

**Texas State Aquarium  
Association**

***Consolidated Financial Statements  
& Independent Auditors' Report***

**For the Year Ended  
December 31, 2020**



**GOWLAND, STREATLY, MORALES & COMPANY, PLLC**

**Certified Public Accountants**

## TABLE OF CONTENTS

	<u>PAGE NO.</u>
Certificate of Board of Directors	1
Independent Auditors' Report	2-3
<b><u>FINANCIAL SECTION</u></b>	
Financial Statements:	
Consolidated Statement of Financial Position	4-5
Consolidated Statement of Activities	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Functional Expenses	8
Notes to Financial Statements	9-27
<b><u>SUPPLEMENTARY SECTION</u></b>	
Independent Auditor's Report on Supplementary Information	28
Consolidating Statements of Financial Position	29
Consolidating Statements of Activities	30

**CERTIFICATE OF BOARD**

**APPROVAL OR DISAPPROVAL OF AUDIT REPORT**

**TEXAS STATE AQUARIUM ASSOCIATION**

I, \_\_\_\_\_, Chairperson of the Finance Committee of the Board of Directors of Texas State Aquarium Association, do hereby certify that this accompanying audit report for fiscal year ended December 31, 2020 from Gowland, Streaty, Morales & Company, A Professional Limited Liability Company, was reviewed and \_\_\_\_\_ approved / \_\_\_\_\_ disapproved at a meeting of the Finance Committee held on the \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Chairperson, Finance Committee

\_\_\_\_\_  
Date



5934 S. Staples St. Ste. 201  
Corpus Christi, TX 78413  
Telephone: (361) 993-1000  
Fax: (361) 991-2880

GOWLAND, STREALY, MORALES & COMPANY, PLLC  
Certified Public Accountants

---

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Texas State Aquarium  
Corpus Christi, Texas

We have audited the accompanying consolidated financial statements of Texas State Aquarium Association (a non-profit organization) and affiliates, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal

control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Texas State Aquarium Association and affiliates as of December 31, 2020, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Texas State Aquarium 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 12, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Gowland, Strealy, Morales & Company, PLLC  
Certified Public Accountants

Corpus Christi, Texas  
December 3, 2021

## FINANCIAL SECTION

TEXAS STATE AQUARIUM ASSOCIATION  
Consolidated Statements of Financial Position  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 1,263,058	\$ 1,459,200
Cash and Cash Equivalent - Donor Restricted	2,316,308	2,220,327
Investments:		
Without Donor Restrictions	2,534,660	2,942,925
Trade and Other Receivables	215,990	328,887
Inventories	33,295	53,952
Prepaid Assets	176,766	182,644
Total Current Assets	<u>6,540,077</u>	<u>7,187,935</u>
Note Receivable	<u>6,990,000</u>	<u>6,990,000</u>
Pledges Receivable, restricted to purchase of property and equipment, net	<u>9,130,659</u>	<u>5,148,981</u>
Endowment Assets		
Cash and Cash Equivalents	-	-
Investments	4,235,479	3,858,986
Total Endowment Assets	<u>4,235,479</u>	<u>3,858,986</u>
Property and Equipment	117,214,103	116,555,342
Less: Accumulated Depreciation	<u>(57,779,039)</u>	<u>(54,142,171)</u>
Total Property and Equipment, Net	<u>59,435,064</u>	<u>62,413,171</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>86,331,279</u></b>	<b>\$ <u>85,599,073</u></b>

The accompanying notes are an integral part of the financial statements.

TEXAS STATE AQUARIUM ASSOCIATION  
Consolidated Statements of Financial Position  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 264,522	\$ 362,647
Accrued Payables	612,436	553,409
Deferred Income	25,000	58,231
Notes Payable - Current	1,257,927	1,142,508
Total Current Liabilities	<u>2,159,885</u>	<u>2,116,795</u>
Long-Term Debt:		
Notes Payable	<u>25,217,378</u>	<u>26,441,277</u>
Total Liabilities	<u>27,377,263</u>	<u>28,558,072</u>
Net Assets:		
Without Donor Restrictions	11,767,988	13,038,703
With Donor Restrictions	47,186,028	44,002,298
Total Net Assets	<u>58,954,016</u>	<u>57,041,001</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>86,331,279</u></b>	<b>\$ <u>85,599,073</u></b>

The accompanying notes are an integral part of the financial statements.



