

**Audited Financial Statements**



**June 30, 2020**

Quigley & Miron

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Audited Financial Statements**  
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**June 30, 2020**

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## Independent Auditor's Report

Board of Directors

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**

Walnut Creek, California

We have audited the accompanying financial statements of Lindsay Wildlife Museum dba Lindsay Wildlife Experience, a nonprofit organization, which comprise the statement of financial position as of June 30, 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.

### 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lindsay Wildlife Museum dba Lindsay Wildlife Experience as of June 30, 2020, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Lindsay Wildlife Museum dba Lindsay Wildlife Experience for the year ended June 30, 2019, and expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Quigley & Miron". The signature is written in a cursive, flowing style.

Campbell, California  
July 13, 2021

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Statement of Financial Position**  
**June 30, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,467,548	\$ 280,871
Investments—Note 4	1,962,610	2,060,715
Pledges and grants receivable	78,712	75,015
Accrued interest receivable	821	1,224
Inventory	29,754	33,402
Prepaid expenses and other assets	7,882	17,469
Property and equipment, net—Note 5	1,451,102	1,533,285
Building and land lease—Note 6	1,290,502	1,679,491
Collections—Note 2		
	<u><b>Total Assets</b></u>	<u><b>Total Assets</b></u>
	<b>\$ 6,288,931</b>	<b>\$ 5,681,472</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 44,963	\$ 29,726
Salaries and employee benefits payable	81,555	102,619
Deferred revenue	600	600
	<u><b>Total Liabilities</b></u>	<u><b>Total Liabilities</b></u>
	<b>127,118</b>	<b>132,945</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,740,620	1,638,228
Board-designated operating reserve—Note 7	877,797	5,725
Board-designated investment fund—Note 7	1,207,357	1,213,075
	<u><b>Total Net Assets</b></u>	<u><b>Total Net Assets</b></u>
	<b>3,825,774</b>	<b>2,857,028</b>
With donor restrictions—Note 8	2,336,039	2,691,499
	<u><b>Total Net Assets</b></u>	<u><b>Total Net Assets</b></u>
	<b>6,161,813</b>	<b>5,548,527</b>
	<u><b>Total Liabilities and Net Assets</b></u>	<u><b>Total Liabilities and Net Assets</b></u>
	<b>\$ 6,288,931</b>	<b>\$ 5,681,472</b>

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience  
Statement of Activities  
Year Ended June 30, 2020  
(with comparative totals for 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>Operating Activities</b>				
<b>Revenue and Public Support</b>				
Admissions	\$ 229,477	\$	\$ 229,477	\$ 344,175
Membership	216,117		216,117	274,564
Educational programs	230,001		230,001	324,930
Facilities events rentals	32,534		32,534	45,451
Interest and dividends	32,073	22,101	54,174	52,839
Museum store sales				
Store sales	127,029		127,029	218,949
Less cost of store sales	(58,780)		(58,780)	(116,669)
<b>Museum Store Sales, Net</b>	<b>68,249</b>		<b>68,249</b>	<b>102,280</b>
Special events, net				
Gross revenue	197,156		197,156	244,104
Less cost of direct benefit to donors	(61,594)		(61,594)	(57,266)
<b>Special Events, Net</b>	<b>135,562</b>		<b>135,562</b>	<b>186,838</b>
Grants and contributions	2,470,811	58,747	2,529,558	828,832
City of Walnut Creek grant—Note 6	56,250	18,750	75,000	75,000
In-kind building and land lease—Note 6	75,141		75,141	2,143,621
PPP grant—Note 10	347,225		347,225	
Vehicle donations, net	60,121	1,215	61,336	91,218
In-kind donations—Note 11	7,875		7,875	16,417
Net assets released from restrictions	519,061	(519,061)		
<b>Total Revenue and Public Support</b>	<b>4,480,497</b>	<b>(418,248)</b>	<b>4,062,249</b>	<b>4,486,165</b>
<b>Expenses</b>				
Education	686,003		686,003	646,264
Wildlife rehabilitation	755,970		755,970	769,848
Animal encounters	477,817		477,817	411,475
Museum operations	306,008		306,008	295,624
Communications	234,504		234,504	294,156
Guest services	271,060		271,060	284,809
Management and general	399,189		399,189	477,675
Fundraising	419,819		419,819	338,440
<b>Total Expenses</b>	<b>3,550,370</b>		<b>3,550,370</b>	<b>3,518,291</b>
<b>Change in Net Assets from Operations</b>	<b>930,127</b>	<b>(418,248)</b>	<b>511,879</b>	<b>967,874</b>
<b>Nonoperating Activities</b>				
Investment return, net—Note 4	30,266	62,788	93,054	126,690
Other income	8,353		8,353	10,108
<b>Total Nonoperating Activities</b>	<b>38,619</b>	<b>62,788</b>	<b>101,407</b>	<b>136,798</b>
<b>Change in Net Assets</b>	<b>968,746</b>	<b>(355,460)</b>	<b>613,286</b>	<b>1,104,672</b>
<b>Net Assets at Beginning of Year</b>	<b>2,857,028</b>	<b>2,691,499</b>	<b>5,548,527</b>	<b>4,443,855</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,825,774</b>	<b>\$ 2,336,039</b>	<b>\$ 6,161,813</b>	<b>\$ 5,548,527</b>

