

# **Impression 5 Science Center**

## **Financial Statements**

**September 30, 2021  
(With Summarized Comparative  
Information for 2020)**



## Table of Contents

	<b>Page</b>
Independent Auditors' Report	1
Basic Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

## **Independent Auditors' Report**

To the Board of Directors of  
Impression 5 Science Center  
Lansing, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Impression 5 Science Center (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Impression 5 Science Center as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

The financial statements of Impression 5 Science Center as of September 30, 2020, were audited by other auditors whose report dated May 26, 2021, expressed an unmodified opinion on those statements. The summarized comparative information presented herein, as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Yeo & Yeo, P.C.*

Lansing, Michigan  
April 19, 2022

**Impression 5 Science Center**  
**Statement of Financial Position**  
**September 30, 2021**

(With Summarized Comparative Information for September 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash	\$ 344,574	\$ 136,999
Accounts receivable	3,700	19,628
Promises to give	146,260	660,229
Inventory	89,706	107,700
Prepaid expenses	<u>9,677</u>	<u>53,021</u>
Total current assets	<u>593,917</u>	<u>977,577</u>
Property and equipment, net	<u>3,134,259</u>	<u>3,279,865</u>
<b>Total assets</b>	<b><u>\$ 3,728,176</u></b>	<b><u>\$ 4,257,442</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	125,005	161,399
Accrued payroll and related items	11,762	24,284
Deferred membership revenue	57,777	88,956
Other deferred revenue	36,822	32,305
Current portion of notes payable	<u>228,420</u>	<u>173,511</u>
Total current liabilities	<u>459,786</u>	<u>480,455</u>
Notes payable, less current portion	<u>481,379</u>	<u>496,503</u>
Total liabilities	<u>941,165</u>	<u>976,958</u>
Net assets		
Without donor restriction	2,372,789	2,205,218
With donor restriction	<u>414,222</u>	<u>1,075,266</u>
Total net assets	<u>2,787,011</u>	<u>3,280,484</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 3,728,176</u></b>	<b><u>\$ 4,257,442</u></b>

See Accompanying Notes to the Financial Statements

**Impression 5 Science Center**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

**(With Summarized Comparative Information for the year ended September 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b>Revenues</b>				
Contributions	\$ 540,839	\$ 207,575	\$ 748,414	\$ 1,067,357
In-kind contributions	13	-	13	374
Memberships	99,051	-	99,051	194,250
Sale of merchandise, net of direct expenses of \$40,206 and \$41,860 respectively	54,755	-	54,755	56,032
Admissions	119,000	-	119,000	201,780
Program fees	185,961	-	185,961	141,062
Marketing event income	147,658	-	147,658	104,969
Other income	238,281	-	238,281	14,423
Unrealized promises to give	-	(431,250)	(431,250)	-
Net assets released from restrictions	437,369	(437,369)	-	-
<b>Total revenues</b>	<b>1,822,927</b>	<b>(661,044)</b>	<b>1,161,883</b>	<b>1,780,247</b>
<b>Expenses</b>				
Program services				
Exhibits	585,579	-	585,579	551,182
Education	872,877	-	872,877	920,521
<b>Total program services</b>	<b>1,458,456</b>	<b>-</b>	<b>1,458,456</b>	<b>1,471,703</b>
Supporting services				
Management and general	133,573	-	133,573	145,412
Fundraising	63,327	-	63,327	122,669
<b>Total supporting services</b>	<b>196,900</b>	<b>-</b>	<b>196,900</b>	<b>268,081</b>
<b>Total expenses</b>	<b>1,655,356</b>	<b>-</b>	<b>1,655,356</b>	<b>1,739,784</b>
<b>Change in net assets</b>	<b>167,571</b>	<b>(661,044)</b>	<b>(493,473)</b>	<b>40,463</b>
Net assets, beginning of year	2,205,218	1,075,266	3,280,484	3,240,021
<b>Net assets, end of year</b>	<b>\$ 2,372,789</b>	<b>\$ 414,222</b>	<b>\$ 2,787,011</b>	<b>\$ 3,280,484</b>

