

**SEACOAST SCIENCE CENTER, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Seacoast Science Center, Inc.  
Rye, NH

### Opinion

We have audited the accompanying financial statements of the Seacoast Science Center, Inc. (the "Center") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 the Seacoast Science Center, Inc. as of December 31, 2020 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.

### 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 the Seacoast Science Center, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

To the Board of Directors  
Seacoast Science Center, Inc.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Seacoast Science Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities 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, including omissions, 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 Seacoast Science Center, Inc.'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 Seacoast Science Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

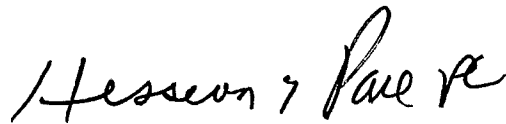
To the Board of Directors  
Seacoast Science Center, Inc.

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.

**Report on Summarized Comparative Information**

We have previously audited the Center's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Manchester, New Hampshire  
November 1, 2021

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SEACOAST SCIENCE CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 867,544	\$ 536,503
Grants and accounts receivable	1,074	14,934
Pledges receivable, net	30,000	50,000
Inventory	17,754	16,941
Other current assets	1,974	6,287
	<u>918,346</u>	<u>624,665</u>
Total current assets		
Property and equipment, net	<u>1,252,196</u>	<u>1,319,696</u>
Other assets		
Long-term pledges receivable, less current portion	38,553	-
Funds held by others	302,842	279,886
	<u>341,395</u>	<u>279,886</u>
Total assets	<u>\$ 2,511,937</u>	<u>\$ 2,224,247</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 2,356	\$ 8,967
Accrued wages and taxes	56,634	50,357
Deposits	14,800	13,600
Deferred revenue	26,063	31,115
Other liability	215,000	-
	<u>314,853</u>	<u>104,039</u>
Total liabilities		
Net assets		
Without donor restrictions	2,010,915	1,863,594
With donor restrictions	186,169	256,614
	<u>2,197,084</u>	<u>2,120,208</u>
Total net assets		
Total liabilities and net assets	<u>\$ 2,511,937</u>	<u>\$ 2,224,247</u>

The accompanying notes are an integral part of these financial statements.

SEACOAST SCIENCE CENTER, INC.

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2020 and 2019

	Without donor restrictions	With donor restrictions	2020	2019
Revenue and support				
Center activities				
Camps	\$ 255,445	\$ 2,015	\$ 257,460	\$ 246,550
Programs	16,720	-	16,720	220,782
Admissions	79,092	-	79,092	267,532
	<u>351,257</u>	<u>2,015</u>	<u>353,272</u>	<u>734,864</u>
Development and fundraising				
Membership	48,658	-	48,658	107,176
Beneficiary income	13,898	-	13,898	13,884
Contributions	625,405	34,187	659,592	341,248
Events	6,644	-	6,644	105,966
In-kind consideration	22,186	-	22,186	74,813
	<u>716,791</u>	<u>34,187</u>	<u>750,978</u>	<u>643,087</u>
Other				
Nature store	43,172	-	43,172	179,519
Grant income	323,116	26,464	349,580	174,441
Facility income	50,492	-	50,492	168,578
Investment gain	4,553	-	4,553	7,182
Net unrealized and realized gain on funds held by others	42,252	-	42,252	33,152
	<u>463,585</u>	<u>26,464</u>	<u>490,049</u>	<u>562,872</u>
Total revenue and support	<u>1,531,633</u>	<u>62,666</u>	<u>1,594,299</u>	<u>1,940,823</u>
Net assets released from restrictions				
Satisfaction of program restrictions	133,111	(133,111)	-	-
Expenses				
Camps	198,427	-	198,427	162,093
Exhibits	167,936	-	167,936	160,344
Programs	515,337	-	515,337	630,247
Marine mammal rescue	115,902	-	115,902	168,843
Membership	3,359	-	3,359	1,600
Admissions	65,055	-	65,055	119,068
Facility	102,695	-	102,695	151,511
Nature store	30,677	-	30,677	106,654
Total program expenses	<u>1,199,388</u>	<u>-</u>	<u>1,199,388</u>	<u>1,500,360</u>
Development	190,129	-	190,129	362,042
General and administrative	127,906	-	127,906	85,097
Total expenses	<u>1,517,423</u>	<u>-</u>	<u>1,517,423</u>	<u>1,947,499</u>
Change in net assets	147,321	(70,445)	76,876	(6,676)
Net assets, beginning of year, as originally stated	<u>1,867,786</u>	<u>252,422</u>	<u>2,120,208</u>	<u>2,126,884</u>
Reclassification	(4,192)	4,192	-	-
Net assets, beginning of year, as restated	<u>1,863,594</u>	<u>256,614</u>	<u>2,120,208</u>	<u>2,126,884</u>
Net assets, end of year	<u>\$ 2,010,915</u>	<u>\$ 186,169</u>	<u>\$ 2,197,084</u>	<u>\$ 2,120,208</u>