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience  
Statement of Functional Expenses  
Year Ended June 30, 2020  
(with comparative totals for 2019)

	Program Services						Supporting Services				2020 Total	2019 Total
	Education	Wildlife Rehabilitation	Animal Encounters	Museum Operations	Communi- cations	Guest Services	Total Program	Management and General	Fundraising	Cost of Direct Benefits		
Salaries	\$ 312,298	\$ 341,702	\$ 268,102	\$ 130,459	\$ 65,492	\$ 122,222	\$ 1,240,275	\$ 244,091	\$ 220,220	\$	\$ 1,704,586	\$ 1,564,032
Payroll taxes	22,649	24,774	19,448	9,478	4,797	8,890	90,036	17,901	15,917		123,854	118,214
Employee benefits	29,832	32,777	25,642	12,580	6,332	11,696	118,859	39,897	20,438		179,194	145,932
<b>Total Salaries and Employee Benefits</b>	<b>364,779</b>	<b>399,253</b>	<b>313,192</b>	<b>152,517</b>	<b>76,621</b>	<b>142,808</b>	<b>1,449,170</b>	<b>301,889</b>	<b>256,575</b>		<b>2,007,634</b>	<b>1,828,178</b>
Accounting	13,839	8,792	2,740	9,729	12,266	4,767	52,133	1,678	8,340		62,151	59,150
Advertising					19,524		19,524	25	220		19,769	62,575
Animal husbandry	881	22,727	19,969			6,416	49,993				49,993	48,832
Contracted services and professional fees	59,845	43,546	14,152	39,072	43,393	23,526	223,534	13,954	31,020		268,508	335,608
Cost of direct benefit to donors										61,594	61,594	57,266
Cost of store sales										58,780	58,780	117,560
Depreciation	56,365	60,541	31,314	14,613	8,350	22,964	194,147	8,350	6,263		208,760	205,721
Dues, subscriptions, and professional development		730	666	74	40,263	2,617	44,350	3,414			47,764	43,944
Fees and bank charges						113	113	7,334	52,343		59,790	40,304
In-kind occupancy	125,315	134,598	69,620	32,489	18,565	51,054	431,641	18,565	13,925		464,131	464,131
Insurance	2,813	3,150	1,124	1,238	113		8,438	2,362	450		11,250	33,543
Licenses and permits			681				681	679			1,360	4,464
Travel	6,073		102		1,685		7,860	228	370		8,458	10,948
Maintenance and repairs	233	79		33,082			33,394	288			33,682	36,052
Medical supplies		30,614	1,810				32,424	2,970			35,394	41,573
Other				464			464	147			611	22,211
Postage and shipping		4					4	12,447			12,451	12,909
Printing and publications	3,277	921					4,198	42	33,487		37,727	59,949
Supplies	15,936	11,653	2,086	13,229	8,295	1,865	53,064	19,388	12,754		85,206	80,383
Utilities	36,647	39,362	20,361	9,501	5,429	14,930	126,230	5,429	4,072		135,731	127,816
<b>Total Expenses by Function</b>	<b>686,003</b>	<b>755,970</b>	<b>477,817</b>	<b>306,008</b>	<b>234,504</b>	<b>271,060</b>	<b>2,731,362</b>	<b>399,189</b>	<b>419,819</b>	<b>120,374</b>	<b>3,670,744</b>	<b>3,693,117</b>
Less expenses included with revenues on the statement of activities												
Cost of store sales										(58,780)	(58,780)	(117,560)
Cost of direct benefits to donors										(61,594)	(61,594)	(57,266)
<b>Total Expenses</b>	<b>\$ 686,003</b>	<b>\$ 755,970</b>	<b>\$ 477,817</b>	<b>\$ 306,008</b>	<b>\$ 234,504</b>	<b>\$ 271,060</b>	<b>\$ 2,731,362</b>	<b>\$ 399,189</b>	<b>\$ 419,819</b>	<b>\$</b>	<b>\$ 3,550,370</b>	<b>\$ 3,518,291</b>

