

IMPRESSION 5 SCIENCE CENTER
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Impression 5 Science Center

Report on the Financial Statements

We have audited the accompanying financial statements of Impression 5 Science Center (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditor's 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 involves evaluating the appropriateness of accounting principles used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Maney Costeiran PC

May 26, 2021

**IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash	\$ 136,999	\$ 131,233
Accounts receivable	19,628	26,941
Promises to give, current portion	660,229	63,927
Inventory	107,700	74,495
Prepaid expenses	<u>53,021</u>	<u>30,423</u>
TOTAL CURRENT ASSETS	977,577	327,019
PROMISES TO GIVE, net of current portion	-	71,867
PROPERTY AND EQUIPMENT, less accumulated depreciation	<u>3,279,865</u>	<u>3,444,200</u>
TOTAL ASSETS	<u>\$ 4,257,442</u>	<u>\$ 3,843,086</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 161,399	\$ 182,584
Accrued payroll and related items	24,284	34,966
Deferred membership revenue	88,956	122,520
Other deferred revenue	32,305	31,599
Line of credit	-	136,828
Current portion of long-term debt	<u>173,511</u>	<u>9,058</u>
TOTAL CURRENT LIABILITIES	480,455	517,555
Long-term debt, less current portion	<u>496,503</u>	<u>85,510</u>
TOTAL LIABILITIES	<u>976,958</u>	<u>603,065</u>
NET ASSETS		
Without donor restriction		
Undesignated	2,205,218	2,919,099
With donor restriction	<u>1,075,266</u>	<u>320,922</u>
TOTAL NET ASSETS	<u>3,280,484</u>	<u>3,240,021</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,257,442</u>	<u>\$ 3,843,086</u>

See notes to financial statements.

IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 50,001	\$ 1,017,356	\$ 1,067,357	\$ 59,688	\$ 415,043	\$ 474,731
In-kind contributions	374	-	374	8,538	-	8,538
Memberships	194,250	-	194,250	263,361	-	263,361
Sale of merchandise, less direct expenses of \$41,860 and \$103,069 in 2020 and 2019, respectively	56,032	-	56,032	139,416	-	139,416
Admissions	201,780	-	201,780	448,251	-	448,251
Program fees	141,062	-	141,062	348,353	-	348,353
Marketing event income	104,969	-	104,969	225,505	-	225,505
Other income	14,423	-	14,423	7,399	-	7,399
Net assets released from restrictions	263,012	(263,012)	-	481,566	(481,566)	-
TOTAL REVENUE	1,025,903	754,344	1,780,247	1,982,077	(66,523)	1,915,554
EXPENSES						
Program services						
Exhibits	551,182	-	551,182	525,925	-	525,925
Education	920,521	-	920,521	947,105	-	947,105
Total program services	1,471,703	-	1,471,703	1,473,030	-	1,473,030
Supporting services						
Management and general	145,412	-	145,412	137,313	-	137,313
Fundraising	122,669	-	122,669	231,620	-	231,620
Total supporting services	268,081	-	268,081	368,933	-	368,933
TOTAL EXPENSES	1,739,784	-	1,739,784	1,841,963	-	1,841,963
CHANGE IN NET ASSETS	(713,881)	754,344	40,463	140,114	(66,523)	73,591
NET ASSETS, at beginning of year	2,919,099	320,922	3,240,021	2,778,985	387,445	3,166,430
NET ASSETS, at end of year	\$ 2,205,218	\$ 1,075,266	\$ 3,280,484	\$ 2,919,099	\$ 320,922	\$ 3,240,021

See notes to financial statements.

