

IMPRESSION 5 SCIENCE CENTER
REPORT ON FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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

June 17, 2020

**IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 131,233	\$ 139,783
Accounts receivable	26,941	26,089
Promises to give, current portion	63,927	111,050
Inventory	74,495	61,266
Prepaid expenses	30,423	15,619
TOTAL CURRENT ASSETS	327,019	353,807
PROMISES TO GIVE, net of current portion	71,867	101,867
PROPERTY AND EQUIPMENT, less accumulated depreciation	3,444,200	3,376,771
TOTAL ASSETS	\$ 3,843,086	\$ 3,832,445
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 182,581	\$ 218,218
Accrued payroll and related items	34,969	32,420
Deferred membership revenue	122,520	127,528
Other deferred revenue	31,599	27,295
Line of credit	136,828	157,328
Current portion of long-term debt	9,058	8,658
TOTAL CURRENT LIABILITIES	517,555	571,447
LONG-TERM DEBT, less current portion	85,510	94,568
TOTAL LIABILITIES	603,065	666,015
NET ASSETS		
Without donor restriction		
Undesignated	2,919,099	2,778,985
With donor restriction		
Donor restricted net assets	320,922	387,445
TOTAL NET ASSETS	3,240,021	3,166,430
TOTAL LIABILITIES AND NET ASSETS	\$ 3,843,086	\$ 3,832,445

See notes to financial statements.

IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 59,688	\$ 415,043	\$ 474,731	\$ 66,045	\$ 435,992	\$ 502,037
In-kind contributions	8,538	-	8,538	992	-	992
Memberships	263,361	-	263,361	258,148	-	258,148
Sale of merchandise, less direct expenses of \$103,069 and \$102,853 in 2019 and 2018, respectively	139,416	-	139,416	126,770	-	126,770
Admissions	448,251	-	448,251	476,424	-	476,424
Program fees	348,353	-	348,353	319,112	-	319,112
Marketing event income	225,505	-	225,505	234,947	-	234,947
Other income	7,399	-	7,399	62,454	-	62,454
Net assets released from restrictions	481,566	(481,566)	-	398,571	(398,571)	-
TOTAL SUPPORT AND REVENUE	1,982,077	(66,523)	1,915,554	1,943,463	37,421	1,980,884
EXPENSES						
Program services						
Exhibits	525,925	-	525,925	553,343	-	553,343
Education	947,105	-	947,105	884,646	-	884,646
Total program services	1,473,030	-	1,473,030	1,437,989	-	1,437,989
Supporting services						
Management and general	137,313	-	137,313	152,016	-	152,016
Fundraising	231,620	-	231,620	285,744	-	285,744
Total supporting services	368,933	-	368,933	437,760	-	437,760
TOTAL EXPENSES	1,841,963	-	1,841,963	1,875,749	-	1,875,749
CHANGE IN NET ASSETS	140,114	(66,523)	73,591	67,714	37,421	105,135
NET ASSETS, at beginning of year	2,778,985	387,445	3,166,430	2,711,271	350,024	3,061,295
NET ASSETS, at end of year	\$ 2,919,099	\$ 320,922	\$ 3,240,021	\$ 2,778,985	\$ 387,445	\$ 3,166,430

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
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018**

	Program Services			Support Services			
	Exhibits	Education	Total	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 172,616	\$ 493,360	\$ 665,976	\$ 82,385	\$ 60,294	\$ 142,679	\$ 808,655
Payroll taxes	14,202	41,254	55,456	6,764	5,410	12,174	67,630
Employee benefits	14,913	43,319	58,232	7,102	5,681	12,783	71,015
Accounting and legal	-	-	-	19,864	-	19,864	19,864
Contract services	126	406	532	60	10,548	10,608	11,140
Supplies	26,934	68,222	95,156	802	107,752	108,554	203,710
Cost of goods sold	-	102,853	102,853	-	-	-	102,853
Postage and shipping	393	6,450	6,843	495	6,920	7,415	14,258
Occupancy	77,305	70,192	147,497	694	5,364	6,058	153,555
Equipment rental and maintenance	68,140	44,010	112,150	1,889	66,300	68,189	180,339
Interest and finance charges	9,786	9,754	19,540	30,610	-	30,610	50,150
Advertising	11,253	43,046	54,299	77	10,594	10,671	64,970
Board and staff development	4,226	7,179	11,405	446	4,332	4,778	16,183
Depreciation	152,187	53,106	205,293	793	1,564	2,357	207,650
Miscellaneous	1,262	4,348	5,610	35	985	1,020	6,630
Total expenses by function	553,343	987,499	1,540,842	152,016	285,744	437,760	1,978,602
Less cost of goods sold	-	(102,853)	(102,853)	-	-	-	(102,853)
Total expenses included in the expense section on the statement of activities and changes in net assets	<u>\$ 553,343</u>	<u>\$ 884,646</u>	<u>\$ 1,437,989</u>	<u>\$ 152,016</u>	<u>\$ 285,744</u>	<u>\$ 437,760</u>	<u>\$ 1,875,749</u>

See notes to financial statements.