See notes to financial statements.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Statement of Cash Flows**  
**Year Ended June 30, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Expenses</b>		
Change in net assets	\$ 613,286	\$ 1,104,672
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	208,760	205,721
In-kind building and land lease	388,989	(1,679,491)
Investment gains	(102,090)	(136,875)
Changes in operating assets and liabilities:		
Pledges and grants receivable	(3,697)	(35,435)
Accrued interest receivable	403	1,035
Inventory	3,648	5,257
Prepaid expenses and other assets	9,587	420
Accounts payable and accrued liabilities	15,237	(48,610)
Salaries and employee benefits payable	(21,064)	(30,426)
	<u>1,113,059</u>	<u>(613,732)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>		
	<b>1,113,059</b>	<b>(613,732)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(126,577)	(46,187)
Purchase of investments	(27,474)	(89,732)
Sale of investments	227,669	481,939
	<u>73,618</u>	<u>346,020</u>
<b>Net Cash Provided by Investing Activities</b>		
	<b>73,618</b>	<b>346,020</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,186,677</b>	<b>(267,712)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>280,871</u>	<u>548,583</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,467,548</u></u>	<u><u>\$ 280,871</u></u>
<b>Supplementary Disclosures</b>		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$</u>	<u>\$</u>

See notes to financial statements.



**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements**  
**June 30, 2020**  
**(with comparative totals for 2019)**

**Note 1—Organization**

Lindsay Wildlife Museum (dba Lindsay Wildlife Experience; hereafter Lindsay) was established as a nonprofit organization in 1955, and is accredited by the American Association of Museums (AAM). Lindsay rescues, rehabilitates, and releases wild animals, teaches and inspires children and adults through up-close-and-personal encounters with live wild animals, and strengthens the connection between people and the natural world. Lindsay derives its revenue and support from several principal sources, including memberships and admissions, retail sales, events, educational programs, contributions, and fundraising. Contributions are received from governmental sources, corporations, foundations and individuals. Over 500 volunteers serve Lindsay's mission, from board service to program implementation throughout six departments.

Significant program accomplishments and highlights are as follows:

Education—Lindsay's Education Department, working with the Animal Encounters Department (in charge of the living collection) creates wildlife and environmental programs that are inquiry-based, hands-on, multi-sensory, and uniquely intimate. Opportunities exist for guests of all ages, educational levels, and abilities. By focusing on the diversity of guests' interests, Lindsay sparks interest in the biological sciences, critical thinking, and conservation for thousands of lifelong learners. Descriptions of select educational programs and features are provided below.

Exhibit Hall and Daily Programs—The major features enjoyed by nearly 100,000 museum guests annually are twelve indoor exhibit spaces, two outdoor program areas, eleven daily educational programs, and more than 30 animal ambassadors on public display. The daily programs are dynamic, engaging, guest centered, and mission driven, while the animal ambassadors are out and connecting with guests throughout the entire day.

Lindsay in the Classroom—Lindsay programs delivered at schools, known as Lindsay in the Classroom, are designed for 30 students in pre-kindergarten through fifth grade, last one hour, and always include the presence of animal ambassadors. The titles of the five classroom programs are Meet and Greet, Animals of Mt. Diablo, Animal Homes, Owls, and Bats. Many of the animal ambassadors are touchable, with the exception of Owls and Bats. All programs feature inquiry-based learning and age-appropriate activities. During the fiscal year Lindsay conducted 105 programs in school classrooms for 2,418 students.

Classes—Homeschool, Preschool, and Afterschool—Lindsay makes use of two classroom spaces on its first floor to offer three categories of science classes: homeschool, preschool, and afterschool. The preschool classes happen throughout the year, homeschool classes follow a typical academic calendar, and afterschool classes occur sporadically.

Outstanding Wildlife Leaders (OWLs) and Keepers in Training (KITs)—The two youth development programs in the Education Department are the OWLs and KITs. The OWLs program invites approximately 50 participants between the ages of 12 and 18 to develop skills in wildlife education, basic animal husbandry tasks, and teamwork. As individuals leave the program, mostly through graduation or "aging out," new recruits are welcomed into the year-round schedule. Lindsay benefits from the energy and enthusiasm of the OWLs, and the youth receive knowledge and skills useful in science, education, and citizenship. The approximately 50 OWLs are a steady presence at Lindsay through 2.5 hour-long shifts six days per week. KITs is a similar program but the focus is exclusively animal husbandry. KITs complete their animal care shifts on Mondays. A limited number of scholarships are available to prospective naturalists. Two senior OWLs are participants in some of the Board of Directors and Youth Advisors meetings.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 1—Organization—Continued**

Special Programs—Special programs include hikes of the Mt. Diablo region; Mini-Mondays; Mt. View Sanitary District classroom and wetland programs; scout programs; V.I. Peek Encounters; *Wild@Night* evening events; and workshops in art and science.