TEXAS STATE AQUARIUM ASSOCIATION  
Consolidated Statements of Activities  
For the Year Ended December 31, 2020  
With Summarized Information for the Year Ended December 31, 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Summarized Totals
<b>SUPPORT AND REVENUE</b>				
Admissions	\$ 3,189,943	\$ -	\$ 3,189,943	\$ 7,596,223
Gift Shop Sales	495,845	-	495,845	885,700
Programs	2,972,937	-	2,972,937	3,425,365
Gifts and Donations	522,706	-	522,706	298,563
In-Kind Donations	78,792	-	78,792	120,942
Parking	269,851	-	269,851	-
Education Programs	151,419	-	151,419	799,525
Memberships	795,401	-	795,401	1,197,317
Concessions	993,773	-	993,773	2,351,976
Vending, Rentals & Other	1,857,576	-	1,857,576	576,259
Investment Income	472,489	69,900	542,389	516,955
Net Unrealized Gain/(Loss) in Investment	-	264,998	264,998	513,673
Restricted Donations	-	6,110,836	6,110,836	3,605,077
Net Assets Released From Restrictions	132,832	(132,832)	-	-
Total Support and Revenue	<u>11,933,564</u>	<u>6,312,902</u>	<u>18,246,466</u>	<u>21,887,575</u>
<b>EXPENSES</b>				
Program services				
Education	386,203	-	386,203	699,486
Curatorial	3,444,449	-	3,444,449	3,410,084
Other Program Services	6,413,322	-	6,413,322	8,541,963
Total Program Services	<u>10,243,974</u>	<u>-</u>	<u>10,243,974</u>	<u>12,651,533</u>
Supporting Services				
Management and General	1,973,423	-	1,973,423	2,221,977
Endowment & Reserve	40,847	-	40,847	43,170
Fundraising	288,462	-	288,462	791,369
Total Supporting Services	<u>2,302,732</u>	<u>-</u>	<u>2,302,732</u>	<u>3,056,516</u>
Total Operating Expenses (before Depreciation & Gains/Losses)	<u>12,546,706</u>	<u>-</u>	<u>12,546,706</u>	<u>15,708,049</u>
Increase (Decrease) in Net Assets Before Depreciation & Gains/Losses	(613,142)	6,312,902	5,699,760	6,179,526
Depreciation Expense	(3,768,067)	-	(3,768,067)	(4,478,743)
Net gain (loss) on Disposal of Assets	(18,678)	-	(18,678)	(3,097)
Increase (Decrease) in Net Assets	(4,399,887)	6,312,902	1,913,015	1,697,686
NET ASSETS, beginning of year	<u>44,002,298</u>	<u>13,038,703</u>	<u>57,041,001</u>	<u>55,343,315</u>
NET ASSETS, end of year	<u>\$ 39,602,411</u>	<u>\$ 19,351,605</u>	<u>\$ 58,954,016</u>	<u>\$ 57,041,001</u>

The accompanying notes are an integral part of the financial statements.

TEXAS STATE AQUARIUM ASSOCIATION  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Not Increase (Decrease) in Total Net Assets	\$ 1,913,015	\$ 1,697,686
Adjustments to reconcile net increase in total net assets to cash provided (used) by operating activities:		
Noncash Revenues and Expenses Included in Net Income:		
Depreciation	3,768,067	4,649,702
Loss on Sale of Fixed Assets	18,678	3,097
Net Unrealized (Gain)/Loss on Investments	(264,998)	(513,673)
Changes in Operating Assets & Liabilities:		
(Increase) Decrease in:		
Pledge and Other Receivables	(3,868,781)	(797,618)
Inventory	20,657	(12,951)
Other Current Assets	5,878	(51,259)
Increase (Decrease) in:		
Accounts Payable and Accrued	(39,098)	232,541
Deferred Income	(33,231)	(103,411)
Net Cash Provided (Used) by operating activities	<u>1,520,187</u>	<u>5,104,114</u>
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	449,062	1,329,313
Purchase of Investments	(152,292)	(1,173,332)
Capital Expenditures	(790,130)	(643,213)
Net cash provided (used) by investing activities	<u>(493,360)</u>	<u>(487,232)</u>
Cash Flows from financing activities:		
Proceeds from incurrence of Long Term Debt	-	-
Principal Payments on Debt	(1,108,480)	(2,292,201)
Net cash provided (used) in financing activities	<u>(1,108,480)</u>	<u>(2,292,201)</u>
Not increase (decrease) in cash	(81,653)	2,324,681
Cash and Cash Equivalents - Beginning of Year	3,679,527	1,354,846
Cash and Cash Equivalents - End of Year	<u>\$ 3,597,874</u>	<u>\$ 3,679,527</u>
Supplemental Data:		
Interest Paid	<u>\$ 628,060</u>	<u>\$ 702,049</u>

The accompanying notes are an integral part of the financial statements.