**IMPRESSION 5 SCIENCE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities		
Change in net assets	<u>\$ 73,591</u>	<u>\$ 105,135</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	227,329	207,650
Accounts receivable	(852)	(17,043)
Promises to give	77,123	(17,142)
Inventory	(13,229)	(8,021)
Prepaid expenses	(14,804)	4,276
Accounts payable	(35,637)	83,505
Accrued expenses	2,549	1,385
Deferred revenue	<u>(704)</u>	<u>19,487</u>
Total adjustments	<u>241,775</u>	<u>274,097</u>
Net cash provided by operating activities	<u>315,366</u>	<u>379,232</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(294,758)</u>	<u>(304,778)</u>
Cash flows from financing activities		
Change in line of credit	(20,500)	(18,951)
Payment on long-term debt	<u>(8,658)</u>	<u>(6,862)</u>
Net cash used by financing activities	<u>(29,158)</u>	<u>(25,813)</u>
NET INCREASE (DECREASE) IN CASH	(8,550)	48,641
CASH		
Beginning of year	<u>139,783</u>	<u>91,142</u>
End of year	<u>\$ 131,233</u>	<u>\$ 139,783</u>
SUPPLEMENTAL DISCLOSURE INFORMATION		
Cash paid for interest	<u>\$ 17,202</u>	<u>\$ 19,712</u>

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 3 to 4 years.

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 June 17, 2020, which is the date the financial statements were available to be issued.

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 are reported at the amount management expects to collect on balances outstanding at year-end. 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. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Currently, no allowance for doubtful accounts is considered necessary.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2019 and 2018 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

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.

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

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.

Membership dues - Membership dues 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.

Contributions - 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in greater detail in the statements 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.

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, 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.

Cash and cash equivalents	\$ 131,233
Accounts receivable	26,941
Promises to give	<u>135,794</u>
Total financial assets at year-end	293,968
Less donor-restricted net assets related to financial assets at year-end	<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, which amount to \$320,922 and \$387,445 for the years ended September 30, 2019 and 2018, respectively. 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.

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

NOTE 4 - PROMISES TO GIVE

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

	<u>2019</u>	<u>2018</u>
Amounts due in		
Less than one year	\$ 63,927	\$ 111,050
Long-term		
1 - 2 years	71,867	59,473
2 - 3 years	-	42,394
Total long-term promises to give	<u>71,867</u>	<u>101,867</u>
Total promises to give	<u>\$ 135,794</u>	<u>\$ 212,917</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	Life (in years)	<u>2019</u>	<u>2018</u>
Land		\$ 104,116	\$ 104,116
Buildings and improvements	20 - 31	3,198,134	3,051,435
Furniture and equipment	4 - 10	215,433	211,149
Exhibits and displays	7 - 15	1,609,089	1,264,002
Construction in progress		<u>371,951</u>	<u>573,263</u>
		5,498,723	5,203,965
Less accumulated depreciation		<u>2,054,523</u>	<u>1,827,194</u>
		<u>\$ 3,444,200</u>	<u>\$ 3,376,771</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 \$13,145 and \$9,099 for the years ended September 30, 2019 and 2018, respectively.

NOTE 7 - LINE OF CREDIT

At September 30, 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, 2019 and 2018, the Center maintains outstanding balances of \$136,828 and \$157,328, 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 consist of the following at September 30:

	2019	2018
Note payable - Original bank promissory note of \$140,000 issued August 2013 with monthly installments of \$1,061 with interest at 4.3% was scheduled to mature August 2018. The note was amended May 2018 and requires monthly installments of \$1,107 which includes interest at 4.6%. The note is collateralized by all assets of the Center and matures May 2028.	\$ 94,568	\$ 103,226
Less current portion	(9,058)	(8,658)
	\$ 85,510	\$ 94,568

Total maturities of long-term debt are as follows:

Year ending September 30,			
2020	\$	9,058	
2021		9,502	
2022		9,955	
2023		10,429	
2024		10,919	
Thereafter		44,705	
	\$	94,568	

Interest expense for the year ended September 30, 2019 and 2018 totaled \$17,202 and \$19,712, respectively.

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:

	2019	2018
Program activities		
Funding the development of exhibits and supporting special projects	\$ 201,896	\$ 387,445
Campaign for growth:		
Funding for facility maintenance and improvements or replacements	119,026	-
Total net assets	\$ 320,922	\$ 387,445

**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:

	2019	2018
Program activities		
Funding the development of exhibits and supporting special projects	\$ 455,592	\$ 326,366
Campaign for growth		
Funding for facility maintenance and improvements or replacements	25,974	72,205
	\$ 481,566	\$ 398,571

NOTE 10 - NEW ACCOUNTING STANDARD

In August 2016, the FASB issued ASU No. 2016-14, *“Presentation of Financial Statement of Not-for-Profit Entities” (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Center adopted ASU No. 2016-14 for the year ending September 30, 2019. The September 30, 2018 comparative information has been reclassified to conform to the current year presentation.

NOTE 11 - SUBSEQUENT EVENT

In mid-March 2020, the Center was forced to close its doors due to the COVID-19 pandemic. This closure is expected to last four months, with limited operations resuming in August. During this time, almost all earned revenue came to a halt. Hundreds of school field trips were cancelled and approximately 40,000 visitors that would have enjoyed the Center during this period of time were not allowed to visit as a result of the Stay Home, Stay Safe Executive Order.

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

NOTE 11 - SUBSEQUENT EVENT (continued)

Center leadership was successful in securing a Payroll Protection Program loan/grant in the amount of \$162,500, which kept 100% of the team intact and 100% compensated through June 6, 2020. On June 7, the team moved into a workshare plan allowing for temporary furlough of most employees to conserve cash for long-term sustainability. We are hopeful that we will return to somewhat normal business operations in the Fall of 2020. However, we understand that it will take several months for attendance and earned revenue to recover to anything similar to what it once was.

On May 12, 2020, the Center refinanced its outstanding balance associated with its long-term note payable. The Center also included within the refinance all outstanding amounts owed on its line of credit. All existing terms of the line of credit remain intact. The Center's new long-term note payable of \$361,000 will mature May 12, 2030 and will have monthly installments of \$2,377 with interest at 4.9%. The note is collateralized by all assets of the Center.