School Field Trips—Based on the Next Generation Science Standards (NGSS) for pre-kindergarten through fifth grade adopted in 1978, Lindsay provides regional schools multi-sensory, encourage observation and critical thinking programs, helping equip young minds to consider future science and conservation careers. During the fiscal year Lindsay conducted 105 field trip programs for 2,415 students.

Wildlife Rehabilitation—As one of the first formally established wildlife hospitals and rehabilitation centers in the nation, Lindsay's Wildlife Hospital and Rehabilitation Center has served as a model for wildlife care centers around the world. Since 1970, we have treated more than 270,000 native California wild animals comprising over 160 species, releasing about 50% of them back into natural habitats. Since 2004, between 5,000 and 6,000 wild animals have been accessioned into the hospital every year, with high rates of accession occurring between April and August, when birds and mammals are breeding and raising offspring. The number of animal patient accessions for the season spanning FY19-20 is approximately 5,500 individuals.

More than 300 volunteers currently support the hospital, working on-site or providing palliative home care for injured, abandoned, and/or sick wildlife. The hospital is staffed by a full-time, state-licensed veterinarian, several on-call veterinarians, wildlife rehabilitation technicians and veterinary interns. The hospital's activities are regulated and overseen by the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife. Lindsay's reputation for its staff's expertise in treating and surgically repairing delicate flight mechanisms of raptor species has elevated its status among peer organizations. What we learn from caring for and rehabilitating wildlife in the hospital informs Lindsay's exhibits and our education and outreach programs. Lindsay continues to partner with various research institutions, including UC Davis, UC Berkeley, and East Bay Regional Parks to track wildlife diseases, annual migratory patterns, and anthropogenic impacts. Data shared with government agencies and research institutions is published in peer-reviewed research papers and used to inform wildlife management policy and planning.

Animal Encounters—Lindsay's live collection of "animal ambassadors" comprises about 70 individuals, including individuals that have been too seriously injured to be released back into natural habitats or those that have become so habituated to humans that their ability to survive in the wild has been compromised. The medical care and husbandry of Lindsay's animal ambassadors is regulated by the U.S. Department of Agriculture, U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife. Lindsay is committed to providing medical care, housing, and behavioral enrichment for these animals for the rest of their lives. Lindsay is especially well-known for its collection of raptors, owls and ravens, and provides "up close and personal" experiences with small mammals, reptiles, and amphibians.

The animal ambassadors live in specially constructed artificial habitats, as well as in aviaries, terraria, and aquaria. Some of them are on permanent display in the exhibit hall, while all of them participate in educational activities delivered to the public by staff and trained volunteers. Education programs with animal ambassadors take place every day indoors and outdoors. The key messaging of these exhibit and education programs is the protection of unique and diverse ecosystems in California, which are home to a number of unique animals with interesting adaptations and key roles in the maintenance of biological diversity and ecosystem function. Lindsay's live collection includes state and federally endangered listed species.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 1—Organization—Continued**

Museum Operations—Lindsay opened a large portion of its approximately 16,000 natural history specimens to the public through a newly renovated exhibit space. Guests are now welcome to explore, examine, handle, and even sketch fascinating natural history objects during a daily program called Curious Collections. While some of the specimens have been featured in exhibits over the years, this level of access to Lindsay’s impressive collection is unprecedented. Staff and volunteers are encouraged to open the room when guests inquire. The rental of specimens by teachers, artists, and similar institutions continues as well. Lindsay fulfills approximately 60 specimen rental requests per year.

Communications—The communications department provides a broad scope of services to Lindsay, including the production of printed documents, reports, and newsletters, as well as manages all online communications including Lindsay Wildlife Experience website ([www.lindsaywildlife.org](http://www.lindsaywildlife.org)), all online content for social media (Facebook, Twitter, Instagram, Youtube, and others), and populating several online education sites with video, graphic, and written content.

Guest Services—Guest services, or “Guest Experience,” manages the admissions process for visitors to Lindsay’s exhibits and programs, as well as the gift shop, memberships, and visitor experiences. They coordinate with all departments for the smooth running of on-site programs, events, and activities, manage store inventories and purchases, and uniforms for staff and volunteers.

**Note 2—Summary of Significant Accounting Policies**

Financial Statement Presentation—In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Lindsay has adopted ASU 2016-14 for the years ended June 30, 2020 and 2019 and has adjusted the presentation of these statements accordingly. The ASU has been applied to all periods presented.

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Lindsay’s net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of Lindsay and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of Lindsay. These net assets may be used at the discretion of Lindsay’s management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of Lindsay and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit Lindsay to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. It is the policy of Lindsay to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of programs to rescue, rehabilitate, and release wild animals, teach and inspire children and adults through up-close-and-personal encounters with live wild animals, and strengthen the connection between people and the natural world. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—Lindsay is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). Lindsay is similarly exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘*more likely than not*’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2020 and 2019. Generally, Lindsay’s information returns remain open for examination for periods of three (federal) or four (state of California) years from the date of filing.

