CuriOdyssey®

SCIENCE PLAYGROUND & ZOO

FINANCIAL REPORT
SEPTEMBER 30, 2020

CONTENTS

SingerLewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
CuriOdyssey

Report on the Financial Statements
We have audited the accompanying financial statements of CuriOdyssey (the "Organization"), which comprise the statement of financial position as of September 30, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the restated audited financial statements from which it has been derived.

SingerLewak LLP

March 10, 2021

CURIODYSSEY

STATEMENT OF FINANCIAL POSITION

September 30, 2020

(Summarized Financial Information at September 30, 2019)

ASSETS

	2020	2019
Assets		
Cash and cash equivalents	$ 268,776	$ 308,441
Accounts receivable	16,428	60,832
Gift shop inventory	53,746	40,464
Prepaid expenses	12,557	54,575
Grants and contributions receivable, net	3,881,253	5,739,612
Contributed use of facilities, net	531,894	709,103
Cash restricted for capital campaign	1,033,777	475,852
Investments	5,661,435	5,112,460
Property and equipment, net	1,842,521	3,953,066
Total assets	**$ 13,302,387**	**$ 16,454,405**

LIABILITIES AND NET ASSETS

	2020	2019
Liabilities		
Accounts payable and accrued expenses	$ 628,061	$ 431,096
Deferred revenue	164,102	80,846
Total liabilities	792,163	511,942
Net assets		
Without donor restrictions	5,293,281	7,990,377
With donor restrictions	7,216,943	7,952,086
Total net assets	12,510,224	15,942,463
Total liabilities and net assets	**$ 13,302,387**	**$ 16,454,405**

See notes to financial statements.

CURIODYSSEY

STATEMENT OF ACTIVITIES

Year Ended September 30, 2020

(Summarized Financial Information for the Year Ended September 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Operating revenue				
Grants and contributions	$ 1,558,798	$ 641,344	$ 2,200,142	$ 1,264,595
Program service fees	181,101	-	181,101	623,972
Admissions	484,085	-	484,085	774,054
Membership	337,586	-	337,586	549,717
Facilities rentals	96,188	-	96,188	196,197
Net gift shop sales	69,128	-	69,128	118,026
Net investment return	54,735	34,236	88,971	41,349
Special events, net	-	-	-	211,993
Net assets released from restrictions	1,858,159	(1,858,159)	-	-
Total operating revenue	4,639,780	(1,182,579)	3,457,201	3,779,903
Operating expenses				
Program services	2,931,274	-	2,931,274	3,441,302
Supporting services	1,166,351	-	1,166,351	1,033,322
Total operating expenses	4,097,625	-	4,097,625	4,474,624
Change in net assets from operations	542,155	(1,182,579)	(640,424)	(694,721)
Capital campaign				
Contributions	-	447,436	447,436	1,366,686
Net investment income	-	-	-	123,532
Capital campaign expenses	(281,441)	-	(281,441)	(450,424)
	(281,441)	447,436	165,995	1,039,794
Loss on disposal of building plan	(2,933,810)	-	(2,933,810)	-
Loss on uncollectible contribution	(24,000)	-	(24,000)	(500,000)
Change in net assets	(2,697,096)	(735,143)	(3,432,239)	(154,927)
Net assets, beginning of year	7,990,377	7,952,086	15,942,463	16,097,390
Net assets, end of year	**$ 5,293,281**	**$ 7,216,943**	**$ 12,510,224**	**$ 15,942,463**

See notes to financial statements.

CURIODYSSEY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2020
(Summarized Comparative Information for the Year Ended September 30, 2019)

	Program Services						
	Wildlife Habitats	Programs/ Changing Exhibits	School Services/ Volunteers	Building and Grounds	Gift Shop	Community Outreach	Total Program Services
Salaries, taxes, and benefits	$ 573,275	$ 425,353	$ 242,778	$ 105,239	$ 76,815	$ 518,728	$ 1,942,188
Outside services	8,636	30,480	140	136,864	2,334	53,022	231,476
Supplies, equipment and exhibit rental	70,657	44,775	1,923	20,211	2,638	9,461	149,665
Contributed use of facilities	79,004	58,620	33,458	14,504	4,830	5,711	196,127
Office expense and mileage	726	26,242	3,711	17,522	3,422	10,617	62,240
Repairs and maintenance	9,600	633	2,066	24,758	1,382	5,120	43,559
Promotion and advertising	-	1,554	200	-	-	22,542	24,296
Printing and postage	283	2,353	172	(315)	260	6,215	8,968
Dues and subscriptions	31,594	94	662	-	-	5,511	37,861
Insurance	6,929	5,141	3,519	1,272	928	6,270	24,059
Telephone	5,016	3,466	2,230	2,057	599	3,857	17,225
Conferences and staff training	2,248	-	-	-	402	2,102	4,752
Gift shop cost of goods sold	-	-	-	-	63,320	-	63,320
Cost of direct benefit to donors	-	-	-	-	-	-	-
Depreciation	70,523	62,630	35,746	15,494	1,019	3,446	188,858
Total expenses by function	858,491	661,341	326,605	337,606	157,949	652,602	2,994,594
Less expenses included with revenues on the statement of activities							
Gift shop cost of goods sold	-	-	-	-	(63,320)	-	(63,320)
Cost of direct benefit to donors	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	**$ 858,491**	**$ 661,341**	**$ 326,605**	**$ 337,606**	**$ 94,629**	**$ 652,602**	**$ 2,931,274**

