

Audited Financial Statements



June 30, 2022

Quigley & Miron

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Audited Financial Statements
Table of Contents
June 30, 2022

	<u>Page</u> <u>Number</u>
Independent Auditor's Report	1
Audited Financial Statements	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors
Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Walnut Creek, California

Opinion

We have audited the accompanying financial statements of Lindsay Wildlife Museum dba Lindsay Wildlife Experience (Lindsay), a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lindsay as of June 30, 2022, 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.

Basis of 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Lindsay 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 Lindsay's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

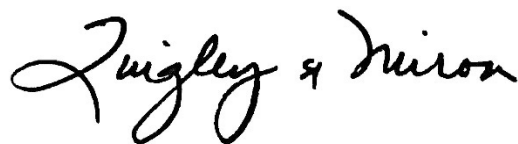
In performing an audit in accordance with GAAS, we:

- 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 Lindsay’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 Lindsay’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.

Report on Summarized Comparative Information

We have previously audited Lindsay Wildlife Museum's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Campbell, California
April 11, 2023

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Financial Position
June 30, 2022
(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 416,872	\$ 457,405
Restricted cash held for endowment	69,793	25,702
Investments—Note 4	2,016,076	2,438,506
Pledges and grants receivable	306,841	247,976
ERC grants receivable—Note 11	416,337	640,200
Accrued interest receivable	964	756
Other accounts receivable		21,030
Inventory	14,798	26,793
Prepaid expenses and other assets	11,078	7,882
Property and equipment, net—Note 5	1,114,900	1,260,930
In-kind building and land lease—Note 6	7,170,062	881,611
Collections—Note 2		
	<u><u>\$ 11,537,721</u></u>	<u><u>\$ 6,008,791</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 60,055	\$ 37,208
Salaries and employee benefits payable	86,062	122,172
Deferred revenue		600
	<u>146,117</u>	<u>159,980</u>
Net Assets		
Without donor restrictions—Note 7	2,729,177	3,463,706
With donor restrictions—Note 8	8,662,427	2,385,105
	<u>11,391,604</u>	<u>5,848,811</u>
Total Liabilities and Net Assets	<u><u>\$ 11,537,721</u></u>	<u><u>\$ 6,008,791</u></u>

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Activities
Year Ended June 30, 2022
(with comparative totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Operating Activities				
Revenue and Public Support				
Admissions	\$ 281,877	\$	\$ 281,877	\$ 29,474
Membership	193,286		193,286	83,913
Educational programs	175,192		175,192	103,335
Facilities events rentals	34,627		34,627	
Interest and dividends	33,763	22,232	55,995	53,355
Museum store sales				
Store sales	148,670		148,670	36,246
Less cost of store sales	<u>(96,362)</u>		<u>(96,362)</u>	<u>(16,772)</u>
Museum Store Sales, Net	52,308		52,308	19,474
Special events, net				
Gross revenue	32,447		32,447	117,008
Less cost of direct benefit to donors	<u>(5,303)</u>		<u>(5,303)</u>	<u>(18,939)</u>
Special Events, Net	27,144		27,144	98,069
Grants and contributions	1,293,405	371,000	1,664,405	1,401,336
Government grants	100,250		100,250	64,000
In-kind building and land lease—Note 6		6,752,580	6,752,580	55,239
PPP grant—Note 10				413,547
ERC grants—Note 11				640,200
Vehicle donations, net	76,465		76,465	85,142
In-kind donations—Note 12	5,360		5,360	5,401
Net assets released from restrictions	<u>779,127</u>	<u>(779,127)</u>		
Total Revenue and Public Support	3,052,804	6,366,685	9,419,489	3,052,485
Expenses				
Program Services	2,646,672		2,646,672	2,699,029
Management and general	630,000		630,000	597,069
Fundraising	<u>334,755</u>		<u>334,755</u>	<u>393,938</u>
Total Expenses	3,611,427		3,611,427	3,690,036
Change in Net Assets from Operations	(558,623)	6,366,685	5,808,062	(637,551)
Nonoperating Activities				
Investment return, net—Note 4	(176,506)	(89,363)	(265,869)	320,949
Other income	<u>600</u>		<u>600</u>	<u>3,600</u>
Total Nonoperating Activities	(175,906)	(89,363)	(265,269)	324,549
Change in Net Assets	(734,529)	6,277,322	5,542,793	(313,002)
Net Assets at Beginning of Year	3,463,706	2,385,105	5,848,811	6,161,813
Net Assets at End of Year	<u>\$ 2,729,177</u>	<u>\$ 8,662,427</u>	<u>\$ 11,391,604</u>	<u>\$ 5,848,811</u>

