

Audited Financial Statements



Lindsay
Wildlife
Experience

June 30, 2023

Quigley & Miron

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Audited Financial Statements
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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, 2023, 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, 2023, 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.

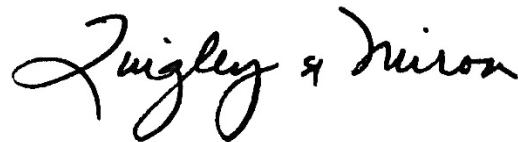
In performing an audit in accordance with GAAS, we:

- 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Campbell, California
April 9, 2024

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Financial Position
June 30, 2023
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 200,120	\$ 416,872
Restricted cash held for endowment	14,766	69,793
Investments—Note 4	2,177,354	2,016,076
Pledges and grants receivable	147,386	306,841
Bequests receivable—Note 5	750,000	
ERC grants receivable—Note 6	213,743	416,337
Accrued interest receivable	1,110	964
Inventory	22,546	14,798
Prepaid expenses and other assets	7,882	11,078
Property and equipment, net—Note 7	1,225,735	1,114,900
In-kind building and land lease—Note 8	7,061,981	7,170,062
Collections—Note 2		
Total Assets	<u>\$ 11,822,623</u>	<u>\$ 11,537,721</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 239,804	\$ 60,055
Salaries and employee benefits payable	96,527	86,062
Total Liabilities	<u>336,331</u>	<u>146,117</u>
Net Assets		
Without donor restrictions—Note 9	2,485,853	2,729,177
With donor restrictions—Note 10	9,000,439	8,662,427
Total Net Assets	<u>11,486,292</u>	<u>11,391,604</u>
Total Liabilities and Net Assets	<u>\$ 11,822,623</u>	<u>\$ 11,537,721</u>

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Activities
Year Ended June 30, 2023
(with comparative totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Operating Activities				
Revenue and Public Support				
Admissions	\$ 355,814	\$	\$ 355,814	\$ 281,877
Membership	197,339		197,339	193,286
Educational programs	284,951		284,951	175,192
Facilities events rentals	47,092		47,092	34,627
Interest and dividend income	30,883	25,549	56,432	55,995
Museum store sales				
Store sales	154,658		154,658	148,670
Less cost of store sales	(85,413)		(85,413)	(96,362)
Museum Store Sales, Net	69,245		69,245	52,308
Special events				
Gross revenue				32,447
Less cost of benefits to donors				(5,303)
Special Events, Net				27,144
Grants and contributions	1,493,599	36,886	1,530,485	1,662,137
Bequests—Note 5	60,830	750,000	810,830	2,268
Government grants	73,776	37,500	111,276	100,250
In-kind building and land lease—Note 8	356,049		356,049	6,752,580
Vehicle donations, net	49,699		49,699	76,465
In-kind donations—Note 12	23,390		23,390	5,360
Net assets released from restrictions	576,455	(576,455)		
Total Revenue and Public Support	3,619,122	273,480	3,892,602	9,419,489
Expenses				
Program services	3,013,307		3,013,307	2,646,672
Management and general	602,335		602,335	630,000
Fundraising	272,879		272,879	334,755
Total Expenses	3,888,521		3,888,521	3,611,427
Change in Net Assets from Operations	(269,399)	273,480	4,081	5,808,062
Nonoperating Activities				
Investment return, net—Note 4	26,075	64,532	90,607	(265,869)
Other income				600
Total Nonoperating Activities	26,075	64,532	90,607	(265,269)
Change in Net Assets	(243,324)	338,012	94,688	5,542,793
Net Assets at Beginning of Year	2,729,177	8,662,427	11,391,604	5,848,811
Net Assets at End of Year	\$ 2,485,853	\$ 9,000,439	\$ 11,486,292	\$ 11,391,604

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Functional Expenses
Year Ended June 30, 2023
(with comparative totals for 2022)