See notes to financial statements.

CURIODYSSEY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2020

(Summarized Comparative Information for the Year Ended September 30, 2019)

	Supporting Services					
	Management and General	Fundraising	Membership	Total Supporting Services	Total 2020	Total 2019
Salaries, taxes, and benefits	$ 427,682	$ 334,751	$ 87,017	$ 849,450	$ 2,791,638	$ 2,830,213
Outside services	76,692	115,309	5,400	197,401	428,877	571,840
Supplies, equipment and exhibit rental	3,994	1,887	265	6,146	155,811	261,034
Contributed use of facilities	4,710	3,685	958	9,353	205,480	205,216
Office expense and mileage	11,564	6,658	9,782	28,004	90,244	125,819
Repairs and maintenance	976	6,775	8,293	16,044	59,603	71,178
Promotion and advertising	-	2,832	-	2,832	27,128	46,863
Printing and postage	1,538	2,188	3,414	7,140	16,108	40,004
Dues and subscriptions	7,571	813	14	8,398	46,259	42,553
Insurance	12,597	4,046	1,052	17,695	41,754	37,577
Telephone	2,492	2,496	770	5,758	22,983	23,550
Conferences and staff training	3,290	9,193	-	12,483	17,235	21,447
Gift shop cost of goods sold	-	-	-	-	63,320	122,523
Cost of direct benefit to donors	-	-	-	-	-	70,125
Depreciation	2,844	2,225	578	5,647	194,505	197,330
Total expenses by function	555,950	492,858	117,543	1,166,351	4,160,945	4,667,272
Less expenses included with revenues on the statement of activities						
Gift shop cost of goods sold	-	-	-	-	(63,320)	(122,523)
Cost of direct benefit to donors	-	-	-	-	-	(70,125)
Total expenses included in the expense section on the statement of activities	**$ 555,950**	**$ 492,858**	**$ 117,543**	**$ 1,166,351**	**$ 4,097,625**	**$ 4,474,624**

See notes to financial statements.

CURIODYSSEY

STATEMENT OF CASH FLOWS

Year Ended September 30, 2020

(Comparative Information for the Year Ended September 30, 2019)

	2020	2019
Cash flows from operating activities		
Change in net assets	$ (3,432,239)	$ (154,927)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	195,553	197,330
Amortization of discount on contributed use of facility	(29,997)	(59,567)
Donated use of facilities	207,206	207,206
Loss on uncollectible contribution	24,000	500,000
Net realized and unrealized gain on investments	(61,197)	(33,781)
Loss on disposal of construction plan	2,933,810	-
Changes in operating assets and liabilities		
Grants and contributions receivable	1,834,359	133,564
Accounts receivable	44,404	16,938
Store inventories	(13,282)	26,292
Prepaid expenses	42,018	(2,354)
Accounts payable and accrued liabilities	196,965	53,420
Deferred revenue	83,256	12,903
Net cash provided by operating activities	2,024,856	897,024
Cash flows from investing activities		
Purchases of investments	(487,778)	(1,716,958)
Changes in restricted cash	(557,925)	993,850
Purchases of property and equipment	(1,018,818)	(91,922)
Net cash used in investing activities	(2,064,521)	(815,030)
Net change in cash and cash equivalents	(39,665)	81,994
Cash, cash equivalents, and restricted cash, beginning of year	308,441	226,447
Cash, cash equivalents, and restricted cashs, end of year	**$ 268,776**	**$ 308,441**

See notes to financial statements.