**IMPRESSION 5 SCIENCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020**

	Program Services			Support Services			Total
	Exhibits	Education	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 146,188	\$ 532,152	\$ 678,340	\$ 81,089	\$ 40,637	\$ 121,726	\$ 800,066
Payroll taxes	10,657	38,483	49,140	7,105	2,960	10,065	59,205
Employee benefits	14,025	50,645	64,670	9,349	3,896	13,245	77,915
Accounting and legal	-	-	-	16,572	-	16,572	16,572
Contract services	12,727	11,412	24,139	108	7,057	7,165	31,304
Supplies	14,145	41,690	55,835	625	25,937	26,562	82,397
Cost of goods sold	-	41,860	41,860	-	-	-	41,860
Postage and shipping	12	3,591	3,603	148	5,579	5,727	9,330
Occupancy	73,266	78,369	151,635	894	2,928	3,822	155,457
Equipment rental and maintenance	79,792	49,867	129,659	8,074	23,596	31,670	161,329
Interest and finance charges	10,145	9,097	19,242	19,270	-	19,270	38,512
Advertising	4,211	33,091	37,302	13	5,824	5,837	43,139
Board and staff development	591	1,325	1,916	221	3,028	3,249	5,165
Depreciation	183,630	66,917	250,547	1,644	968	2,612	253,159
Miscellaneous	1,793	3,882	5,675	300	259	559	6,234
Total expenses by function	551,182	962,381	1,513,563	145,412	122,669	268,081	1,781,644
Less cost of goods sold	-	(41,860)	(41,860)	-	-	-	(41,860)
Total expenses included in the expense section on the statement of activities and changes in net assets	\$ 551,182	\$ 920,521	\$ 1,471,703	\$ 145,412	\$ 122,669	\$ 268,081	\$ 1,739,784

See notes to financial statements.

**IMPRESSION 5 SCIENCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019**

	Program Services			Support Services			
	Exhibits	Education	Total	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 149,571	\$ 533,918	\$ 683,489	\$ 66,919	\$ 56,084	\$ 123,003	\$ 806,492
Payroll taxes	13,991	48,600	62,591	5,890	5,155	11,045	73,636
Employee benefits	13,067	45,392	58,459	5,503	4,814	10,317	68,776
Accounting and legal	-	-	-	16,902	-	16,902	16,902
Contract services	15,537	14,065	29,602	131	9,881	10,012	39,614
Supplies	24,785	67,962	92,747	760	75,164	75,924	168,671
Cost of goods sold	-	103,069	103,069	-	-	-	103,069
Postage and shipping	456	5,282	5,738	149	7,395	7,544	13,282
Occupancy	73,767	70,761	144,528	666	2,771	3,437	147,965
Equipment rental and maintenance	45,087	55,157	100,244	10,203	48,789	58,992	159,236
Interest and finance charges	10,302	9,238	19,540	28,893	-	28,893	48,433
Advertising	14,185	27,993	42,178	36	15,429	15,465	57,643
Board and staff development	875	4,258	5,133	227	4,458	4,685	9,818
Depreciation	163,152	61,682	224,834	1,034	1,461	2,495	227,329
Miscellaneous	1,150	2,797	3,947	-	219	219	4,166
Total expenses by function	525,925	1,050,174	1,576,099	137,313	231,620	368,933	1,945,032
Less cost of goods sold	-	(103,069)	(103,069)	-	-	-	(103,069)
Total expenses included in the expense section on the statement of activities and changes in net assets	\$ 525,925	\$ 947,105	\$ 1,473,030	\$ 137,313	\$ 231,620	\$ 368,933	\$ 1,841,963

See notes to financial statements.

**IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities		
Change in net assets	\$ 40,463	\$ 73,591
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	253,159	227,329
Accounts receivable	7,313	(852)
Promises to give	(524,435)	77,123
Inventory	(33,205)	(13,229)
Prepaid expenses	(22,598)	(14,804)
Accounts payable	(21,185)	(35,637)
Accrued expenses	(10,682)	2,549
Deferred revenue	(32,858)	(704)
Total adjustments	(384,491)	241,775
Net cash provided (used) by operating activities	(344,028)	315,366
Cash flows from investing activities		
Purchase of property and equipment	(88,824)	(294,758)
Cash flows from financing activities		
Change in line of credit	(136,828)	(20,500)
Proceeds from long-term debt	583,884	-
Payment on long-term debt	(8,438)	(8,658)
Net cash provided (used) by financing activities	438,618	(29,158)
NET INCREASE (DECREASE) IN CASH	5,766	(8,550)
CASH		
Beginning of year	131,233	139,783
End of year	\$ 136,999	\$ 131,233
SUPPLEMENTAL DISCLOSURE INFORMATION		
Cash paid for interest	\$ 19,412	\$ 17,202

See notes to financial statements.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION, RISKS, AND UNCERTAINTIES

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 receives a substantial amount of its support from government and independent funding sources.