	Program Services										
	Education	Wildlife Rehabilitation	Animal Encounters	Museum Operations	Marketing and Communications	Guest Services	Total	Management and General	Fundraising	2023 Total	2022 Total
Salaries	\$ 361,376	\$ 550,575	\$ 299,553	\$ 91,021	\$ 102,215	\$ 147,403	\$ 1,552,143	\$ 166,993	\$ 86,667	\$ 1,805,803	\$ 1,583,902
Payroll taxes	26,816	40,911	22,276	6,760	7,613	10,965	115,341	12,509	6,433	134,283	119,451
Employee benefits	28,392	42,541	22,625	7,021	8,229	11,365	120,173	20,368	16,594	157,135	231,759
Total Personnel Expenses	416,584	634,027	344,454	104,802	118,057	169,733	1,787,657	199,870	109,694	2,097,221	1,935,112
Advertising					10,103		10,103			10,103	7,809
Animal husbandry		24,715	38,184	196			63,095			63,095	52,584
Bank charges and merchant fees						113	113	12,073	32,556	44,742	31,357
Contracted services and professional fees		2,431	175	74,521	67,484	5,666	150,277	259,915	51,600	461,792	504,311
Cost of direct benefits to donors											5,303
Cost of store sales						85,413	85,413			85,413	96,362
Depreciation	40,707	43,722	22,615	10,554	6,031	16,584	140,213	6,030	4,523	150,766	153,719
Dues, subscriptions, and professional development	4,204	3,992	3,995		16	244	12,451	4,946		17,397	8,440
Equipment rental								5,020		5,020	4,138
Insurance								44,548		44,548	40,064
Licenses and permits		998					998	4,634	200	5,832	6,007
Maintenance and repairs				74,961			74,961			74,961	57,655
Medical supplies		43,913	776				44,689			44,689	31,023
Occupancy	125,315	134,598	69,619	32,489	18,565	51,054	431,640	18,567	13,924	464,131	464,131
Postage and shipping						556	556	5,728	2,060	8,344	10,521
Printing and publications	5,696	440			3,487		9,623		33,814	43,437	22,002
Supplies	17,819	18,546	3,175	40,772	16,468	888	97,668	24,688	16,444	138,800	68,978
Travel	5,216		41	37	11,490		16,784	8,898	2,500	28,182	7,591
Utilities	50,075	53,784	27,819	12,982	7,418	20,401	172,479	7,418	5,564	185,461	205,985
Total Expenses by Function	665,616	961,166	510,853	351,314	259,119	350,652	3,098,720	602,335	272,879	3,973,934	3,713,092
Less expenses included in the statement of activities											
Cost of store sales						(85,413)	(85,413)			(85,413)	(96,362)
Cost of benefits to donors											(5,303)
Total Expenses	\$ 665,616	\$ 961,166	\$ 510,853	\$ 351,314	\$ 259,119	\$ 265,239	\$ 3,013,307	\$ 602,335	\$ 272,879	\$ 3,888,521	\$ 3,611,427

See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Statement of Cash Flows
Year Ended June 30, 2023
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Expenses		
Change in net assets	\$ 94,688	\$ 5,542,793
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
In-kind donated securities	(16,510)	
Depreciation	150,766	153,719
In-kind building and land lease	108,081	(6,288,451)
Investment (gains) losses	(99,856)	255,816
Changes in operating assets and liabilities:		
Pledges and grants receivable	159,455	(58,865)
Bequests receivable	(750,000)	
ERC grants receivable	202,594	223,863
Accrued interest receivable	(146)	(208)
Other accounts receivable		21,030
Inventory	(7,748)	11,995
Prepaid expenses and other assets	3,196	(3,196)
Accounts payable and accrued liabilities	179,749	22,847
Salaries and employee benefits payable	10,465	(36,110)
Deferred revenue		(600)
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	34,734	(155,367)
Cash Flows from Investing Activities		
Purchase of property and equipment	(261,601)	(7,689)
Purchase of investments	(131,564)	(70,491)
Sales of investments	86,652	237,105
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Net Cash Provided by (Used in) Investing Activities	(306,513)	158,925
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	(271,779)	3,558
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	486,665	483,107
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Cash, Cash Equivalents and Restricted Cash at End of Year	\$ 214,886	\$ 486,665
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Supplementary Disclosures		
Income taxes paid	\$	\$
Interest paid	\$	\$
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See notes to financial statements.

Lindsay Wildlife Museum dba Lindsay Wildlife Experience
Notes to Financial Statements
June 30, 2023
(with comparative totals for 2022)

Note 1—Organization

Lindsay Wildlife Museum (dba Lindsay Wildlife Experience; hereafter Lindsay) was established as a nonprofit organization in 1955. Lindsay 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, 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 promotes 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 programs are dynamic, engaging, guest centered, and mission driven while the animal ambassadors are out and connecting with guests.