NOTE 1 – NATURE OF ORGANIZATION

CuriOdyssey (the "Organization") was founded in 1953 as a California non-profit corporation. The Organization is a science museum and zoo dedicated to providing early science, technology, engineering and math (STEM) education. Our mission is to inspire love for science and curiosity about the world to create a brighter future. With inquiry-based exhibits, animals and in-depth science programming, we are revolutionizing science education by harnessing children's innate curiosity about animals and nature, allowing them to explore and begin to understand natural laws. They think they are just having fun, but they are actually building the foundation of an early interest in science. Prior to the pandemic, nearly 200,000 children and families visited CuriOdyssey each year to observe our native California animals and experiment with scientific phenomena.

CuriOdyssey derives its support from generous individuals, corporations and foundations, as well as earned revenue from memberships, admissions, programs, and facility rentals. COVID-19, which necessitated 15 weeks of museum and zoo closures, impacted our earned revenue opportunities considerably. However, we received a number of emergency grants from private foundations, a First Draw Paycheck Protection Program (PPP) Loan administered by a Small Business Administration (SBA) approved partner, which was 100% forgiven subsequent to year end, and increased donations from caring community supporters.

NOTE 2 – BUILDING FOR OUR FUTURE

CuriOdyssey continues to look for ways to leverage our impact and expand the Organization's vision for early science learning. During the past year, we re-evaluated our facility needs. The board concluded that the building design previously presented would not adequately meet our updated mission and strategic goals. Working with a respected real estate development firm, we have begun planning for a campus concept that can be enhanced as we grow. We anticipate breaking ground in spring 2022 on the first of the series of buildings that will comprise the premier science education campus in the Bay Area. In addition, and in alignment with CuriOdyssey's commitment to diversity and equity, we will open *Whooosh!*, an inclusive playground, in summer 2021.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which reflects revenues when earned and expenses as incurred.

Comparative Financial Information
The financial statements include certain prior year summarized comparative 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 the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

Use of Estimates
Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses. Accordingly, actual results could differ from those estimates.

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

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for the combined campaign.

- *Net Assets with Donor Restrictions* – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents
The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowment or other long-term purposes are excluded from this definition.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable
Accounts receivable represent event receivables. Accounts receivable have been reviewed by management and it has been determined that there is no requirement for an allowance for doubtful accounts as of September 30, 2020.

Gift Shop Inventory
Gift shop inventory comprises program-related merchandise held for sale in the gift shop and is stated at the lower of cost or market determined by the first-in, first-out method. Management has evaluated inventory for obsolescence and determined no allowance was required as of September 30, 2020.

Grants and Contributions Receivable
The Organization records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities.

The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2020, the Organization deemed no allowance was required.

Investments
The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Property and Equipment
Property and equipment are stated at cost if purchased, or if donated, at fair value on the date of donation. The cost of assets purchased under $5,000 is charged to expense. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition
Contributions represent unconditional promises to give and are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Program fees include registration fees for education and wildlife classes and summer camp. Deposits received before a class or camp are deferred revenue and are recorded as refundable deposits.

Membership dues are recognized as earned upon receipt, as the estimated future costs for providing the membership services are minimal.

Store sales are recognized as revenue at the point of sale.

Revenues for facility rentals are earned as each event is held. Deposits received before an event is held are recorded as deferred revenue.

At September 30, 2020, the Organization had $525,000 of conditional grants for breaking ground for The Campaign for CuriOdyssey which will be recognized when the conditions on which they depend have been met.

The Organization was granted a $577,900 loan under the PPP administered by a SBA approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized $577,900 as grant revenue for the year ended September 30, 2020. The loan was forgiven in November 2020.

Donated Goods and Contributed Use of Long-lived Assets
Contributions of donated nonfinancial assets are recorded at their fair values in the period in which they are received. Contributions of the use of long-lived assets are recorded at their fair values, net of present value discount (see Note 6). The Organization received contributed nonfinancial assets valued at $43,846 for the year ended September 30, 2020, which are included as contributions on the statement of activities.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses
Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services based on square footage, facility usage, and number of employees.

Advertising
The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

Income Taxes
The Organization is organized as a not-for-profit organization exempt from income tax under provisions of Internal Revenue Code §501(c)(3). Management has analyzed the tax positions taken by the Organization, and has concluded that, as of September 30, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Recent Accounting Pronouncements
In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2015-14 one year, making it effective for annual reporting periods beginning after December 15, 2020. The Organization believes the impact of its pending adoption of the new standard on its financial statements will be minimal.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021. The Organization is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)
In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for years beginning after December 15, 2022, including interim periods within those years. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. These presentation changes include: 1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and 2) disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets with additional disclosures for each category presented. The amendments should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of this guidance on its financial statements.