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

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Center is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code; accordingly, no tax provision is reflected in the financial statements.

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.

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.

The Center evaluates events and transactions that occur after year-end for potential recognition of disclosure in the financial statements. These subsequent events have been considered through May 26, 2021, which is the date the financial statements were available to be issued.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting. Contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Grant funds are generally considered earned as program expenses are incurred.

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

Inventory - Inventory consists of merchandise valued at lower of cost or net realizable value.

Accounts Receivable - Accounts receivable represent consideration from third-parties, of which the Center has an unconditional right to receive. Accounts receivable 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. Beginning and ending balances for accounts receivable is reported as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Accounts receivable, beginning of year	<u>\$ 26,941</u>	<u>\$ 26,089</u>
Accounts receivable, end of year	<u>\$ 19,628</u>	<u>\$ 26,941</u>

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, 2020 and 2019 to be fully collectible; accordingly, no allowance for doubtful accounts is required. Beginning and ending balances for promises to give is reported as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Promises to give, beginning of year	<u>\$ 135,794</u>	<u>\$ 212,917</u>
Promises to give, end of year	<u>\$ 660,229</u>	<u>\$ 135,794</u>

Property and Equipment - Property and equipment are carried at cost. Donated property and equipment are recorded at fair market value on the date of receipt. When retired or otherwise disposed of, the carrying value and related accumulated depreciation are cleared from the respective accounts and the net difference less any amount realized from disposition is reflected in the statement of activities. Depreciation on property, equipment, exhibits and displays is calculated using the straight-line method over the estimated useful life of the related asset.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Beginning and ending balances for deferred revenue is reported as follows for the years ended September 30:

	2020	2019
Deferred revenue, beginning of year	\$ 154,119	\$ 154,823
Deferred revenue, end of year	\$ 121,261	\$ 154,119

Net Assets - 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 grantor restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished.

Revenue Recognition

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. 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.

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.

Admissions Revenue - The Center recognizes revenue from visitors' admissions upon sale or date of service.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contribution Revenue

The Center 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 accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as released from restrictions. Donated materials are reflected as contributions and expensed in the accompanying statements at their estimated value at the date of receipt.

The following schedule shows the Center's revenues disaggregated according to the timing of transfer of goods or services for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Contract revenue recognized over time		
Memberships	\$ 194,250	\$ 263,361
Contract revenue recognized at a point in time		
Sale of merchandise	56,032	139,416
Admissions	201,780	448,251
Program fees	141,062	348,353
Contributions	1,067,357	474,731
In-kind contributions	374	8,538
Marketing event income	104,969	225,505
Other revenue	<u>14,423</u>	<u>7,399</u>
Total revenue	<u>\$ 1,780,247</u>	<u>\$ 1,915,554</u>

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 changes in net assets 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.

Advertising - Advertising costs are expensed as incurred.

Reclassification - Certain prior year numbers have been reclassified to be in conformity with the current year presentation.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO 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 the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the Center's financial assets as of September 30, 2020 and 2019, 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.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 136,999	\$ 131,233
Accounts receivable	19,628	26,941
Promises to give	<u>660,229</u>	<u>135,794</u>
 Total financial assets at year-end	 816,856	 293,968
 Less donor-restricted net assets related to financial assets at year-end	 <u>(816,856)</u>	 <u>(293,968)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ -</u>	 <u>\$ -</u>

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:

	<u>2020</u>	<u>2019</u>
Amounts due in		
Less than one year	\$ 660,229	\$ 63,927
Long-term		
1 - 2 years	<u>-</u>	<u>71,867</u>
 Total promises to give	 <u>\$ 660,229</u>	 <u>\$ 135,794</u>

