is to provide all maintenance and repairs to all personal property, buildings, structures, and other improvements and, in addition, to provide for all fire and casualty insurance and pay all taxes.

All personal property (excluding cash on hand and cash on deposit) which is herein leased to the Mark Twain Home Foundation shall be returned to the Mark Twain Home Board at the termination of this lease except as otherwise provided herein. All items of real or personal property acquired by the Mark Twain Home Board subsequent to the effective date of this lease (hereinafter referred to as subsequent leased property) shall immediately become a part of the "leased premises" and be leased by Lessor to Lessee under the same rental terms. At the termination of this lease, all such subsequent leased property shall be returned to the Mark Twain Home Board. All monies, pledges, donations and items of real or personal property, including all tangible and intangible property acquired by the Mark Twain Home Foundation (Lessee) during the term of this lease, shall remain the property of the Lessee at the termination of this lease.

During the term of this lease, the Lessee will not dispose of or loan any item of personal property (excluding cash on hand and cash on deposit) without the prior written consent of the Mark Twain Home Board.

10. Contingencies

All completed grant projects are subject to review or audit by the grantor agency which could result in a disallowance of various project costs claimed. Management is not aware of any noncompliance on any of the grant projects.

11. Inexhaustible Collections

Historic collections include works of art, historical treasures, historical buildings, or assets of a similar nature that meet the following criteria:

- Held for exhibition to the public, educational purposes, or research in furtherance of public service rather than financial gain.
- Protected, kept unencumbered, cared for, and preserved.
- Subject to a policy that requires the use of proceeds from the sale of historic collection items to be for the acquisition of new collection items, the direct care of existing collections, or both.

The Foundation has recorded the historic collections at their fair market value if properly documented by an appraisal, at estimated fair market value absent this documentation, and at insured value on the following real estate:

	2021	2020
Mark Twain Boyhood Home	\$ 805,718	\$ 805,718
Pilaster House Museum/Grant's Drug Store	671,431	671,431
John M. Clemens Justice of the Peace Office	235,000	235,000
Becky Thatcher House	741,250	741,250
Huckleberry Finn House	218,750	218,750
Tom and Huck Statue	161,145	161,145
 Total Insured Value on Real Estate Classified as Historic Collections	 \$ 2,833,294	 \$ 2,833,294

12. Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted many local economies around the globe. Businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Stock markets have experienced great volatility. The Foundation's operations are dependent on private and public donations from individuals, foundations, and corporations. As a result of this pandemic, the Foundation may see a decrease in its pledges and contributions as donors are uncertain of their financial position for the near future.

Governments and banks have responded with monetary and fiscal interventions to stabilize economic conditions. For the fiscal year ended December 31, 2021, the Foundation received a loan through the Paycheck Protection Program of \$80,384 to maintain its employment levels as well as cover utilities, as needed. The Foundation received loan forgiveness for the entire amount.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future periods.