Recently Adopted Pronouncements
During the year ended September 30, 2020, the Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of ASU 2018-08 did not have a material impact on the financial statements.

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 268,776
Accounts receivable	16,428
Financial assets available to meet cash needs For general expenditures within one year	**$ 285,204**

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments.

Additionally, CuriOdyssey has other assets that are designated for future capital expenditures and operating reserves. A portion of these assets, which are described in Note 6 (Capital Revolving), can be drawn upon, following management submission of a detailed request and board approval, for operating cash flow shortages within the next fiscal year. These assets are not reflected in the amounts above.

NOTE 5 – FINANCIAL INSTRUMENTS AND CREDIT RISK

The Organization manages deposit concentration risk by placing cash, and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, donors, and foundations supportive of our mission.

Investments are diversified and are managed by an independent investment advisor whose performance is monitored by Organization management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

At September 30, 2020, three donors comprised 90% of total grants and contributions receivable.

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENT

As defined in FASB Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses the market or income approach. Based on this approach, the Organization utilizes certain assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. For the years ended June 30, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent.

The basis of fair value for equity and bond funds differs depending on the investment. The following is a description of the valuation methodologies used for such instruments measured at fair value:

- *Equity Funds* – The basis of fair value for equity funds is market value based on quoted market prices; these are classified within Level 1 of the valuation hierarchy.

- *Bond Funds* – The fair value of bond funds is the market value based on quoted market prices; they are classified within Level 1 of the fair value hierarchy.

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

The breakdown of Level 1 investments as presented on the statement of financial position is as follows:

	Building Fund	Capital Revolving	Endowment	Total
Cash equivalents	$ 2,344,583	$ 2,433,733	$ 6,099	$ 4,784,415
Equity funds	-	-	431,000	431,000
Bond funds	-	-	446,020	446,020
Total	$ 2,344,583	$ 2,433,733	$ 833,119	$ 5,661,435

NOTE 7 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are for the following purposes and due as follows:

	Building Fund	Capital Revolving	Annual	Total
Less than one year	$ 781,481	$ 410,000	$ 1,000	$ 1,192,481
One to five years	750,000	2,060,000	-	2,810,000
	1,531,481	2,470,000	1,000	4,002,481
Less present value discount (3%)	(46,386)	(74,812)	(30)	(121,228)
Total	$ 1,485,095	$ 2,395,188	$ 970	$ 3,881,253

NOTE 8 – CONTRIBUTED USE OF FACILITIES

CuriOdyssey has an agreement with the Board of Supervisors of the County of San Mateo to operate for 30 years as of August 15, 1989. During the year ended June 30, 2002, this agreement was amended to extend the use to 2024. Title to the land, building, and exterior improvements are held by the County. The title to the Wildlife Habitats, Redwood Hall, exhibits, and personal property remains with CuriOdyssey until the termination of the aforementioned agreement. The Organization is not required to pay electricity, water, or rent to the County for use of the facilities, but is responsible for interior maintenance of the building and operation of the programs.

NOTE 8 – CONTRIBUTED USE OF FACILITIES (Continued)

The fair market value of the rent at the date of the promise to give use of the facilities was $207,206 per year and is recorded in contributed use of facilities in the accompanying statement of functional expenses. For the year ended September 30, 2020, $29,997 of the unamortized discount was realized as contributed facilities.

The Organization signed a new ground lease with County of San Mateo in May 2016. The updated lease will commence from the date of the issuance of a building permit and will expire on the thirtieth (30th) anniversary of the Certificate of Occupancy, with the option to extend the lease for two (2) additional fifteen (15) year terms. As of the audit report date, this lease has not gone into effect.

Receivable in less than one year	$ 207,206
Receivable in one to five years	362,611
	569,817
Less present value discount (4 – 8%)	(37,923)
	$ 531,894

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2020, consists of the following:

Wildlife habitats	$ 4,813,760
Building improvements	1,273,092
Office furniture and equipment	531,248
Redwood Hall and related equipment	243,448
	6,861,548
Less: accumulated depreciation	(6,045,112)
	6,816,436
Construction in progress	1,026,085
	$ 1,842,521

The CuriOdyssey building was constructed on land owned by the County of San Mateo. The Organization paid a portion of the cost of construction. The CuriOdyssey building contains the offices, classrooms, Redwood Hall, and exhibits. The Wildlife Habitats were built adjacent to the building on land also owned by the County of San Mateo. The construction of the Wildlife Habitats was financed entirely by contributions to the Organization.

NOTE 9 – PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was $195,553 for the year ended September 30, 2020.