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 five classroom programs are: Pond Protectors, Wild Homes, Learning from Wildlife, Have to Have a Habitat, and Ecosystem Energy Flow. Many of the animals are touchable with the exception of salamanders, turtles 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 Workshops—Homeschool, Preschool and Workshops—During FY22-23, Lindsay provided in-person classes. Instructors delivered 15 workshops to 95 students, 31 preschool classes to 222 students, and 3 homeschool semesters (25 classes) to 48 students.

Outstanding Wildlife Leaders (OWLS) and Keepers in Training (KITS)—The two youth development programs of the Education Department. 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 of “aging out,” new recruits are welcomed into the year-round schedule. Lindsay benefits from the energy and enthusiasm of the OWLS, and the youths 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 animal care shifts on Mondays. A limited number of scholarships are available to prospective naturalists.

Special Programs—Special programs include hikes at Mt. Diablo and in East Bay Regional Parks; Tiny Tuesdays; Mt. View Sanitary District classroom and wetlands programs; scout programs, V.I. Peek Encounters; Wild@Night evening events, Natural History Rentals, and Lindsay in the Community events.

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

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 with multi-sensory, observation, and critical thinking-based programs that help equip young minds to consider future science and conservation careers. Field trips include four interactive stations, two animal ambassadors, and natural history specimens. During the 22-23 fiscal year, Lindsay hosted 151 in-person field trip programs for 4,380 students. During the summer 8 field trips were created and delivered for over 160 students.

Wildlife Rehabilitation—As one of the first formally established wildlife hospitals and rehabilitation centers in the nation, Lindsay has served as a model for wildlife care centers around the world. Since 1970, Lindsay has treated more than approximately 190,000 native California wild animals comprising over 500 species, releasing about 50% back into natural habitats. Since 2004, nearly 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. More than 300 volunteers currently support the hospital, working on-site or providing home care for injured, abandoned, and/or sick wildlife. The hospital is staffed by a full-time, state-licensed veterinarian, one part-time veterinarian, several on-call veterinarians, registered veterinary technicians, wildlife rehabilitation technicians, and veterinary interns. The hospital's activities are regulated and overseen by the U.S. Fish and Wildlife Department and the California Department of Fish and Wildlife.

Lindsay's reputation for its staff's expertise in treating and surgically repairing the delicate flight mechanisms of raptors has elevated its status among peer organizations. What is learned from caring for and rehabilitating wildlife in the hospital informs Lindsay's exhibits and education and outreach programs. Lindsay continues to partner with various research institutions, including UC Davis, UC Berkeley, as well as East Bay Regional Park District 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 used to inform wildlife management policy and planning.

Animal Encounters—Lindsay's collection of Animal Ambassadors comprises about 60 individuals, including individuals that have been too seriously injured to be released back into natural habitats or those that have become too 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 and various other birds 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 several unique animals with interesting adaptations and key roles in the maintenance of biological diversity and ecosystem function. Lindsay's 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 is home to a natural history collection of over 7,000 specimens consisting of vertebrates, invertebrates, plants, fossils, geology, fungi, art, and artifacts. These collections serve our over 80,000 visitors each year through engaging exhibitions, daily programs, and exhibit floor interpretation. Additionally, these specimens are utilized in all our education programs, including onsite field trip programs, offsite classroom outreaches, offsite community outreaches, scout programs, homeschool programs, preschool programs, camps, and special events. Roughly 50 researchers and local educators utilize the collection each year through the museum's Discovery Kit specimen rental program.

Marketing and Communications—The Marketing and Communications department is responsible for developing and executing strategic marketing plans across all departments, focusing on increasing brand awareness, promoting the organization's mission, attracting customers, and driving sales. This includes creating impactful advertising campaigns, managing all social media platforms, and handling public relations. The team generates creative content for various platforms, such as print materials, e-newsletters, the website (www.lindsaywildlife.org), third party advertising placements, social media, and targeted emails. The team actively monitors market trends, conducts research, and analyzes customer feedback to inform and adjust strategies.

Additionally, the department leads in strategizing, planning, and coordinating public-facing events, including fundraisers, community events, and all onsite event rentals. Ultimately, their role is to build a positive brand image, drive engagement, and contribute significantly to the organization's success.

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 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.

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, and interest and dividend income. 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, 2023 and 2022. 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash Accounts Reported in Statement of Financial Position		
Cash and cash equivalents	\$ 200,120	\$ 416,872
Restricted cash held for endowment	14,766	69,793
	<u> </u>	<u> </u>
Total Cash, Cash Equivalents, and Restricted Cash		
Reported in the Statement of Cash Flows	<u>\$ 214,886</u>	<u>\$ 486,665</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, 2023 and 2022 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 (determined by the last-in, first-out method).

