INSTITUTE FOR CREATION RESEARCH

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2022

Institute for Creation Research
Table of Contents
June 30, 2022

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ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of Institute for Creation Research

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute for Creation Research (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Institute for Creation Research as of June 30, 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Institute for Creation Research 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.

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 Institute for Creation Research's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Institute for Creation Research'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 Institute for Creation Research's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Salmon Sims Thomas

Salmon Sims Thomas & Associates
A Professional Limited Liability Company
October 31, 2022

Institute for Creation Research
Statement of Financial Position
June 30, 2022

	ASSETS	
Current Assets		
Cash and cash equivalents	$	8,396,097
Restricted cash - split-interest agreements		159,428
Investments		1,056,807
Prepaid expenses		61,946
Inventory		515,103
Total Current Assets		10,189,381
Long-Term Assets		
Long-term investments - split-interest agreements		3,806,570
Property and equipment, net		34,070,299
Total Long-term Assets		37,876,869
TOTAL ASSETS	$	48,066,250
	LIABILITIES AND NET ASSETS	
Current Liabilities		
Accounts payable	$	64,315
Accrued liabilities		280,422
Revocable living trusts		44,242
Deferred revenue		74,472
Current portion of liabilities under split-interest agreements		288,779
Total Current Liabilities		752,230
Long Term Liabilities		
Liabilities under split-interest agreements, net of current portion		1,719,050
Total Liabilities		2,471,280
Net Assets		
Without donor restrictions		44,709,887
With donor restrictions		885,083
Total Net Assets		45,594,970
TOTAL LIABILITIES AND NET ASSETS	$	48,066,250

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions of cash and other financial assets	$ 12,186,841	$ 470,618	$ 12,657,459
Contributions of nonfinancial assets and services	1,424,005	-	1,424,005
Book sales revenue	788,225	-	788,225
Discovery Center revenue	505,191	-	505,191
Investment return	81,239	-	81,239
Change in value of split-interest agreements	(330,179)	(68,592)	(398,771)
Realized loss on investments	(21,605)	-	(21,605)
Unrealized loss on investments	(173,122)	-	(173,122)
Royalties and honoraria income	26,584	-	26,584
Other revenue	122,031	-	122,031
	14,609,210	402,026	15,011,236
Net assets released from restrictions	477,011	(477,011)	-
Total Revenues and Support	15,086,221	(74,985)	15,011,236
Expenses			
Program services			
Education	4,862,719	-	4,862,719
Research	1,079,635	-	1,079,635
Applied research and communications	3,397,155	-	3,397,155
Total program services	9,339,509	-	9,339,509
Supporting activities			
General and administrative	882,247	-	882,247
Fundraising	643,395	-	643,395
Total supporting activities	1,525,642	-	1,525,642
Total Expenses	10,865,151	-	10,865,151
Change in Net Assets	4,221,070	(74,985)	4,146,085
Net Assets, Beginning of Year	40,488,817	960,068	41,448,885
Net Assets, End of Year	$ 44,709,887	$ 885,083	$ 45,594,970

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services			Supporting Activities		
	Education	Research	Applied Research/ Communications	General and Administrative	Fundraising	Total
Salaries and fringe benefits	$ 1,531,771	$ 838,225	$ 1,469,937	$ 569,052	$ 365,882	$ 4,774,867
Postage and freight	458,227	32	12,151	1,150	100,682	572,242
Printing	421,320	784	4,840	659	86,305	513,908
Professional services	136,794	412	55,044	59,973	-	252,223
Travel and hospitality	9,938	28,687	88,209	20,144	1,948	148,926
Information technology	52,082	3,958	5,713	4,356	1,425	67,534
Promotion and advertising	73,510	-	11,045	-	12,566	97,121
Cost of sales	303,511	-	29,440	-	-	332,951
Depreciation and amortization	1,054,611	80,135	115,690	88,204	28,854	1,367,494
Supplies	140,564	88,459	139,642	12,206	14,168	395,039
Other	20,209	2,974	15,937	19,025	4,172	62,317
Equipment rental	73,578	-	18,977	-	-	92,555
Utilities	111,426	8,715	18,622	4,958	2,398	146,119
Telephone	96,959	6,815	15,554	5,411	3,186	127,925
Maintenance	222,153	9,943	27,466	13,295	19,034	291,891
Credit card and bank charges	41,572	-	2,698	76,625	-	120,895
Insurance	109,599	7,708	13,245	4,406	2,775	137,733
Contributed radio air time	-	-	1,349,140	-	-	1,349,140
Contributed laboratory equipment	-	1,400	-	-	-	1,400
Royalties	4,310	-	-	-	-	4,310
Tuition assistance	-	1,388	-	-	-	1,388
Subscriptions	585	-	3,805	2,783	-	7,173
Total	$ 4,862,719	$ 1,079,635	$ 3,397,155	$ 882,247	$ 643,395	$ 10,865,151

The accompanying notes are an integral part of this financial statement.