Cash and Cash Equivalents—Lindsay considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses are reported as unrestricted income unless use of the earnings is restricted by the donor.

Pledges and grants receivable—Pledges and grants receivable consist primarily of pledges and grants from various donors and foundations well known to the organization and are due within one year. Management believes that these receivable balances as of June 30, 2020 and 2019 are fully collectible, and Lindsay has therefore not recorded an allowance for doubtful accounts.

Inventory—Museum store inventory is carried at the lower of cost or market and consists of books, novelties and other merchandise.

Property and Equipment—Property and equipment purchased by Lindsay is stated at cost. Property and equipment donated to Lindsay is recorded at estimated fair value as of the date of the gift. The costs of additions and major improvements over \$5,000 are capitalized, while maintenance and repairs are charged to expense as incurred. Landscaping, leasehold improvements and the exhibit hall are depreciated using the straight-line method over the estimated useful lives of the assets of 31 years. Furnishings, equipment and vehicles are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from five to seven years.

Collections—Lindsay’s collections include both live animals and natural history specimens. The live animal collection includes wild animal species native to California and a collection of domestic rodents, rabbits and non-native insects and spiders. The natural history collection includes approximately 16,000 objects, including animal mounts, skins, bones, wings, feathers, insects, spiders, botany, fossils, geologic specimens and Native American artifacts. Where necessary, proper documentation and permits are maintained for restricted items. The live animal and natural history collections are maintained as a vital resource to support Lindsay’s mission to connect people with wildlife to inspire responsibility and respect for the world we share. The primary purpose of the collections is educational, and the collections are used in exhibit hall programming, educational classes, programs, field trips and special events. The natural history collection is secondarily used for exhibit purposes as well as a reference for artists and for classroom teachers to complement their classroom curriculums.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

The live animal collection is acquired through the appropriate channels with the appropriate state and federal permits. All other collection items have either been created internally by Lindsay staff or donated to Lindsay. Lindsay does not capitalize its collection items and accordingly, does not recognize these collections as assets on the statement of financial position. Purchased collection items are expensed as incurred. All collection items are subject to an organizational policy that requires the proceeds from sales of collection items to be used only to acquire other items for collections.

Concentration of Credit Risk—Cash and cash equivalents, investments in securities, and receivables are the primary form of concentration of credit risk to which Lindsay is subject. Lindsay places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in investment accounts at investment custodians are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000. At times, in the normal course of business, such cash balances are in excess of the FDIC/SIPC insurance limits, but management deems the risk of loss due to these concentrations to be minimal. Conservative investment guidelines established by the Board of Directors govern Lindsay’s investments in securities to achieve diversification of the portfolio.

Pledges and grants receivable are due from a variety of governmental bodies and foundations well known to the Organization, with favorable past payment histories. Lindsay’s management has assessed the credit risk associated with these pledges and grants receivable and has determined that a reserve against uncollectible amounts is not necessary.

Recently Adopted Accounting Principles—In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope of the accounting guidance for contributions received and contributions made. The clarifications and improved scope assist entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) or as exchange (reciprocal) transactions, and 2) determining whether a contribution is conditional. The clarified guidance applies to all entities that receive or make contributions (grants). ASU No. 2018-08 has been adopted by Lindsay for the year ended June 30, 2020; however, the retrospective approach requires that organizations reflect the effect of the new guidance in the earliest year presented in the financial statements. Lindsay has determined that adopting ASU No. 2018-08 has had no material effect on the financial statements.

Grants and Contributions—Grants and contributions are reported as support in the period pledged or received as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities. Contributions whose restrictions are met in the same year as the contribution is made are initially classified as net assets with donor restrictions.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

In-Kind Contributions—Contributions of donated noncash assets are recorded at their fair values in the period received. Lindsay records donated services at fair value at the date of the donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Lindsay is a participant in a vehicle donation program operated by a third-party agency which collects, repairs, and subsequently sells donated vehicles, with 60% of the net proceeds paid to Lindsay.

Admissions—Revenues from admissions are recognized at the time of purchase.

Membership Fees—Membership fees are recognized as revenue when such income is received.

Educational Programs—Revenues from educational programs are recognized at the time services are performed.

Facilities events rentals—Revenues from facilities events rentals are recognized at the time services are performed.

Museum Store—Revenues from museum store sales are recorded at the time of sale.

Benefits Provided to Donors at Special Events—Lindsay conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Lindsay values benefits at the actual cost.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Depreciation, in-kind occupancy, and utilities are allocated on the basis of square footage. Salaries, payroll taxes, employee benefits, travel, maintenance and repairs, postage and shipping, and supplies are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to the program or function benefitted.