See Accompanying Notes to the Financial Statements

**Impression 5 Science Center**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2021**

**(With Summarized Comparative Information for the year ended September 30, 2020)**

	Program Services			Support Services			Totals	
	Exhibits	Education	Total	Management and General	Fundraising	Total	2021	2020
Salaries and wages	\$ 114,534	\$ 413,594	\$ 528,128	\$ 76,356	\$ 31,815	\$ 108,171	\$ <b>636,299</b>	800,066
Payroll taxes	8,978	32,422	41,400	5,985	2,494	8,479	<b>49,879</b>	59,205
Employee benefits	16,996	61,376	78,372	11,331	4,721	16,052	<b>94,424</b>	77,915
Accounting and legal	-	-	-	26,793	-	26,793	<b>26,793</b>	16,572
Contract services	104,869	94,033	198,902	883	883	1,766	<b>200,668</b>	168,831
Supplies	6,724	60,753	67,477	385	14,029	14,414	<b>81,891</b>	82,397
Cost of goods sold	-	40,206	40,206	-	-	-	<b>40,206</b>	41,860
Postage and shipping	43	1,813	1,856	28	1,552	1,580	<b>3,436</b>	9,330
Occupancy	50,904	45,644	96,548	429	429	858	<b>97,406</b>	76,919
Equipment rental and maintenance	12,115	8,417	20,532	716	313	1,029	<b>21,561</b>	24,931
Traveling exhibit rental	80,650	-	80,650	-	-	-	<b>80,650</b>	55,195
Interest and finance charges	7,446	26,649	34,095	5,094	-	5,094	<b>39,189</b>	38,512
Advertising	1,238	33,905	35,143	-	965	965	<b>36,108</b>	65,353
Board and staff development	1,907	6,727	8,634	1,225	3,917	5,142	<b>13,776</b>	5,165
Depreciation	173,679	70,195	243,874	1,408	916	2,324	<b>246,198</b>	253,159
Miscellaneous	5,496	17,349	22,845	2,940	1,293	4,233	<b>27,078</b>	6,234
<b>Total expenses by function</b>	<b>585,579</b>	<b>913,083</b>	<b>1,498,662</b>	<b>133,573</b>	<b>63,327</b>	<b>196,900</b>	<b>1,695,562</b>	<b>1,781,644</b>
Less expenses included in revenues in the statement of activities:								
Cost of goods sold	-	(40,206)	(40,206)	-	-	-	<b>(40,206)</b>	(41,860)
<b>Total expenses included in the statement of activities</b>	<b>\$ 585,579</b>	<b>\$ 872,877</b>	<b>\$ 1,458,456</b>	<b>\$ 133,573</b>	<b>\$ 63,327</b>	<b>\$ 196,900</b>	<b>\$ 1,655,356</b>	<b>\$ 1,739,784</b>

See Accompanying Notes to the Financial Statements

**Impression 5 Science Center**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2021**

**(With Summarized Comparative Information for the year ended September 30, 2020)**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (493,473)	\$ 40,463
Items not requiring cash		
Depreciation	246,198	253,159
Bad debt	18,709	-
Unrealized promises to give	431,250	-
Forgiveness of PPP loan	(162,500)	-
Changes in operating assets and liabilities		
Accounts receivable	(2,781)	7,313
Promises to give	82,719	(524,435)
Inventory	17,994	(33,205)
Prepaid expenses	43,344	(22,598)
Accounts payable	(36,394)	(21,185)
Accrued payroll and related items	(12,522)	(10,682)
Deferred membership revenue	(31,179)	(33,564)
Other deferred revenue	4,517	706
Net cash provided (used) by operating activities	<b>105,882</b>	<b>(344,028)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<b>(100,592)</b>	<b>(88,824)</b>
<b>Cash flows from financing activities</b>		
Change in line of credit	-	(136,828)
Proceeds from notes payable	213,296	583,884
Payments on notes payable	<b>(11,011)</b>	<b>(8,438)</b>
Net cash provided by operating activities	<b>202,285</b>	<b>438,618</b>
Net change in cash, and cash equivalents	<b>207,575</b>	<b>5,766</b>
Cash, and cash equivalents - beginning of year	<b>136,999</b>	<b>131,233</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 344,574</b>	<b>\$ 136,999</b>
<b>Supplementary information</b>		
Cash paid for interest	<b>\$ 20,716</b>	<b>\$ 19,412</b>

See Accompanying Notes to the Financial Statements



# Impression 5 Science Center

## Notes to the Financial Statements

September 30, 2021

(With Summarized Comparative Information for September 30, 2020)

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### Note 1 - Organization

Impression 5 Science Center (the Center), a Michigan non-profit organization, was established for the purpose of encouraging individuals and families to use their five senses to explore the expanding realm of science and its applications. The Center encourages scientific exploration with hands on exhibits and programming. The Center receives a substantial amount of its support from government and independent funding sources.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) 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, where the donor stipulates that resources be maintained in perpetuity.

Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Comparative Financial Information

The financial information for the year ended September 30, 2020, is presented for comparative purposes is not intended to be a complete financial statement presentation.

#### Cash

Cash consists of cash in banks and cash on-hand.

#### Accounts Receivable

Accounts receivable represent consideration from third parties, of which the Center has an unconditional right to receive. Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management 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. Currently, no allowance for doubtful accounts is considered necessary. Changes to the valuation allowance have not been material to the financial statements.

#### Promises to Give

Unconditional promises to give are recorded at net realizable value when the promise is made and requires the Center to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Promises to give greater than one year are not discounted as the amount is considered insignificant to the net assets of the Center. The Center considers all promises to give at September 30, 2021 and 2020 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**  
**(With Summarized Comparative Information for September 30, 2020)**

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**Inventory**

Inventories consist of merchandise for resale and are stated at the lower of cost or net realizable value.

**Property and Equipment**

The Center follows the practice of capitalizing all expenditures in excess of \$1,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Major improvements are capitalized while ordinary maintenance and repairs are expensed.

The Center evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Gifts of land, buildings, equipment and other long-lived assets are also reported as revenue without donor restrictions and net assets, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

**Deferred Revenue**

Deferred revenue consists of amounts received by the Center that will be earned in future periods and primarily consists of deposits for memberships, special events and active gift cards.

**Paycheck Protection Program (PPP) Loan**

The Center accounts for the PPP loan as a financial liability in accordance with FASB ASC 470 *Debt*.

**Employee Retention Credit**

The Center accounts for the Employee Retention Credit as a conditional contribution under FASB ASC 958-605 *Not-for-Profit Entities: Revenue Recognition*. This has been reflected in other income on the statement of activities.

**Revenue Recognition**

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the performance obligations are met. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Advertising**

Advertising costs are expensed as incurred.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in greater detail in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on actual basis, where available, or based on management's estimated use of resources. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**  
**(With Summarized Comparative Information for September 30, 2020)**

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**Income Tax Status**

The Center is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation, as described in Section 509(a). The Center files information returns in the U.S. Federal and Michigan jurisdiction.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination for the various taxing authorities for a period of three to four years.

**Risks and Uncertainties**

The Center is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Center to concentrations of significant credit risk consist of cash, accounts receivable, and contributions receivable. The Center places its cash with FDIC insured financial institutions. Although such cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk. At September 30, 2021, the Center's bank balances exceeded FDIC limits by \$63,976.

Credit risk with respect to accounts and contributions receivable is limited due to the Center's large number of customers.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain 2020 amounts on the statement of functional expenses have been reclassified to conform to the current year presentation. Previously reported total expenses and change in net assets have not been impacted as a result of the reclassifications.

**Subsequent Event**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Subsequent events which provide evidence about conditions that existed before or after the financial statement date, may require disclosure in the accompanying notes or recognition in the financial statements. Management evaluated the activity of the entity through April 19, 2022, (the date the financial statements were available to be issued) and concluded that except as disclosed in Note 11 no other subsequent events have occurred that would require disclosure in the notes to the financial statements.

**Note 3 - Liquidity and Availability**

The Center regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing program service activities as well as conduct of services undertaken to support those activities to be general expenditures.

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**

**(With Summarized Comparative Information for September 30, 2020)**

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The following reflects the Center's financial assets as of September 30, 2021 and 2020, which are deemed available for general expenditures within one year of the date of the statement of financial position. Amounts not available include donor restricted net assets.

	2021	2020
Cash	\$ 344,574	\$ 136,999
Accounts receivable	3,700	19,628
Promises to give	146,260	660,229
Total financial assets at year-end	494,534	816,856
Less: donor-restricted net assets related to financial assets at year end	(414,222)	(816,856)
Financial assets available to meet cash needs for general expenditures within one year	\$ 80,312	\$ -

The Center procures and capitalizes many expenses that it needs to improve and sustain exhibits and building improvements throughout the year. As such, much of the Center's liquid assets are utilized for capital expenditures. The Center adheres to all commitments related to donor-restricted net assets. In addition to financial assets available to meet general expenditures over the next 12 months, the Center anticipates collecting sufficient revenue to cover general expenditures. The Center also maintains a line of credit available to meet short-term needs.