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Functional Expenses
Year Ended June 30, 2022
(with comparative totals for 2021)

	Program Services						Supporting Services				2022 Total	2021 Total
	Education	Wildlife Rehabilitation	Animal Encounters	Museum Operations	Communi- cations	Guest Services	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits		
Salaries	\$ 261,914	\$ 431,365	\$ 275,678	\$ 84,584	\$ 117,546	\$ 132,993	\$ 1,304,080	\$ 172,705	\$ 107,117	\$	\$ 1,583,902	\$ 1,923,669
Payroll taxes	19,785	32,448	20,706	6,361	8,844	10,016	98,160	13,102	8,189		119,451	135,426
Employee benefits	34,413	57,824	37,442	11,432	15,765	17,853	174,729	41,010	16,020		231,759	218,012
Total Salaries and Employee Benefits	316,112	521,637	333,826	102,377	142,155	160,862	1,576,969	226,817	131,326		1,935,112	2,277,107
Advertising					7,809		7,809				7,809	6,678
Animal husbandry		36,693	15,891				52,584				52,584	28,544
Contracted services and professional fees		4,315		58,863	28,939	5,033	97,150	294,211	119,115		510,476	321,502
Cost of direct benefit to donors										5,303	5,303	18,939
Cost of store sales										96,362	96,362	16,772
Depreciation	41,504	44,578	23,058	10,760	6,149	16,909	142,958	6,149	4,612		153,719	197,392
Dues, subscriptions, and professional development	614	2,012	2,032		415	327	5,400	3,040			8,440	4,095
Fees and bank charges		15				104	119	7,031	24,207		31,357	20,456
In-kind occupancy	125,315	134,599	69,620	32,489	18,565	51,054	431,642	18,565	13,924		464,131	464,131
Insurance								40,064			40,064	35,649
Licenses and permits	40	2,050	50	85			2,225	3,482	300		6,007	3,677
Travel	1,320		726	128	94	201	2,469	5,122			7,591	
Maintenance and repairs		125		57,530			57,655				57,655	22,255
Medical supplies	100	30,223	700				31,023				31,023	30,991
Postage and shipping	9	413					1,977	6,459	58		8,494	6,928
Printing and publications	427				2,049		2,476	22	19,504		22,002	28,151
Supplies	15,464	3,783	2,605	14,513	5,061	1,224	42,650	10,799	15,529		68,978	89,388
Utilities	55,616	59,736	30,898	14,419	8,239	22,658	191,566	8,239	6,180		205,985	153,092
Total Expenses by Function	556,521	840,179	479,406	291,164	219,475	259,927	2,646,672	630,000	334,755	101,665	3,713,092	3,725,747
Less expenses included with revenues on the statement of activities												
Cost of store sales										(96,362)	(96,362)	(16,772)
Cost of direct benefits to donors										(5,303)	(5,303)	(18,939)
Total Expenses	\$ 556,521	\$ 840,179	\$ 479,406	\$ 291,164	\$ 219,475	\$ 259,927	\$ 2,646,672	\$ 630,000	\$ 334,755	\$	\$ 3,611,427	\$ 3,690,036

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Cash Flows
Year Ended June 30, 2022
(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Expenses		
Change in net assets	\$ 5,542,793	\$ (313,002)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	153,719	197,392
In-kind building and land lease	(6,288,451)	408,891
Investment (gains) losses	255,816	(329,400)
Changes in operating assets and liabilities:		
Pledges and grants receivable	(58,865)	(169,264)
ERC grants receivable	223,863	(640,200)
Accrued interest receivable	(208)	65
Other accounts receivable	21,030	(21,030)
Inventory	11,995	2,961
Prepaid expenses and other assets	(3,196)	
Accounts payable and accrued liabilities	22,847	(7,755)
Salaries and employee benefits payable	(36,110)	40,617
Deferred revenue	(600)	
Net Cash Used in Operating Activities	(155,367)	(830,725)
Cash Flows from Investing Activities		
Purchase of property and equipment	(7,689)	(7,220)
Purchase of investments	(70,491)	(793,362)
Sale of investments	237,105	646,866
Net Cash Provided by (Used in) Investing Activities	158,925	(153,716)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	3,558	(984,441)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	483,107	1,467,548
Cash, Cash Equivalents and Restricted Cash at End of Year	\$ 486,665	\$ 483,107
Supplementary Disclosures		
Income taxes paid	\$	\$
Interest paid	\$	\$