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	Life (in years)	2020	2019
Land		\$ 104,116	\$ 104,116
Buildings and improvements	20 - 31	3,267,004	3,198,134
Furniture and equipment	4 - 10	238,278	215,433
Exhibits and displays	7 - 15	1,898,024	1,609,089
Construction in progress		<u>80,058</u>	<u>371,951</u>
		5,587,480	5,498,723
Less accumulated depreciation		<u>2,307,615</u>	<u>2,054,523</u>
		<u>\$ 3,279,865</u>	<u>\$ 3,444,200</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 \$11,192 and \$13,145 for the years ended September 30, 2020 and 2019, respectively.

NOTE 7 - LINE OF CREDIT

At September 30, 2020 and 2019, 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, 2020 and 2019, the Center maintains outstanding balances of \$0 and \$136,828, respectively. The line of credit is scheduled to mature June 2023.

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - LONG-TERM DEBT

Long-term debt consists of the following at September 30:

	2020	2019
<p>Note payable - Original bank promissory note of \$140,000 issued August 2013 was amended May 2018 with monthly installments of \$1,107 and interest at 4.6%. In May 2020, the note was amended for a principal 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.</p>	\$ 357,514	\$ 94,568
<p>In April 2020, the Center received a 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 \$162,500. 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%. If the loan is not forgiven, monthly installments will be due with the loan maturing April 2022. On March 5, 2021, the Center received notification of full loan forgiveness by spending the funds on eligible expenses.</p>	162,500	-
<p>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.</p>	150,000	-
	670,014	94,568
Less current portion	(173,511)	(9,058)
Long-term debt	\$ 496,503	\$ 85,510

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - LONG-TERM DEBT (Continued)

Total maturities of long-term debt are as follows:

Year Ending September 30,	
2021	\$ 173,511
2022	12,724
2023	15,791
2024	16,466
2025	17,261
Thereafter	434,261
	\$ 670,014

Interest expense for the year ended September 30, 2020 and 2019 totaled \$19,412 and \$17,202, respectively.

Subsequent to the year ended September 30, 2020, the Center obtained a second PPP loan in February 2021 in the amount of \$213,296. The loan is potentially forgivable if used for eligible expenses. The Center anticipates full loan forgiveness. If the loan is not forgiven, monthly installments will be due with the loan maturing in February 2026.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

The Center reports grants and contributions as restricted support if they are received with grantor/donor stipulations that limit the use of the funds. Net assets with donor restrictions are available for the following purposes at September 30:

	2020	2019
Program activities		
Funding the development of exhibits and supporting special projects	\$ 1,023,035	\$ 201,896
Campaign for growth:		
Funding for facility maintenance and improvements or replacements	52,231	119,026
Total net assets with donor restrictions	\$ 1,075,266	\$ 320,922

**IMPRESSION 5 SCIENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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:

	2020	2019
Program activities		
Funding the development of exhibits and supporting special projects	\$ 185,230	\$ 455,592
Campaign for growth		
Funding for facility maintenance and improvements or replacements	77,782	25,974
	\$ 263,012	\$ 481,566

NOTE 10 - NEW ACCOUNTING STANDARDS

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which it and all subsequent amendments to the ASU No. 2014-09, replaced most existing revenue recognition guidance in U.S. GAAP. The Center adopted the provisions of this guidance on October 1, 2019 using the retrospective approach. The Center has performed an assessment of its revenue contracts as well as worked with industry participants on matters of interpretation and application and has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The Center's accounting policies did not change materially as a result of applying the principles of revenue recognition from ASU 2014-09 and are largely consistent with existing guidance and current practices applied by the Center.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides guidance to distinguish recognition practices of contribution activity related to the adoption of ASU 2014-09. The Center adopted the provisions of this guidance in conjunction with ASU 2014-09. There was no impact to revenue recognized for the years ended September 30, 2020 and 2019 as a result of implementing ASU 2018-08.