The accompanying notes are an integral part of these financial statements.

SEACOAST SCIENCE CENTER, INC

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020  
(with comparative totals for the Year Ended December 31, 2019)

	Camps	Exhibits	Programs	Marine Mammal	Membership	Admissions	Facility	Nature Store	Total program expenses	Development	General and Administrative		2019
											2020	2019	
Expenses	\$ 131,679	\$ 98,024	\$ 283,636	\$ 79,034	\$ -	\$ 52,014	\$ 36,380	\$ 4,696	\$ 685,463	\$ 106,206	\$ 74,874	\$ 866,543	\$ 913,447
Salaries	16,861	12,613	54,186	3,350	-	2,595	3,851	-	93,456	9,599	30,977	134,032	121,107
Benefits	10,048	7,480	21,644	6,031	-	3,969	2,776	358	52,306	8,105	5,714	66,125	71,655
Payroll taxes													
Total salaries and related expenses	158,588	118,117	359,466	88,415	-	58,578	43,007	5,054	831,225	123,910	111,565	1,066,700	1,106,209
Outside services	89	401	18,613	4,398	-	-	3,898	-	27,399	18,674	1,781	47,854	127,809
Repairs and maintenance	9,879	7,896	4,192	1,408	-	-	11,640	-	35,015	-	-	35,015	55,055
Supplies	3,008	7,758	4,698	9,552	188	319	5,778	1,602	32,903	811	414	34,128	46,901
Exhibit costs	-	30,802	-	-	-	-	-	-	30,802	-	-	30,802	44,459
Professional fees	-	-	17,601	-	-	-	920	-	18,521	3,450	7,385	29,356	27,896
Insurance	767	-	20,122	815	-	-	815	-	21,704	3,056	3,709	28,469	28,615
Rent expense	14,780	-	5,544	1,200	64	-	1,350	-	22,938	1,002	1,568	25,508	37,371
Credit card processing fees	3,293	-	5,503	-	151	1,294	5,501	-	15,742	7,742	-	23,484	29,881
Cost of sales	-	-	-	-	-	-	-	23,282	23,282	-	-	23,282	84,184
Program expense	7,011	-	13,099	2,408	-	-	-	-	22,518	-	-	22,518	90,925
Event expense	-	-	-	3,103	-	-	-	-	3,103	13,865	-	16,968	74,854
Advertising	105	-	1,355	125	-	3,932	2,400	-	7,917	3,759	-	11,676	40,662
Printing	-	-	4,204	1,321	2,052	807	-	-	8,384	1,703	-	10,087	15,006
Software	-	-	1,205	-	-	-	-	302	1,507	6,005	29	7,541	4,856
Voice and data	352	-	5,074	374	-	-	268	-	6,068	1,005	402	7,475	5,837
Travel and meals	330	1,200	1,492	1,194	-	-	39	-	4,255	457	-	4,712	24,212
Professional development	-	-	3,740	115	-	-	-	-	3,855	25	-	3,880	4,835
Miscellaneous	225	-	307	515	-	-	25	30	1,102	2,257	359	3,718	7,720
Postage	-	6	300	154	904	-	-	607	1,971	1,626	111	3,708	13,481
Dues and subscriptions	-	151	2,343	20	-	125	-	175	2,814	689	-	3,503	4,284
Hosting expense	-	1,605	53	-	-	-	-	(375)	1,283	93	583	1,959	2,584
Other grant expenses	-	-	-	1,600	-	-	-	-	1,600	-	-	1,600	1,550
Total expenses before depreciation and amortization	198,427	167,936	468,911	115,902	3,359	65,055	75,641	30,677	1,125,908	190,129	127,906	1,443,943	1,879,186
Depreciation and amortization	-	-	46,426	-	-	-	27,054	-	73,480	-	-	73,480	68,313
Total expenses	\$ 198,427	\$ 167,936	\$ 515,337	\$ 115,902	\$ 3,359	\$ 65,055	\$ 102,695	\$ 30,677	\$ 1,199,388	\$ 190,129	\$ 127,906	\$ 1,517,423	\$ 1,947,499

See notes to financial statements.