Institute for Creation Research
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows From Operating Activities	
Increase in Net Assets	$ 4,146,085
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Depreciation and amortization	1,367,494
Stock donations	(774,260)
Realized loss on sale of investments	21,605
Unrealized loss on investments	173,122
Change in value of split-interest agreements investments	705,102
Change in cash and cash equivalents for charitable gift annuity accounts	(79,064)
Change in assets and liabilities:	
Prepaid expenses	(39,733)
Inventory	(69,185)
Accounts payable	25,380
Deferred revenue	37,122
Accrued liabilities	10,694
Net Cash Provided by Operating Activities	5,524,362
Cash Flows From Investing Activities	
Purchase of property and equipment	(564,007)
Purchase of investments	(1,076,263)
Proceeds from sale of investments	727,686
Cash withdrawals from investments	295,453
Change in present value of living trust liabilities	(543,187)
Net Cash Used by Investing Activities	(1,160,318)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	4,364,044
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	4,191,481
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 8,555,525

The accompanying notes are an integral part of this financial statement.

Note 1: Organization and Summary of Accounting Policies

The summary of significant accounting policies of the Institute for Creation Research ("the Institute") is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Institute's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Organization

The Institute is a California nonprofit corporation headquartered in Dallas, Texas. The Institute was founded in 1970 and is a leader in scientific research within the context of biblical creation and biblical apologetics. As a research organization, the Institute conducts laboratory, field, theoretical, and library research projects that seek to understand the science of origins and Earth history. As an educational organization, the Institute offers formal courses of instruction, including graduate degree programs at the School of Biblical Apologetics, conducts seminars and conferences, produces, and presents radio programming, offers both live streaming and downloadable lectures on science topics, as well as other means of education. The Institute also offers educational services to the general public through its recently opened museum, the ICR Discovery Center for Science & Earth History (ICR Discovery Center). At the ICR Discovery Center, one can learn how science affirms biblical creation through engaging exhibits, stunning planetarium shows, and hearing live presentations by ICR scientists. The Institute also produces and publishes books, DVDs, periodicals, a full-color monthly magazine, a quarterly devotional booklet and other media for communicating the evidence and information confirming the authority and historicity of Scripture.

Cash, Cash Equivalents, and Restricted Cash

The Institute considers all investments with original maturity dates of ninety days or less to be cash equivalents. The Institute places its cash, which, at times, may exceed federally insured limits, with high-credit quality institutions. The Institute has not experienced any losses on such accounts. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	6/30/2022
Cash and cash equivalents	$ 8,396,097
Restricted cash - split-interest agreements	159,428
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 8,555,525

The amounts included in restricted cash represent those required to be set aside by split-interest agreements for the payments to the grantor or other designated beneficiaries.

Note 1: Organization and Summary of Accounting Policies (Continued)

Investments

Investments, consisting of fixed income and mutual funds, are stated at their current market values. Investment income consists of interest and dividend income, realized gains or losses, and unrealized gains or losses.

Inventory

Inventory consists of books, DVDs, shirts, educational toys, and other media, and is stated at the average cost basis.

Property, Equipment, and Depreciation

Property and equipment are stated at cost when purchased or fair value at the date the asset is donated, less accumulated depreciation and amortization. Major expenditures and those that substantially increase useful lives are capitalized, while maintenance and repairs which do not improve or extend the lives of the respective assets, are expensed when incurred. When property or equipment are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in the statement of activities and changes in net assets. Depreciation and amortization have been calculated using the straight-line method as follows:

Automobiles	5 years
Furniture and equipment	3 - 15 years
Building and improvements	15 - 40 years
Discovery Center	40 years

Financial Statement Presentation

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

Net Assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Institute and/or the passage of time.

Net Assets without donor restrictions - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Note 1: Organization and Summary of Accounting Policies (Continued)

Restricted and Unrestricted Contributions and Support

Contributions received are recorded with or without restriction, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, 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 “net assets released from restrictions.”

Income Taxes

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Institute has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Institute qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Institute’s exempt purpose is subject to tax under IRC Section 511.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include depreciation and amortization, contributed non-financial assets, value of split-interest agreements, and the functional allocation of expenses. Actual results could vary from estimates.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal tax returns of the entity are generally open to examination by the relevant taxing authority for a period of three years from the date the returns are filed.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to either program, supporting, or fundraising functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area or square footage where applicable. The expenses that are allocated include salaries and fringe benefits, depreciation and amortization, and professional services. All other natural expense categories using the key concept of direct conduct or direct supervision are 100% charged to the benefiting program, support, or fundraising service.