During the year ended September 30, 2020, CuriOdyssey wrote off a total of $2,933,810 construction in progress due to disposal of previous renovation plan.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, 2020, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose	
Capital campaign – renovation	$ 3,370,048
Subject to the passage of time	
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	2,431,883
Donated use of facilities	531,894
	2,963,777
Subject to the Organization's spending policy and appropriation	
Endowment funds restricted in perpetuity	883,119
Total net assets with donor restrictions	**$ 7,216,943**

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors are as follows for the year ended September 30, 2020:

Satisfaction of purpose restrictions	
Public programs	$ 143,700
School services	225,558
Wildlife	84,289
Capital campaign – renovation	281,165
	734,712
Expiration of time restrictions	1,123,447
Endowment earnings appropriated	-
	$ 1,858,159

NOTE 11 – ENDOWMENT

The Organization's Endowment is comprised of donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed and time restrictions.

The Board of Directors of the Organization has interpreted the California enacted Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the endowment as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 11 – ENDOWMENT (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate funds for distribution:

(1) The duration and preservation of the fund
(2) The purpose of the Organization 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 the Organization
(7) The investment policies of the Organization

As of September 30, 2020, endowment net assets with donor restrictions composition by type of fund are as follows:

Donor-restricted endowment fund	
Original donor-restricted gift	$ 876,211
Accumulated investment gains	6,908
Balance, end of year	**$ 883,119**

From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There are no deficiencies of this nature reported in net assets as of the year ended September 30, 2020.

*Investment and Spending Polic*ies
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, endowment assets are invested in a manner that is intended to produce results that exceed the spending rate policy while assuming a moderate level of investment risk. To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy, in which investment returns are achieved through both capital appreciation and current yield. The Organization targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The annual withdrawal is expected to be in the range of 2% to 6% calculated on the basis of market values determined quarterly and averaged over a period of the three years immediately preceding the year in which the withdrawal is made. For the year, a 6% withdrawal was approved.

NOTE 11 – ENDOWMENT (Continued)

Changes in endowment net assets with donor restrictions for the year ended September 30, 2020 are as follows:

Balance, beginning of year	$ 848,883
Net investment return	34,236
Appropriation of endowment assets pursuant to spending rate policy	-
Balance, end of year	**$ 883,119**

The Organization has adopted an investment policy, approved by the Board of Trustees, which attempts to provide a predictable stream of funding available for the purposes of the endowment while also maintaining the purchasing power of the endowment assets over the long term. Endowment assets are invested in a diversified portfolio of bond and equity mutual funds selected by an independent investment advisor and is included in Restricted Investments in the Statement of Financial Position.

NOTE 12 – RETIREMENT PLAN

The Organization has a Non-ERISA tax-deferred retirement plan under Section 403(b) of the Internal Revenue Code which covers all employees at least 21 years of age. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization did not make any employer contributions during the year ended September 30, 2020.

NOTE 13 – OPERATING LEASES

The Organization has entered into certain noncancelable lease agreements for office equipment expiring through July 2022. Rent expense totaled $7,632 for the year ended September 30, 2020.

Future minimum lease payments under noncancelable operating leases as of the year ended September 30, 2020 are as follows:

2021	$ 5,826
2022	2,370
	$ 8,196

NOTE 14 – SUBSEQUENT EVENTS

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may have an impact on CuriOdyssey's operations. CuriOdyssey expects uncertainties to continue to evolve depending on the duration and degree of impact associated with the COVID-19 pandemic. CuriOdyssey is closely monitoring its liquidity and actively working to minimize the impact of the pandemic on its operations.

Management has evaluated subsequent events through March 10, 2021, the date on which the financial statements were available to be issued, and determined there was one subsequent events to be reported:

- In November 2020, CuriOdyssey received full forgiveness of the First Draw PPP Loan of $577,900.

- In December 2020, CuriOdyssey received grants totaling $495,000 for a pilot program called CuriOdyssey's STEMCorps, which seeks to fundamentally change how children, especially for those furthest from opportunity, engage with and learn science. STEMCorps will rely on a CuriOdyssey-trained corps of primarily BIPOC (Black, Indigenous and People of Color) educators, caregivers, and partners who are empowered to deliver STEM education to students most in need in our community.

- In February 2021, CuriOdyssey received a Second Draw PPP Loan of $530,930. The loan terms are similar to those of the First Draw PPP Loan (see Note 3).

- CuriOdyssey was closed to the public for 10 weeks from December 2020 to mid-February 2021, due to state imposed COVID-19 restrictions.