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Notes to Financial Statements
June 30, 2022
(with comparative totals for 2021)

Note 1—Organization

Lindsay Wildlife Museum (dba Lindsay Wildlife Experience; hereafter Lindsay) was established as a nonprofit organization in 1955. 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 350 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 60,000 museum guests annually are twelve indoor exhibit spaces, two outdoor program areas, eleven daily educational programs, and more than 60 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 *Pond Protectors*, *Wild Homes*, *Learning from Wildlife*, *Have to Have a Habitat*, and *Ecosystem Energy Flow*. Many of the animal ambassadors are touchable, with the exception of owls and bats. Each Lindsay in the Classroom program utilizes grade-specific Next Generation Science Standards (NGSS) that satisfy specific learning objectives.

Classes—Homeschool, Preschool, and Afterschool—During FY21-22, Lindsay provided both in-person and virtual classes. Instructors delivered 37 virtual classes to 326 students.

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 55 participants between the ages of 13 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.

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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 1—Organization—Continued

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. To adjust to stay at home orders, our school program went virtual. Based on Next Generation Science Standards, each Virtual School Program consisted of three 30-minute sessions and included visits from animal ambassadors. During the fiscal year, Lindsay hosted 71 in-person programs for 1,633 students and conducted 22 virtual school programs for 515 students. During the summer Lindsay created engaging Summer Field Trips and delivered 11 summer field trips for over 228 students.

Wildlife Rehabilitation—As one of the first formally established wildlife hospitals and rehabilitation centers in the nation, Lindsay Wildlife has served as a model for wildlife care centers around the world. Since 1970, we have treated more than 275,000 native California wild animals comprising over 160 species, releasing about 50% of them back into natural habitats. Since 2004, over 5,000 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 FY21-22 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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

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 50 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), 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—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.

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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies—Continued

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, 2022 and 2021. 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, Cash Equivalents, and Restricted Cash—Lindsay considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash consists of cash held for donor restricted endowments.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of cash flows at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash Accounts Reported in Statement of Financial Position		
Cash and cash equivalents	\$ 416,872	\$ 457,405
Cash held for endowment	69,793	25,702
Total Cash, Cash Equivalents, and Restricted Cash		
Reported in the Statement of Cash Flows	<u><u>\$ 486,665</u></u>	<u><u>\$ 483,107</u></u>

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, 2022 and 2021 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

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies—Continued

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.

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-Kind—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *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. Lindsay has adopted ASU No. 2020-07 on a retrospective basis for the year ended June 30, 2022.

Revenue Recognition—In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Lindsay has adopted ASU No. 2014-09 on a retrospective basis for the year ended June 30, 2021, and noted that there was no material effect on the financial statements.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies—Continued

Restricted Cash—In February 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU No. 2016-18 clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The guidance requires entities to present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the balance sheet to the statement of cash flows. Entities are required to disclose the nature of the restrictions, as well as reconcile the totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the balance sheet when these are shown in more than one line item. Lindsay has adopted ASU No. 2016-18 on a retrospective basis for the year ended June 30, 2021, however, the retrospective approach requires that organizations reflect the effect of the new guidance in the earliest year presented in the financial statements, and noted that there was 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 without donor restrictions.

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.

Revenue Recognition—Lindsay's revenue recognition policies are as follows:

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

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

Special events, net—Lindsay conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payments for the direct costs of benefits received by the participants at the event. Lindsay values such benefits at cost.

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 such benefits at the actual cost.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies—Continued

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.

Advertising Expense—Advertising costs are expensed as incurred and amounted to \$7,809 and \$6,678 for the years ended June 30, 2022 and 2021, respectively.

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 2021—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, 2021, from which the summarized information was derived.