**Note 4 - Promises to Give**

Unconditional promises to give that are expected to be collected subsequent to September 30 are as follows:

	2021	2020
Amounts due in less than one year	\$ 146,260	\$ 660,229

As further discussed in note 9, certain amounts reported as unconditional promises to give in 2020, were not collected during the year ended September 30, 2021.

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**  
**(With Summarized Comparative Information for September 30, 2020)**

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**Note 5 - Property and Equipment**

Property and equipment at September 30 consists of the following:

	Useful Life	2021	2020
Land		\$ 104,116	\$ 104,116
Building and improvements	20 - 31 years	3,360,628	3,267,004
Furniture and equipment	4 - 10 years	242,069	238,278
Exhibits and displays	7 - 15 years	1,907,345	1,898,024
Construction in progress		73,914	80,058
		<u>5,688,072</u>	<u>5,587,480</u>
Less accumulated depreciation		<u>(2,553,813)</u>	<u>(2,307,615)</u>
Property and equipment - net		<u>\$ 3,134,259</u>	<u>\$ 3,279,865</u>
Depreciation expense		<u>\$ 246,198</u>	<u>\$ 253,159</u>

**Note 6 - Retirement Plan**

The Center sponsors a SIMPLE-IRA plan for its eligible employees. Employees may elect a compensation deferral not to exceed the amount determined by the IRS annually. The Center will match employee deferrals dollar for dollar up to 3% of their annual compensation. The Center's matching payments totaled \$8,947 and \$11,192 for the years ended September 30, 2021 and 2020, respectively.

**Note 7 - Line of Credit**

At September 30, 2021 and 2020, the Center maintains a line of credit in the amount of \$250,000, collateralized by the land and building of the Center. The line of credit requires monthly installments calculated with a variable interest rate using the bank's prime rate plus 0.40%. As of September 30, 2021 and 2020, the Center maintains an outstanding balance of \$0, respectively. The line of credit is scheduled to mature June 2023.

**Note 8 - Notes Payable**

Notes payable consists of the following at September 30, 2021:

An original bank promissory note of \$140,000 issued August 2013 (last amended May 2020) in the amount of \$361,000 with monthly installments of \$2,377 and interest at 4.9%. The note is collateralized by all assets of the Center and matures May 2030.

In February 2021, the Center received a round two loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$213,296. The principal amount of the loan is subject to forgiveness under the program upon the Center's request to the extent that the loan proceeds are used to pay expenses permitted by the program incurred by the Center. Any portion of the loan not forgiven will be paid back over two years, with interest accruing at 1%. Subsequent to year-end the Center received notification of full loan forgiveness by spending the funds on eligible expenses, as a result the Center has presented the balance of the loan as a current liability.

## Impression 5 Science Center

### Notes to the Financial Statements

September 30, 2021

(With Summarized Comparative Information for September 30, 2020)

In May 2020, the Center received an Economic Injury Disaster Loan (EIDL) from the SBA in light of the impact of the COVID-19 pandemic on the Center's operations. The principal amount of the EIDL loan is \$150,000, with proceeds to be used for working capital purposes. Interest on the EIDL loan accrues at the rate of 2.75% per annum and installment payments, including principal and interest, are due monthly beginning twelve months from the date of the EIDL loan in the amount of \$641. The balance of principal and interest is payable thirty years from the date of the promissory note. In connection with the EIDL loan, the Center executed a security agreement between the SBA and the Center.

Aggregate maturities of notes payable for the years ended September 30, are as follows:

September 30, 2022	\$	228,420
September 30, 2023		15,811
September 30, 2024		16,487
September 30, 2025		17,282
September 30, 2026		18,073
Thereafter		<u>413,726</u>
	\$	<u>709,799</u>

Interest expense for the years ended September 30, 2021 and 2020 totaled \$20,716 and \$19,412, respectively.

During the 2020 fiscal year, the Center received a PPP round one loan of \$162,500 funded by the Federal government through the Small Business Administration. The PPP loan and any accrued interest are forgivable after twenty-four weeks as long as the borrower meets certain criteria. The loan proceeds must be used for eligible purposes, including payroll, health insurance, retirement plans, state and local taxes assessed on employee compensation, mortgage interest, rent, and utilities. The criteria also reduces loan forgiveness for certain reductions in salaries or reductions in FTEs.

Final forgiveness was determined by the SBA in February 2021. Accordingly, \$162,500 of gain on extinguishment of debt has been realized in these financial statements and is reflected in other income on the statement of activities.

#### Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at Sept 30:

	<u>2021</u>	<u>2020</u>
Program activities		
Funding the development of exhibits and supporting special projects	\$ 335,555	\$ 1,023,035
Campaign for growth		
Funding for facility maintenance and improvements or replacements	<u>78,667</u>	<u>52,231</u>
Total net assets with donor restrictions	<u>\$ 414,222</u>	<u>\$ 1,075,266</u>

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**

**(With Summarized Comparative Information for September 30, 2020)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following accomplishments occurred during the years ended September 30:

	2021	2020
Program activities		
Funding the development of exhibits and supporting special projects	\$ 398,731	\$ 185,230
Campaign for growth		
Funding for facility maintenance and improvements or replacements	38,638	77,782
Unrealized promises to give	431,250	-
Total net assets with donor restrictions	\$ 868,619	\$ 263,012

During the year ended September 30, 2020, the Center recognized unconditional contributions intended to fund a special project. During the year ended September 30, 2021, the Center determined that due to unforeseen circumstances caused by the pandemic those funds will not be received. As a result, the Center has recognized unrealized promises to give in the amount of \$431,250.

**Note 10 - Revenue from Contracts with Customers**

The following summarizes revenue by type for the years ended September 30:

	2021	2020
Contract revenue recognized over time		
Memberships	\$ 99,051	\$ 194,250
Contract revenue recognized at a point in time		
Sale of merchandise	54,755	56,032
Admissions	119,000	201,780
Program fees	185,961	141,062
	359,716	398,874
Contributions and other revenue		
Contributions	748,414	1,067,357
In-kind contributions	13	374
Marketing event income	147,658	104,969
Other revenue	238,281	14,423
Unrealized promises to give	(431,250)	-
	703,116	1,187,123
Total revenues	\$ 1,161,883	\$ 1,780,247

**Impression 5 Science Center**  
**Notes to the Financial Statements**  
**September 30, 2021**  
**(With Summarized Comparative Information for September 30, 2020)**

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*Membership Revenue*

Revenue from contracts with members is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing membership services to its members. Membership fees are recognized as revenue in the period the related membership benefits and services are provided. Most of the performance obligations are considered “stand-ready” performance obligations and are therefore recognized as revenue over the length of the membership (typically one year). Unexpired memberships remaining at year end are classified as deferred membership revenue.

*Retail Revenue*

The Center generates retail revenues from the sale of gift shop items to customers on premises. Revenue is recognized at the moment control of the item sold is relinquished. Several factors are considered in determining that control transfers to the customer upon sale. These factors include that legal title transfers to the customer, the Center has a present right to payment, and the customer has assumed the risks and rewards of ownership at the time of transfer.

*Admissions Revenue*

The Center recognizes revenue from visitors’ admissions upon sale or date of service.

*Program Revenue*

Educational activities and program revenue received is not recognized as revenue until the revenue is earned, which is when the activities or services are provided, and the Center does not believe it is required to provide additional activities or services. As a result, deferred revenue (contract liability) and accounts receivable are recorded for any amount for which the Center has a right to invoice but for which services have not been provided.

The following summarizes contract assets and contract liabilities for the year ended September 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 3,700	\$ 19,628	\$ 26,941
Deferred membership revenue	\$ 57,777	\$ 88,956	\$ 122,520
Other deferred revenue	<u>36,822</u>	<u>32,305</u>	<u>31,599</u>
Total contract liabilities	<u>\$ 94,599</u>	<u>\$ 121,261</u>	<u>\$ 154,119</u>

There were no changes in judgments related to revenue recognition for the years ended September 30, 2021, and 2020.

**Note 11 - Coronavirus Pandemic**

The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on members, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

In response to the pandemic, when possible, the Center was open to the public, with health and safety measures in place and some reduced hours, throughout the fiscal year ending September 30, 2021. Through collaboration with funders and community partners, the Center was able to fulfill grants through refined timelines or adapted approaches that included virtual, hybrid, and in-person programming to ensure mission fulfillment.



**Impression 5 Science Center  
Notes to the Financial Statements  
September 30, 2021**

**(With Summarized Comparative Information for September 30, 2020)**

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When available the Center has also applied for and received SBA PPP and EIDL loans, and the employee retention credit to help offset the financial impact of the ongoing pandemic. Subsequent to year end the Center increased its EIDL loan borrowings to \$500,000 in order to provide added security to the Center's operations as it continues to navigate the impacts of the pandemic.