Note 1: Organization and Summary of Accounting Policies (Continued)

Advertising Costs

Advertising costs are expensed as incurred. The Institute expended $97,121 promoting the Discovery Center, seminars, and other institutional events for the year ended June 30, 2022.

Collections

Collections consist of historical artifacts that are held for educational purposes. These artifacts are preserved and cared for, and records of each item are maintained. Collections are capitalized at cost if purchased and at fair value on the date of the gift, if donated.

Revocable Living Trusts

The Institute is the trustee for certain revocable trusts which are included in the financial statements under revocable living trusts. Revenue is not recognized on these trusts until the trusts become irrevocable or the assets are distributed to the Institute for its unconditional use. Until revenue is recognized, the Institute records a liability to offset the trust assets which are included in the long-term investments – split-interest agreements in the accompanying statement of financial position.

Split-Interest Agreements

The Institute has entered into charitable gift annuity agreements. Under these agreements a donor contributes assets to the Institute in exchange for the right to receive a fixed dollar annual return during the donor's lifetime. A portion of the transfer is a charitable contribution for income tax purposes to the donor. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The liabilities, which are reflected as a part of liabilities under split-interest agreements, are revalued annually using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. Actuarial changes and annuity payments are reported as a change in value of future payments under its charitable gift annuity contracts as required by governing state laws. The Institute maintains separate reserve funds to meet future payments under its charitable gift annuity contracts as required by state laws. The total amount held in separate reserve funds was $2,491,553 as of June 30, 2022.

Note 1: Organization and Summary of Accounting Policies (Continued)
Split-Interest Agreements (Continued)
As trustee, the Institute administers irrevocable charitable trusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the lifetime beneficiaries' interests is reflected as liabilities under split-interest agreements on the statement of financial position using federal discount and mortality tables. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to the designated remainderman. The present value of the Institute's remainder interest is reported as contributions with donor restrictions in the period received, and as a reclassification to net assets without donor restrictions when released, unless specified for a restricted purpose. Actuarial changes, annuity payments, matured agreements, investment income and unrealized gains and losses are reported as a change in value of split-interest agreements in the statement of activities and changes in net assets. The portion attributable to other remaindermen is reflected as a part of liabilities under split-interest agreements on the statement of financial position. The total value of liabilities under split-interest agreements at June 30, 2022 was $2,007,829.

Fair Value of Financial Instruments
FASB ASC Topic 820, *Fair Value Measurements and Disclosures* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Institute has the ability to access.

Level 2 Inputs to the valuation methodology include
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 1: Organization and Summary of Accounting Policies (Continued)
Fair Value of Financial Instruments (Continued)
The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. For the year ended June 30, 2022, there were no significant transfers between levels.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2022.

Fixed Income: Traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

Mutual Funds: Traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

Irrevocable Split-Interest Arrangements: Charitable gift annuities, charitable remainder trusts and similar arrangements in which the Institute is trustee or custodian, conform to GAAP which generally requires investment securities be carried at estimated fair value. Assets are invested in mutual funds traded on national securities exchanges and are valued at the closing price on the last business day of the fiscal year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Recent Accounting Pronouncements
In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The new standard requires lessees to recognize a right-of-use (ROU) asset and a related lease liability for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The new standard is effective for private entities for annual periods beginning after December 15, 2021. The Institute is currently assessing the impact that adoption of ASU 2016-02 will have on its statement of financial position. The update will be adopted in the fiscal year ending June 30, 2023.

Note 1: Organization and Summary of Accounting Policies (Continued)
Recent Accounting Pronouncements (Continued)
In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit (NPO) Entities for Contributed Nonfinancial Assets*, as an update to ASC 958. The ASU requires an NPO present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash and other financial assets, and disclose a disaggregation of the amount of contributed nonfinancial assets by category, qualitative information about monetizing or utilizing contributed nonfinancial assets, a description of the valuation techniques used to arrive at a fair value measure, and any donor-imposed restrictions associated with the contributed nonfinancial assets. The new standard is effective for all NPO entities for annual periods beginning after June 15, 2021, and should be applied on a retrospective basis. The Institute has adopted this update for the year ended June 30, 2022. See Note 6.