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.

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

Note 2—Summary of Significant Accounting Policies—Continued

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.

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— Financial instruments which potentially subject Lindsay to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

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. Such cash balances are normally not in excess of FDIC insurance limits.

Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances may exceed SIPC insurance limits during the normal course of business. Conservative investment guidelines established by the Board of Directors govern Lindsay's investments in securities to achieve diversification of the portfolio.

While Lindsay is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, Lindsay's management has assessed the credit risk associated with its investments at June 30, 2023 and 2022 and believes it is not exposed to any significant credit risk with its investments. However, due to the current risk and uncertainties affecting financial institutions (see Note 15), the potential related impact cannot be reasonably estimated at this time.

Pledges and grants receivable are due from a variety of governmental bodies, foundations, and individuals 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.

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

Note 2—Summary of Significant Accounting Policies—Continued

Recently Adopted Accounting Principles

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This amendment is applicable to leases with terms exceeding 12 months and requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases in the statement of financial position. 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 is 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. Since Lindsay currently has no leases with terms exceeding one year, and no transition relief provisions are in effect, Lindsay has adopted ASU No. 2016-02 on a prospective basis as of the year ended June 30, 2023, which had no impact on the financial statement presentation.

In-Kind—In September 2020, 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.

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.

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. 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 Wildlife Museum dba Lindsay Wildlife Experience
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

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.

Interest and dividend income—Interest and dividend income earned on investments is recognized when earned and is reported as interest and dividend income under revenue and public support in the statement of activities.

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.

Functional Expenses—The costs of providing the various programs 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 \$10,103 and \$7,809 for the years ended June 30, 2023 and 2022, 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 2022—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, 2022, 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, 2023 and 2022 to cover operating expenses for the next fiscal year:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash, cash equivalents, and restricted cash	\$ 214,886	\$ 486,665
Investments	2,177,354	2,016,076
Pledges and grants receivable	147,386	306,841
	750,000	
ERC grant receivable	213,743	416,337
Accrued interest receivable	1,110	964
	<u>3,504,479</u>	<u>3,226,883</u>
Total Financial Assets	3,504,479	3,226,883
Less amounts not allocated for use within one year		
Net assets with purpose restrictions		
Hospital initiative		(50,000)
Education and outreach		(170,000)
Aviary exhibit		(175,000)
Board-designated investment fund subject to appropriation	(1,152,836)	(1,095,653)
Endowment net assets subject to appropriation	(670,422)	(620,240)
Endowment net assets held in perpetuity	(370,650)	(370,650)
	<u>(2,193,908)</u>	<u>(2,481,543)</u>
Total Amounts Not Allocated for Use Within One Year Before Any Appropriations by the Board	(2,193,908)	(2,481,543)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months in Addition to any Appropriations by the Board	<u>\$ 1,310,571</u>	<u>\$ 745,340</u>

The Board-designated investment fund totaled \$1,152,836 and \$1,095,653 at June 30, 2023 and 2022, respectively, and is available for appropriation for any necessary expenditures (see Note 8).

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.

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

Note 4—Investments and Fair Value Measurements—Continued

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 for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by Lindsay to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Lindsay had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2023 and 2022.

Investments measured at fair value on a recurring basis at June 30, 2023 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 878,924	\$ 878,924	\$	\$
Fixed income securities	146,272		146,272	
Equity/fixed income mutual funds	1,152,158	1,152,158		
Totals	<u>\$ 2,177,354</u>	<u>\$ 2,031,082</u>	<u>\$ 146,272</u>	<u>\$</u>

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>

Investment return for the years ended for the years ended June 30, 2023 and 2022 is as follows

	<u>2023</u>	<u>2022</u>
Realized gains	\$ 11,092	\$ 23,733
Unrealized gains (losses)	88,764	(279,549)
Investment management fees	(9,249)	(10,053)
Investment Return, Net	<u>90,607</u>	<u>(265,869)</u>
Interest and dividend income	56,432	55,995
Total Investment Return	<u>\$ 147,039</u>	<u>\$ (209,874)</u>

Note 5—Bequests

During the years ended June 30, 2023 and 2022, Lindsay became the irrevocable beneficiary of various estates totaling \$810,830 and \$2,268, respectively; these amounts are included in the *pledges and grants receivable* caption on the statement of financial position and *bequests* caption of the statement of activities.