SEACOAST SCIENCE CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 76,876	\$ (6,676)
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	73,480	68,313
Decrease (increase) in grants and accounts receivable	13,860	(2,554)
Decrease in pledges receivable	20,000	19,659
(Increase) decrease in inventory	(813)	1,931
Decrease (increase) in other current assets	4,313	(3,476)
(Decrease) increase in accounts payable	(6,611)	511
Increase in accrued wages and taxes	6,277	3,049
(Decrease) increase in deferred income	(5,052)	66
Increase in deposits	1,200	6,400
	<u>183,530</u>	<u>87,223</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of equipment	(5,980)	(100,839)
(Increase) in funds held by others	(22,956)	(20,794)
	<u>(28,936)</u>	<u>(121,633)</u>
Net cash (used in) investing activities		
Cash flows from financing activities		
Proceeds from other liability	215,000	-
	<u>215,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	369,594	(34,410)
Cash and cash equivalents, beginning of year	536,503	570,913
Cash and cash equivalents, end of year	<u>\$ 906,097</u>	<u>\$ 536,503</u>

The accompanying notes are an integral part of the financial statements.

**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. NATURE OF ACTIVITIES**

The Seacoast Science Center, Inc. (the “Center”) operates a year-round education facility located at Odiorne Point State Park. Odiorne Point State Park is owned and operated by the State of New Hampshire. In December of 2016, the Center, incorporated in 1992, signed a continuing 10-year management agreement with the Division of Parks and Recreation.

The Center provides programs to school groups and the general public, focused primarily on the history and ecology of Odiorne Point State Park and the Gulf of Maine. The Center’s facility showcases coastal habitats and the environmental history of the Gulf of Maine.

The Center operates a retail store on their premises that follows the same mission as the organization. Items sold allow the general public to take home memorabilia of their visit to the Center, along with books and materials to further educate them about the surrounding area and marine life.

The Center’s major sources of revenue are generated from Center activities and contributions.

**Note 2. SIGNIFICANT ACCOUNTING POLICIES**

**Significant accounting policies**

The Center prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Center are described subsequently to enhance the usefulness and understandability of the financial statements.

**Net assets**

The financial statements report net assets and changes in net assets that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Center, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Center must continue to use the resources in accordance with the donor's restrictions.

**Accrual basis**

The financial statements of the Center have been prepared on the accrual basis. Revenue is recorded when earned and expenses are recorded when incurred. Contributions and grants are recognized when received.

**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, 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. Actual results could differ from those estimates.

**Cash and cash equivalents**

For the purpose of the statement of cash flows, the Center considers all cash and money market investments with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are carried at original invoice amount. Management determines the collectability by regularly evaluating individual receivables. Receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as revenue when received. Management believes that all outstanding receivables are collectible; therefore, no allowance for uncollectible receivables has been provided. The Center does not accrue interest on unpaid accounts receivable.

**Inventories**

Inventory is stated at the lower of cost or market (first-in, first-out method). Inventory consists of items for resale held at the Center's store.

SEACOAST SCIENCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and equipment**

Property and equipment are capitalized at cost. Expenditures for repairs and maintenance are expensed as incurred and betterments in excess of \$2,500 are capitalized as additions to property and equipment. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Exhibits	10 years
Leasehold improvements	5 – 39 years
Equipment	5 years
Furniture and fixtures	7 – 10 years

For the years ended December 31, 2020 and 2019, depreciation expense was \$73,480 and \$68,313, respectively.

**Deferred income**

Income from facility use and program fees for events and programs are deferred and recognized over the period to which it relates.

**Revenue recognition**

The Center has multiple revenue streams that are accounted for as a reciprocal exchange transaction, including center activities, membership, nature store, and facility income.