Reclassifications—Certain amounts in 2019 have been reclassified to conform with the 2020 financial statement presentation.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Comparative Totals for 2019—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Lindsay's audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 3—Availability and Liquidity**

Lindsay's goal is generally to maintain financial assets to meet operating expenses.

The following represents the availability and liquidity of Lindsay's financial assets at June 30, 2020 to cover operating expenses for the next fiscal year:

Financial assets		
Cash and cash equivalents	\$	1,467,548
Investments		1,962,610
Pledges and grants receivable		78,712
Accrued interest receivable		821
		3,509,691
<b>Total Financial Assets</b>		<b>3,509,691</b>
Less amounts not allocated for use within one year		
Net assets with purpose restrictions		
Education and outreach		(50,000)
Exhibit Hall		(11,000)
Board-designated investment fund subject to appropriation		(1,207,357)
Endowment net assets subject to appropriation		(535,175)
Endowment net assets held in perpetuity		(370,650)
		(2,174,182)
<b>Total Amounts Not Allocated for Use Within One Year Before Any Appropriations by the Board</b>		<b>(2,174,182)</b>
<b>Financial Assets Available to Meet General Expenditures Over the Next 12 Months in Addition to any Appropriations by the Board</b>	<b>\$</b>	<b><u>1,335,509</u></b>

The Board-designated investment fund totals \$1,207,357, and is available for appropriation for any necessary expenditures (see Note 7).

Lindsay also has a \$300,000 line of credit, secured by investments, available to meet any unforeseen circumstances.

**Note 4—Investments and Fair Value Measurements**

In determining the fair value of assets and liabilities, Lindsay utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Lindsay determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to Lindsay at the measurement date. Lindsay's Level 1 assets consist of equities and fixed income securities.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly. Lindsay's Level 2 assets consist of fixed income securities and equity mutual funds.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment. Lindsay had no Level 3 assets or liabilities at June 30, 2020 and 2019.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 4—Investments and Fair Value Measurements—Continued**

Lindsay may utilize a practical expedient, Net Asset Value (NAV) per share (or its equivalent), for measuring the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. All assets and liabilities are carried at fair value at June 30, 2020 and 2019.

Investments measured on a recurring basis at June 30, 2020 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 661,571	\$ 661,571	\$	\$
Fixed income securities	182,957		182,957	
Equity/fixed income mutual funds	1,118,082	1,118,082		
<b>Totals</b>	<b><u>\$ 1,962,610</u></b>	<b><u>\$ 1,779,653</u></b>	<b><u>\$ 182,957</u></b>	<b><u>\$</u></b>

Investments measured on a recurring basis at June 30, 2019 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 674,039	\$ 674,039	\$	\$
Fixed income securities	123,082		123,082	
Equity/fixed income mutual funds	1,263,594	1,263,594		
<b>Totals</b>	<b><u>\$ 2,060,715</u></b>	<b><u>\$ 1,937,633</u></b>	<b><u>\$ 123,082</u></b>	<b><u>\$</u></b>

Investment return for the years ended for the years ended June 30, 2020 and 2019 is as follows

	<u>2020</u>	<u>2019</u>
Investment gains	\$ 102,090	\$ 136,875
Investment management fees	(9,036)	(10,185)
<b>Investment Return, Net</b>	<b><u>93,054</u></b>	<b><u>126,690</u></b>
Interest and dividends	54,174	52,839
<b>Total Investment Return</b>	<b><u>\$ 147,228</u></b>	<b><u>\$ 179,529</u></b>



**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 5—Property and Equipment, Net**

Net property and equipment consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Exhibit hall	\$ 3,013,088	\$ 2,898,278
Exhibits	493,682	493,682
Animal equipment	421,105	421,105
Furnishings, equipment, vehicles and other	404,465	404,465
Landscaping	299,894	299,894
Leasehold improvements	653,574	648,007
	<u>Property and Equipment</u>	<u>5,165,431</u>
Less accumulated depreciation	(3,834,706)	(3,632,146)
	<b>Net</b>	<b>\$ 1,533,285</b>
	<u>\$ 1,451,102</u>	<u>\$ 1,533,285</u>

Depreciation expense amounted to \$208,760 and \$205,721 for the years ended June 30, 2020 and 2019, respectively.