Note 6—ERC Grants Receivable

During the year ended June 30, 2021, Lindsay was eligible and applied for employee retention credits (ERC) in the amount of \$640,200; \$ 213,743 and \$416,337 was included in ERC grants receivable in the statement of financial position at June 30, 2023 and 2022, respectively.

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

Note 7—Property and Equipment, Net

Net property and equipment consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Exhibit hall	\$ 3,016,688	\$ 3,004,288
Exhibits	510,082	493,682
Animal equipment	421,105	421,105
Furnishings, equipment, vehicles and other	468,413	423,546
Landscaping	299,894	299,894
Leasehold improvements	846,136	658,202
	Property and Equipment	5,300,717
	5,562,318	5,300,717
Less accumulated depreciation	(4,336,583)	(4,185,817)
	Property and Equipment, Net	\$ 1,114,900
	\$ 1,225,735	\$ 1,114,900

Depreciation expense amounted to \$150,767 and \$153,719 for the years ended June 30, 2023 and 2022, respectively.

Note 8—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.

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 estimated market rental rate for comparable facilities, at rate of \$1.43 per square foot monthly.

The present value of the leases as of June 30, 2023 and 2022 was \$7,061,981 and \$7,170,062 respectively, based upon rental expense of \$464,130 and a discount rate of 5%.

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

Note 8—In-Kind Building and Land Lease—Continued

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

<u>Year Ending June 30,</u>	
2024	\$ 113,611
2025	119,424
2026	125,534
2027	131,956
2028	138,707
Thereafter	<u>6,432,749</u>
Total	<u>\$ 7,061,981</u>

The City of Walnut Creek also provided Lindsay with \$75,000 and \$75,000 in donations for each of the years ended June 30, 2023 and 2022, respectively.

Note 9—Net Assets without Donor Restrictions

Net assets without donor restrictions at June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 1,321,811	\$ 1,379,659
Board-designated operating reserve	11,206	253,865
Board-designated investment fund	<u>1,152,836</u>	<u>1,095,653</u>
Totals	<u>\$ 2,485,853</u>	<u>\$ 2,729,177</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.

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

Note 10—Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Aviary exhibit	\$	\$ 175,000
Education and outreach		90,000
Hospital initiative		50,000
Subject to time restrictions:		
Education and outreach	40,000	80,000
Building and land lease	7,061,981	7,170,062
General support	857,386	106,475
Subject to Lindsay's spending policy and appropriation:		
Reynolds endowment fund	622,089	575,418
Nelson endowment fund	34,299	31,819
Crysler endowment fund	14,034	13,003
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>\$ 9,000,439</u>	<u>\$ 8,662,427</u>

Net assets released from donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of expenditure for specified purpose:		
Aviary exhibit	\$ 175,000	\$
Education and outreach	130,000	
Hospital initiative	50,000	100,000
Exhibit hall		11,000
Satisfaction of time restrictions:		
Building and land lease	108,081	464,129
General support	73,475	167,500
Satisfaction of Lindsay's spending policy and appropriation:		
Crysler endowment fund	816	765
Nelson endowment fund	1,959	1,872
Reynolds endowment fund	37,124	33,861
Total Net Assets Released from Donor Restrictions	<u>\$ 576,455</u>	<u>\$ 779,127</u>

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

Note 11—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 8). 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.

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

Note 11—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, 2023 and 2022 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, 2021	\$ 723,869	\$ 370,650	\$ 1,094,519
Interest and dividend income	22,232		22,232
Investment losses	(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
Interest and dividend income	25,549		25,549
Investment gains	73,781		73,781
Investment expenses	(9,249)		(9,249)
Endowment Investment Return, Net	90,081		90,081
Appropriation of expenditure	(39,899)		(39,899)
Endowment Net Assets at June 30, 2023	\$ 670,422	\$ 370,650	\$ 1,041,072

Note 12—In-Kind Donations

During the year ended June 30, 2023 and 2022, Lindsay recognized in-kind contributions of minor supplies without donor restrictions of \$23,390 and \$5,360, respectively, have been recorded in the *in-kind contributions* caption of the statement of activities and included in the statement of functional expenses under the *supplies* caption in the statement of functional expenses. Donated supplies are monetized and used by Lindsay for its various programs and are recorded at actual cost incurred by the donor.

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

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 contracts 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—Risks and Uncertainties

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 2, at times, Lindsay maintains investment balances in excess of federally-insured limits. Given the uncertainty of the situation, the potential related financial impact cannot be reasonably estimated at this time.

Note 15—Subsequent Events

Management evaluated all activities of Lindsay through April 9, 2024, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.