Because the Center's performance obligations relate to contracts with a duration of less than one year, the Center has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Center activities, membership, nature store, and facility income are recognized ratably over the period each service is provided on a straight-line basis in an amount that reflects the consideration the Center expects to be entitled to in exchange for those services. All the Center's revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions.

**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions and grants**

Contributions and grants, including unconditional promises to give (pledges), are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year payment is due, and therefore, are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

**Advertising costs**

Advertising costs are expensed as incurred. For the years ended December 31, 2020 and 2019, non-donated advertising expense was \$11,676 and \$12,527, respectively.

**Functional allocation of expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

**Income taxes**

The Center is a not-for-profit organization exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation; however, certain unrelated business income is subject to federal taxation. Facility income received is recorded as unrelated business income, and related expenses are reported in the statement of activities. During the years ended December 31, 2020 and 2019, there was no tax liability on unrelated business income. The income tax filings for the tax years before 2016 are no longer subject to examination by federal and state taxing authorities.

**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**Summarized financial information**

The financial statements include certain prior-year summarized comparative information in total, but not by asset class. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2019, from which the summarized information was derived, in order to have comparative information in conformity with accounting principles generally accepted in the United States of America.

**Accounting pronouncement adopted**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Center adopted this ASU on January 1, 2020.

The Center implemented ASU 2014-09 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

**Reclassification**

Certain 2019 amounts have been reclassified to conform to 2020 classification. These reclassifications had no effect on the increase in net assets for 2019.

SEACOAST SCIENCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

**Note 3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 are:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 867,544	\$ 536,503
Grants and accounts receivable	1,074	14,934
Pledges receivable	68,553	50,000
Funds held by others	<u>302,842</u>	<u>279,886</u>
Total financial assets	1,240,013	881,323
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	(186,169)	(252,422)
Less financial assets not available within one year:		
Funds held by others	(302,842)	(279,886)
Pledges receivable	<u>(40,000)</u>	<u>-</u>
Amount available for general expenditures within one year	<u>\$ 711,002</u>	<u>\$ 349,015</u>

As part of their liquidity management plan, the Center invests cash in excess of daily requirements in bank certificate of deposits. The Center maintains a revolving line of credit of \$200,000 to cover short-term cash needs.

**Note 4. FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1: prices based on quoted prices in active markets which are accessible on the measurement date for identical assets and liabilities.

Level 2: prices based on indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in inactive markets.

Level 3: prices based on management's judgment and estimation and are developed using the best information in the circumstances.

SEACOAST SCIENCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

**Note 5. PLEDGES RECEIVABLE**

Pledges receivable represent amounts due from grant awards and donors for multi-year, unconditional pledges. Pledges receivable are shown net of a discount on future collections. Payments on the pledges are expected to be received as follows:

	<u>2021</u>	<u>2020</u>
Promises to give expected to be collected in		
Less than one year	\$ 30,000	\$ 50,000
One to five years	<u>40,000</u>	<u>-</u>
Total pledges receivable	70,000	50,000
Less discount to present value	<u>(1,447)</u>	<u>-</u>
Pledges receivable, net	<u>\$ 68,553</u>	<u>\$ 50,000</u>

Pledge receivables are reported at fair value, which is estimated as the net present value of expected future cash inflows on a non-recurring basis. At December 31, 2020 and 2019, a discount rate of 3.0% was considered to determine the net present value. As discussed in Note 4, the valuation technique used by the Center is a Level 3 measure because there are no observable market transactions.

**Note 6. PROPERTY AND EQUIPMENT**

Property and equipment were comprised of the following at December 31:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 1,857,192	\$ 1,854,446
Exhibits	779,967	776,734
Equipment	170,577	170,577
Vehicles	55,981	55,981
Website	30,000	30,000
Furniture and fixtures	<u>9,467</u>	<u>9,467</u>
	2,903,184	2,897,205
Less accumulated depreciation	<u>(1,650,988)</u>	<u>(1,577,509)</u>
Total	<u>\$ 1,252,196</u>	<u>\$ 1,319,696</u>



**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 7. FUNDS HELD BY OTHERS**

The Center is a beneficiary of three designated funds at the New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing the funds, property contributed to the New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of the Center. In accordance with its spending policy, the Foundation makes distributions from the funds to the Center.