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, 2022 and 2021 to cover operating expenses for the next fiscal year:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash, cash equivalents, and restricted cash	\$ 486,665	\$ 483,107
Investments	2,016,076	2,438,506
Pledges and grants receivable	306,841	247,976
ERC grant receivable	416,337	640,200
Accrued interest receivable	964	756
Other accounts receivable		21,030
Total Financial Assets	3,226,883	3,831,575

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 3—Availability and Liquidity—Continued

<i>cont'd</i>	2022	2021
Less amounts not allocated for use within one year		
Net assets with purpose restrictions		
Hospital initiative	(50,000)	(100,000)
Education and outreach	(170,000)	(50,000)
Aviary exhibit	(175,000)	
Exhibit hall		(11,000)
Board-designated investment fund subject to appropriation	(1,095,653)	(1,372,134)
Endowment net assets subject to appropriation	(620,240)	(723,869)
Endowment net assets held in perpetuity	(370,650)	(370,650)
	<u>(2,481,543)</u>	<u>(2,627,653)</u>
Total Amounts Not Allocated for Use Within One Year Before Any Appropriations by the Board	(2,481,543)	(2,627,653)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months in Addition to any Appropriations by the Board	<u>\$ 745,340</u>	<u>\$ 1,203,922</u>

The Board-designated investment fund totaled \$1,095,653 and \$1,372,134 at June 30, 2022 and 2021, respectively, and is available for appropriation for any necessary expenditures (see Note 7).

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.

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.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

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, 2022 and 2021.

Investments measured at fair value on a recurring basis at June 30, 2022 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 793,299	\$ 793,299	\$	\$
Fixed income securities	126,835		126,835	
Equity/fixed income mutual funds	1,095,942	1,095,942		
Totals	<u>\$ 2,016,076</u>	<u>\$ 1,889,241</u>	<u>\$ 126,835</u>	<u>\$</u>

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 4—Investments and Fair Value Measurements—Continued

Investments measured at fair value on a recurring basis at June 30, 2021 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 864,528	\$ 864,528	\$	\$
Fixed income securities	203,534		203,534	
Equity/fixed income mutual funds	1,370,444	1,370,444		
Totals	<u>\$ 2,438,506</u>	<u>\$ 2,234,972</u>	<u>\$ 203,534</u>	<u>\$</u>

Investment return for the years ended for the years ended June 30, 2022 and 2021 is as follows

	<u>2022</u>	<u>2021</u>
Realized gains	\$ 23,733	\$ 192,515
Unrealized gains (losses)	(279,549)	136,885
Investment management fees	(10,053)	(8,451)
Investment Return, Net	<u>(265,869)</u>	<u>320,949</u>
Interest and dividends	55,995	53,355
Total Investment Return	<u>\$ (209,874)</u>	<u>\$ 374,304</u>

Note 5—Property and Equipment, Net

Net property and equipment consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Exhibit hall	\$ 3,004,288	\$ 3,013,088
Exhibits	493,682	493,682
Animal equipment	421,105	421,105
Furnishings, equipment, vehicles and other	423,546	423,452
Landscaping	299,894	299,894
Leasehold improvements	658,202	641,807
Property and Equipment	<u>5,300,717</u>	<u>5,293,028</u>
Less accumulated depreciation	(4,185,817)	(4,032,098)
Property and Equipment, Net	<u>\$ 1,114,900</u>	<u>\$ 1,260,930</u>

Depreciation expense amounted to \$153,719 and \$197,392 for the years ended June 30, 2022 and 2021, respectively.

Note 6—In-Kind Building and Land Lease

Under an original 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 25 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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 6—In-Kind Building and Land Lease—Continued

On July 1, 2018, the board of directors and the City 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.

On March 1, 2022, the board of directors and the City renewed the lease for an additional 30 years in exchange for a fee of one dollar per year, through February 28, 2052, with the right for Lindsay to renew for two additional periods of ten years each. LWM recorded the present value of the building and land rent of \$7,204,907, as *building and land lease* on the statement of financial position, and a contribution with donor restrictions of \$6,752,580 as contributions as *in-kind building and land lease*, on the statement of activities for the year ended June 30, 2022 for the use of its 27,000 square foot facility valued at \$1.43 per square foot monthly.

The present value of the leases as of June 30, 2022 and 2021 was \$7,170,062 and \$881,611 respectively, 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>		
2023	\$	108,081
2024		113,611
2025		119,424
2026		125,534
2027		131,956
Thereafter		<u>6,571,456</u>
	Total	<u>\$ 7,170,062</u>

The City of Walnut Creek also provided Lindsay with \$75,000 and \$64,000 in donations for each of the years ended June 30, 2022 and 2021, respectively.