**Note 6—Building and Land Lease**

Under an agreement between Lindsay and the City of Walnut Creek (the “City”) dated March 10, 1992, Lindsay’s main building (including its fixtures and improvements) became subject to the ownership and control of the City effective June 30, 1995. Under the agreement, the City granted Lindsay the right to lease the new building for a period of twenty-five years in exchange for a fee of one dollar (\$1.00) per year. The transaction resulted in the transfer of total capitalized construction costs in the amount of \$4,770,107 from Lindsay’s books and records to the City. The transfer did not result in any gain or loss because the building was transferred at its undepreciated net book value. The agreement provided that Lindsay retain ownership of the exhibit hall, landscaping, furnishings and equipment. On July 1, 2018, the board of directors renewed the lease for an additional 60 months, through June 30, 2023. LWM recorded the present value of the building and land rent of \$2,143,621, as *building and land lease* on the statement of financial position, as well as a corresponding contribution with donor restrictions as contributions as *in-kind building and land lease*, on the statement of activities for the year ended June 30, 2019. The present value of the lease as of June 30, 2020 and 2019 was \$1,290,502 and \$1,679,491, based upon rental expense of \$464,130 and a discount rate of 5%.

Future anticipated amortization of the building and land lease is as follows:

<u>Year Ending June 30,</u>	
2021	\$ 408,891
2022	429,811
2023	451,800
	<u>Total</u>
	<u>\$ 1,290,502</u>

The City of Walnut Creek also provided Lindsay with \$75,000 in donations without donor restrictions for each of the years ended June 30, 2020 and 2019.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 7—Board-Designated Net Assets**

During the year ended June 30, 2020, the Board of Directors voted to reclassify the board-designated endowment fund to a board-designated investment fund.

The board-designated investment fund is intended to hold funds that are not generally needed for use in the near future to finance Lindsay’s operations. The Board also maintains a reserve account that is intended to hold funds expected for use in the near future to finance Lindsay’s operations. Funds in the board-designated investment fund are invested in investment securities, while funds in the board-designated reserve accounts are invested in temporary cash investments.

Board-designated investment fund net assets at June 30, 2020 and 2019 amounted to \$1,207,357 and \$1,213,075, respectively.

Board-designated reserve fund net assets at June 30, 2020 and 2019, amounted to \$877,797 and \$5,725, respectively.

**Note 8—Net Assets with Donor Restrictions**

Net assets with donor restrictions at June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Education and outreach	\$ 50,000	\$ 25,000
Exhibit Hall	11,000	11,000
Subject to time restrictions:		
Building and land lease	1,290,502	1,679,491
General support	78,712	50,015
Education and outreach		25,000
Subject to Lindsay's spending policy and appropriation:		
Reynolds endowment fund	496,500	490,695
Nelson endowment fund	27,456	28,143
Crysler endowment fund	11,219	11,505
Held in perpetuity:		
Reynolds endowment fund	346,321	346,321
Nelson endowment fund	17,015	17,015
Crysler endowment fund	7,314	7,314
<b>Total Net Assets with Donor Restrictions</b>	<b><u>\$ 2,336,039</u></b>	<b><u>\$ 2,691,499</u></b>

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 8—Net Assets with Donor Restrictions—Continued**

Net assets released from donor restrictions for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of expenditure for specified purpose:		
Computer	\$	\$ 3,281
Rehabilitation		7,811
Renovations		29,889
Satisfaction of time restrictions:		
Building and land lease	388,989	
General support	50,015	36,286
Satisfaction of Lindsay's spending policy and appropriation:		
Reynolds endowment fund	74,489	
Nelson endowment fund	3,930	
Crysler endowment fund	1,638	
<b>Total Net Assets Released from Donor Restrictions</b>	<b><u>\$ 519,061</u></b>	<b><u>\$ 77,267</u></b>

**Note 9—Endowment Net Assets**

Lindsay's endowment consisted of a diverse mixture of funds established to support its operations and programs. Its endowment previously included both donor-restricted endowment funds (i.e., funds subject to a donor stipulation requiring investment of the gift in perpetuity or for a specific time) and unrestricted funds designated by the Board to be held in a manner similar to, and invested together with, donor-restricted endowment funds. During the year ended June 30, 2020, the Board of Directors voted to reclassify the board-designated endowment fund to a board-designated investment fund (See note 7). As required by GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Lindsay has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by the State of California, as limiting the appropriation of donor-restricted endowment funds (including earnings thereon) to amounts that are prudent under the circumstances, absent explicit donor stipulations to the contrary.

Lindsay classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the endowment with donor restrictions made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions perpetual in nature is classified as net assets with donor restrictions subject to appropriation until those amounts are appropriated for expenditure by Lindsay in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 9—Endowment Net Assets—Continued**

In accordance with UPMIFA, Lindsay considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of Lindsay and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of Lindsay
- 7) The investment policies of Lindsay