Revenue Recognition
The Institute receives revenue for services that is recognized when the control of the promised service is transferred to customers in an amount that reflects the consideration the Institute expects to be entitled to receive in exchange for those services under ASU 2014-09, *Revenue from Contracts with Customers*. The Institute's service revenue includes retail product sales, the Discovery Center ticket sales and annual membership fees. Retail products sales and the Discovery Center tickets sales are recognized when the sale or transaction occurs; annual membership fees are recognized over the term of applicable memberships.

The Institute also determined there were no conditional contributions received for the year ended June 30, 2022.

Date of Management's Review
Subsequent events have been evaluated for potential recognition or disclosure through October 31, 2022, which is the date the financial statements were available to be issued.

Note 2: Investments/ Charitable Gift Reserve
Investments at June 30, 2022 consisted of the following:

Mutual funds	$ 4,534,395
Fixed income securities	328,982
Total investments	$ 4,863,377

Note 3: Fair Value Measurements

Fair value of assets and liabilities measured on a recurring basis at June 30, 2022 are as follows:

	Assets and Liabilities at Fair Value			
	Total	Level 1	Level 2	Level 3
Mutual funds	$ 4,534,395	$ 4,534,395	$ -	$ -
Fixed income securities	328,982	328,982	-	-
Total investments	$ 4,863,377	4,863,377	-	-
Revocable living trusts	$ -	$ -	$ 44,242	$ -
Split-interest agreements	-	-	2,007,829	-
Liabilities for annuities and trusts	$ -	$ -	$ 2,052,071	$ -

Note 4: Net Assets

At June 30, 2022, net assets with restrictions consisted of the following:

Subject to time or donor restriction	
Estimated future trust benefits	$ 660,290
Other institute projects	220,934
Funds in perpetuity	
Educational purposes	3,859
	$ 885,083

Net assets released from restrictions during the year ended June 30, 2022 were as follows:

Discovery Center	$ 280,662
Other institute projects	196,349
	$ 477,011

Note 5: Retirement Plan

The Institute maintains a 401(k) retirement plan ("the Plan") for the benefit of its employees. Eligible employees may make elective deferral contributions to the Plan. The Institute makes non-discretionary contributions equal to 6% of each employee's compensation to the Plan. The Institute contributed $187,833 to the Plan for the year ended June 30, 2022.

Note 6: Contributed Nonfinancial Assets and Services

For the year ended June 30, 2022, contributed nonfinancial assets and services recognized within the statement of activities and changes in net assets included following:

Item	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Technique and Inputs
Environment chambers systems and accessories	$ 73,465	Research	No associated donor restrictions	Management estimated the fair value on the basis of estimates of retail values that would be received for selling similar products in the United States.
Air time	1,349,140	Applied research/communication program	No associated donor restrictions	Management estimated the fair value based on comparable costs of airing the programs on similar radio stations.
Lab equipment	1,400	Research	No associated donor restrictions	Management estimated the fair value on the basis of estimates of retail values that would be received for selling similar products in the United States.
Total	$ 1,424,005			

Note 7: Property and Equipment

Property and equipment consisted of the following at June 30, 2022:

Land	$ 2,476,069
Building and improvements	3,945,467
Furniture and equipment	853,836
Collections	440,802
Discovery Center	31,542,185
Total property and equipment	39,258,359
Less: Accumulated depreciation	(5,188,060)
Property and equipment, net	$ 34,070,299

Note 8: Commitments

Operating Leases

The Institute has entered into various noncancelable operating lease commitments for certain office equipment which expire in years ending June 30, 2023 through 2027.

The future minimum lease obligation is summarized as follows for the year ending June 30,

2023	$ 69,500
2024	64,700
2025	64,700
2026	64,700
2027	32,300
2028 and thereafter	-

Rental expense for the year ended June 30, 2022 totaled $92,555, $21,998 of which was the expense for event equipment rented on an as needed basis.

Note 9: Liquidity

The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Institute has a goal to maintain financial assets, which consists of cash on hand to meet normal operating expenses.

In addition, the Institute is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Institute must maintain sufficient resources to meet those responsibilities to its donors. Thus, these financial assets may not be available for general expenditures within one year.

The following reflects the Institute's financial assets, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions, within one year of the statement of financial position date.

Financial assets available at June 30, 2022	$ 9,452,904
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Subject to appropriation and satisfaction of donor restrictions	(220,934)
Restricted by donor for perpetual use	(3,859)
Financial assets available to meet cash needs for general expenditures within one year	$ 9,228,111

The Institute is party to split-interest agreements in which donors contribute assets in exchange for a fixed dollar annual return. Investments of $3,965,998 are restricted for such purposes and are therefore not included in the quantitative information above. See Note 1 for additional information.