Note 7—Net Assets without Donor Restrictions

Net assets without donor restrictions at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 1,379,659	\$ 1,790,729
Board-designated operating reserve	253,865	300,843
Board-designated investment fund	<u>1,095,653</u>	<u>1,372,134</u>
	Totals	Totals
	<u>\$ 2,729,177</u>	<u>\$ 3,463,706</u>

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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 8—Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Aviary exhibit	\$ 175,000	\$ 50,000
Education and outreach	170,000	100,000
Hospital initiative	50,000	11,000
Exhibit Hall		
Subject to time restrictions:		
Building and land lease	7,170,062	881,611
General support	106,475	247,975
Subject to Lindsay's spending policy and appropriation:		
Reynolds endowment fund	575,418	671,558
Nelson endowment fund	31,819	37,136
Crysler endowment fund	13,003	15,175
Held in perpetuity:		
Reynolds endowment fund	346,321	346,321
Nelson endowment fund	17,015	17,015
Crysler endowment fund	7,314	7,314
Total Net Assets with Donor Restrictions	<u>\$ 8,662,427</u>	<u>\$ 2,385,105</u>

Net assets released from donor restrictions for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Satisfaction of expenditure for specified purpose:		
Hospital initiative	\$ 100,000	\$ 11,000
Exhibit hall	11,000	
Satisfaction of time restrictions:		
Building and land lease	464,129	408,891
General support	167,500	22,804
Satisfaction of Lindsay's spending policy and appropriation:		
Reynolds endowment fund	33,861	33,752
Nelson endowment fund	1,872	1,780
Crysler endowment fund	765	742
Total Net Assets Released from Donor Restrictions	<u>\$ 779,127</u>	<u>\$ 467,969</u>

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).

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 9—Endowment Net Assets—Continued

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'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.

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.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 9—Endowment Net Assets—Continued

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.

Changes in endowment net assets for the years ended June 30, 2022 and 2021 consist of the following:

	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Subject to Appropriation</u>	<u>Held in Perpetuity</u>	
Endowment Net Assets at June 30, 2020	\$ 535,175	\$ 370,650	\$ 905,825
Interest and dividend income	21,886		21,886
Investment gains	211,533		211,533
Investment expenses	(8,451)		(8,451)
Endowment Investment Return, Net	224,968		224,968
Appropriation of expenditure	(36,274)		(36,274)
Endowment Net Assets at June 30, 2021	723,869	370,650	1,094,519
Interest and dividend income	22,232		22,232
Investment gains	(79,310)		(79,310)
Investment expenses	(10,053)		(10,053)
Endowment Investment Return, Net	(67,131)		(67,131)
Appropriation of expenditure	(36,498)		(36,498)
Endowment Net Assets at June 30, 2022	\$ 620,240	\$ 370,650	\$ 990,890

Note 10—PPP Grant

On February 24, 2021, Lindsay received \$413,547 in PPP funding from the SBA. Lindsay met all the qualifications for forgiveness and forgiveness in full was confirmed by the SBA during the year ended June 30, 2021. Lindsay recorded \$413,547 in the statement of activities for the year ended June 30, 2021.

Note 11—ERC Grants

During the year ended June 30, 2021, Lindsay was eligible and applied for employee retention credits (ERC) in the amount of \$640,200. This is included in ERC grants in the statement of activities and in ERC grants receivable in the statement of financial position. ERC Grants receivable amounted to \$416,337 and \$640,200 at June 30, 2022 and 2021, respectively.

dba Lindsay Wildlife Experience
Notes to Financial Statements

Note 12—In-Kind Donations

During the years ended June 30, 2022 and 2021, Lindsay recognized in-kind donations of veterinary supplies to carry out its programs; these in-kind contributions valued at \$5,360 and \$5,401, respectively, are captioned under supplies in the statement of functional expenses.

During the year ended June 30, 2021, Lindsay also recorded donated auction items in the amount of \$11,739 captioned under special events in the statement of activities.

Note 13—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.

Note 14—Recent Accounting Pronouncement

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 to be applied using the modified retrospective approach and 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.

Note 15—Subsequent Events

Management evaluated all activities of Lindsay through April 11, 2023, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.