The distributions are approximately 4.29% of the market value of the funds per year. The funds are not included in these financial statements, since all property in the funds was contributed to the New Hampshire Charitable Foundation to be held and administered for the benefit of the Center. For the years ended December 31, 2020 and 2019, \$17,179 and \$13,884 was received from the funds, respectively. At December 31, 2020 and 2019, the market value of the funds' assets was \$400,456 and \$370,066, respectively.

The Center is a beneficiary of two agency funds at the New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing the funds, property contributed to the New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of the Center. In accordance with its spending policy, the Foundation makes distributions from the funds to the Center. The distributions are approximately 3.75% of the market value of the funds per year.

The estimated value of future distributions from the funds is included in these financial statements; however, all property in the funds was contributed to the New Hampshire Charitable Foundation to be held and administered for the benefit of the Center. For the years ended December 31, 2020 and 2019, \$10,510 and \$10,500 was received from the funds, respectively. At December 31, 2020 and 2019, the market value of the funds' assets was \$302,842 and \$279,859, respectively.

SEACOAST SCIENCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

**Note 8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>Balance</u> <u>12/31/19</u>	<u>Revenue</u>	<u>Satisfaction</u> <u>of program</u> <u>restrictions</u>	<u>Satisfaction</u> <u>of property</u> <u>restrictions</u>	<u>Balance</u> <u>12/31/20</u>
Air monitoring	\$ 1,289	\$ -	\$ -	\$ -	\$ 1,289
Audio tour exhibit	248	-	-	-	248
Campership	6,361	4,015	-	-	10,376
Carol Lincoln memorial playground	10,787	-	-	-	10,787
Coastal education fund	5,934	5,000	-	-	10,934
Edalhab exhibit	1,308	1,030	-	-	2,338
Heritage garden (Tallman)	1,710	600	-	-	2,310
Historic exhibit	3,122	-	-	-	3,122
Marine mammal rescue	190,905	50,309	(115,903)	-	125,311
Salt marsh trail	2,878	-	-	-	2,878
Weather exhibit	593	-	-	-	593
Haas feasibility project	17,178	-	(17,178)	-	-
Touch tank	10,109	-	-	-	10,109
Wendy Teft Fund	<u>4,192</u>	<u>1,712</u>	<u>(30)</u>	<u>-</u>	<u>5,874</u>
	<u>\$ 256,614</u>	<u>\$ 62,666</u>	<u>\$ (133,111)</u>	<u>\$ -</u>	<u>\$ 186,169</u>

**Note 9. IN-KIND CONTRIBUTIONS**

For the year ended December 31, 2020, numerous unpaid volunteers have made contributions of their time to further the Center's activities. The value of this contributed time is not reflected in these financial statements. For the years ended December 31, 2020 and 2019, contributions of materials recorded at fair market value were \$15,786 and \$44,947, respectively. For the years ended December 31, 2020 and 2019, contributions of radio advertising and professional fees recorded at fair market value were \$6,400 and \$29,866, respectively. Contributed services received were used toward marine mammal rescue, fundraising events and general and administrative costs.

**SEACOAST SCIENCE CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. RETIREMENT PLAN**

The Center has a defined contribution retirement plan for all employees meeting certain eligibility requirements. The plan allows eligible employees to contribute a portion of their compensation. The Center has the option of matching employee contributions, and matched 3% of each participant's compensation in 2020. For the years ending December 31, 2020 and 2019, the Center's contribution to the plan totaled \$18,607 and \$19,378, respectively.

**Note 11. CONCENTRATION OF CREDIT RISK**

The Center maintains its cash balances in one financial institution located in New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, the Center's uninsured cash balances totaled \$266,302.

**Note 12. RELATED PARTY**

The Center purchased goods and services at discounted rates from local restaurants, one of which is owned in part by the spouse of one member of the Center's Board of Directors. During the years ended December 31, 2020 and 2019, the Center purchased goods in the amount of \$0 and \$4,954, respectively. For the years ended December 31, 2020 and 2019, no amounts were due to this firm at year-end.

**Note 13. SUBSEQUENT EVENTS**

Subsequent to December 31, 2020, the spread of COVID-19 has forced the Center to limit or cease operations for camp, programs, and admissions. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to their revenue.

The Center has determined that this event is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 has not been adjusted to reflect its impact. The duration and impact of the COVID-19 pandemic 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 Center for future periods.