Return Objectives and Risk Parameters—Lindsay has adopted an investment policy and a spending plan for donor-restricted endowment assets that together attempt to provide a predictable stream of funding to activities and programs of the types that these donations were intended to support while seeking to maintain a significant corpus in perpetuity. Endowment assets include those assets of donor-restricted funds that Lindsay must hold in perpetuity or for a donor-specified period(s) as well as unrestricted funds that the Board has designated to be held in a manner similar to, and invested together with, donor-restricted endowment funds. Under the investment policy, as approved by the Board, endowment assets are invested in a manner that is intended to produce average annual nominal returns which are appropriate in light of the endowment fund's time horizon, liquidity needs, risk tolerance and performance expectation and which are equal to or better than the returns on relevant market indices.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, Lindsay relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Lindsay targets a diversified asset allocation to achieve its long-term return objectives within prudent risk restraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy—Lindsay's endowment spending plan authorizes the Board of Directors to determine the distribution of funds from time to time from the donor-restricted endowment. The plan contemplates an annual distribution of up to four percent of the average market value of the donor-restricted endowment portfolio for the previous 12 quarters, but the Board can authorize distributions of up to seven percent of that average market value after consideration of all relevant facts and circumstances. In establishing this spending plan, the Board of Directors considered the long-term expected returns` on the donor-restricted endowment as well as the operational needs of Lindsay. The spending plan is consistent with Lindsay's objective to maintain a significant corpus of donor-restricted endowment assets in perpetuity while also seeking investment return and additional growth through new gifts.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 9—Endowment Net Assets—Continued**

Changes in endowment net assets for the years ended June 30, 2020 and 2019 consist of the following:

	Board- Designated	With Donor Restrictions		Total
		Subject to Appropriation	Held in Perpetuity	
<b>Endowment Net Assets at June 30, 2018</b>	\$ 1,717,075	\$ 470,492	\$ 370,650	\$ 2,558,217
Interest and dividend income	32,671	20,139		52,810
Investment gains	93,788	43,087		136,875
Investment expenses	(6,810)	(3,375)		(10,185)
<b>Endowment Investment Return, Net</b>	<b>119,649</b>	<b>59,851</b>		<b>179,500</b>
Contributions	16,351			16,351
Appropriation of expenditure	(640,000)			(640,000)
<b>Endowment Net Assets at June 30, 2019</b>	<b>1,213,075</b>	<b>530,343</b>	<b>370,650</b>	<b>2,114,068</b>
Interest and dividend income	20,426	22,101		42,527
Investment gains	26,407	66,647		93,054
Investment expenses	(5,177)	(3,859)		(9,036)
<b>Endowment Investment Return, Net</b>	<b>41,656</b>	<b>84,889</b>		<b>126,545</b>
Contributions	172,626			172,626
Appropriation of expenditure	(220,000)	(80,057)		(300,057)
Reclassification to board-designated investment fund	(1,207,357)			(1,207,357)
<b>Endowment Net Assets at June 30, 2020</b>	<b>\$</b>	<b>\$ 535,175</b>	<b>\$ 370,650</b>	<b>\$ 905,825</b>

**Note 10—PPP Grant**

On April 23, 2020, Lindsay received \$347,225 in funding from the Small Business Administration (SBA) through the Paycheck Protection Program (PPP). As of June 30, 2020, Lindsay determined it had met all the qualifications for forgiveness and therefore recorded grant income of \$347,225 in the statement of activities for the year ended June 30, 2020; forgiveness in full was subsequently confirmed by the SBA.

On February 24, 2021, subsequent to year-end, Lindsay received an additional \$413,547 in PPP funding from the SBA. While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of PPP.

**Note 11—In-Kind Donations**

During the years ended June 30, 2020 and 2019, Lindsay recognized in-kind donations of veterinary supplies to carry out its programs; these in-kind contributions valued at \$7,875 and \$16,417, respectively, are captioned under supplies in the statement of functional expenses.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 12—Commitments and Contingencies**

In the normal course of business there are various outstanding commitments and contingent liabilities, such as commitments to enter into contract and future program activities, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate Lindsay to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond Lindsay's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, including executive officers of the organization, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain of the grants and contracts are subject to audit and final acceptance by the granting agency.

Lindsay leases equipment under various operating leases under non-cancellable lease agreements. Future minimum annual rental commitments by year for operating leases with maturities greater than one year from June 30, 2020 are as follows:

**Year Ending June 30,**

2021	\$	22,883
2022		12,879
	<b>Total</b>	<b><u>\$ 35,762</u></b>

**Note 13—Recent Accounting Pronouncements**

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. Lindsay is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. Lindsay is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

**Lindsay Wildlife Museum dba Lindsay Wildlife Experience**  
**Notes to Financial Statements—Continued**

**Note 14—Risks and Uncertainties**

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Lindsay closed its museum to visitors and suspended its indoor education programs from March 2020 through April 2021, after which a phased reopening and commencement was implemented. The closure had a materially adverse effect on earned revenues, in particular admissions, program fees, memberships, store revenues, and rental income.

**Note 15—Subsequent Events**

Management evaluated all activities of Lindsay through July 13, 2021, which is the date the financial statements were available to be issued, and concluded that, other than the PPP funding described in Note 10, no material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.