TEXAS STATE AQUARIUM ASSOCIATION  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Texas State Aquarium	Friends of TSA	TSA Beverage Services	Total
Salaries	\$ 6,122,596	\$ -	\$ -	\$ 6,122,596
Fringe benefits	1,144,085	-	-	1,144,085
Contract Services	374,021	-	-	374,021
Advertising	870,616	-	-	870,616
Bank and Credit Card Fees	40,847	346	-	41,193
Building Occupancy	1,175,853	-	-	1,175,853
Concessions Expenses	343,390	-	9,498	352,888
Contributions	-	69,900	-	69,900
Dues & Subscriptions	43,795	-	-	43,795
Educational Programming	12,303	-	-	12,303
Equipment Charges	174,822	-	-	174,822
Fees, Permits & Royalties	287,654	-	20,537	308,191
Animal Care	248,492	-	-	248,492
Repairs & Maintenance	247,230	-	-	247,230
Supplies	197,742	-	831	198,573
Telephone	47,312	-	-	47,312
Travel	43,827	-	-	43,827
Printing & Postage	160,036	-	-	160,036
Skill Development	46,241	-	110	46,351
In-Kind Expenditures	78,792	-	-	78,792
Interest Expense	628,060	-	-	628,060
Professional services	120,630	-	-	120,630
Other	52,718	-	4,930	57,648
Uniforms	15,551	-	-	15,551
Special Events	33,841	-	-	33,841
Total Functional Expenses Before Depreciation & Gain/Losses	12,510,454	70,246	35,906	12,616,606
Depreciation	3,767,569	-	498	3,768,067
Loss on Disposal of Assets	18,678	-	-	18,678
Total Functional Expenses	\$ 16,296,701	\$ 70,246	\$ 36,404	\$ 16,403,351

See Independent Auditor's Report on Supplementary Information.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Texas State Aquarium Association (the Aquarium) operates an aquarium facility located in Corpus Christi, Texas. The Aquarium is organized as a non-profit Texas corporation and qualifies as a tax-exempt organization under Code Section 501(c)(3) of the Internal Revenue Service Code. In addition to live marine exhibits, the Aquarium provides educational programs concerning marine habitats of the Texas Gulf Coast area. The Aquarium's primary revenues include admission fees, retail sales, and program fees. Other revenue sources include grants, gifts, and parking fees. TSAABSA Beverage Services Association ("TSAABSA"), a wholly-owned subsidiary of the Aquarium, operates as a liquor catering company for patrons of the Aquarium as well as the general public.

Friends of the Texas State Aquarium (FTSA) was organized in December 2014 by the Aquarium as a Texas Nonprofit Corporation to facilitate the construction of a new facility for use by the Aquarium. Both organizations are under common control, since board members of the Aquarium comprise a majority of the Board of Trustees of FTSA and, accordingly, are combined in these financial statements.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Consolidation

The consolidated financial statements as of and for the year ended December 31, 2020 and 2019, include the accounts of The Aquarium, the TSAABSA and FTSA (collectively, "the Aquarium"). All significant inter-organizational transactions and balances have been eliminated.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Financial Statement Presentation

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization implemented this new standard for the year ended December 31, 2019.

Under ASU No. 2016-14, the Organization is required to report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- Net Assets Without Donor Restrictions – These resources are available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application of tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- Net Assets With Donor Restrictions – These resources are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Capitalization Policy

Purchases of \$2,500 and an estimated useful life span of greater than one year are capitalized. Any purchases of less than \$2,500 are expensed.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Allowance for Doubtful Accounts

In the opinion of management, substantially all receivables are collectible in full; therefore, no allowance for doubtful accounts is provided.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense for the years ended December 31, 2020 and 2019 was \$870,616 and \$1,096,659, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Federal Income Taxes

The Aquarium, TSAABSA and FTSA are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Aquarium's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Aquarium and FTSA qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations other than a private foundation under Section 509(a)(2). As of December 31, 2020 and 2019, there were no material uncertain tax positions.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in financial institutions and highly liquid investments with maturity dates of less than three months.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Investments

Investments are carried at fair value, which is based on quoted market prices at December 31, 2020 and 2019.

	2020	2019
<b>Without Donor Restrictions</b>		
Cash/Money Accounts	\$ 2,547,957	\$ 2,956,568
Certificates of Deposit/ Equivalents	12,500	12,500
	<u>\$ 2,560,457</u>	<u>\$ 2,969,068</u>
<b>With Donor Restrictions</b>		
Cash/ Money Accounts	\$ 555,141	\$ 152,592
Stock Equities	550,352	808,416
Stock Funds	1,597,844	1,924,308
Bond Funds	380,026	430,913
Exchange Traded Funds	1,152,116	542,757
Total	<u>\$ 4,235,479</u>	<u>\$ 3,858,986</u>

Contributions

Contributions received are recorded as Without Donor Restrictions and With Donor Restrictions depending on the existence of any donor restrictions. All donor-restricted support is reported as an increase in With Donor Restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), With Donor Restricted net assets are reclassified to Without Donor Restricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give

The Aquarium receives pledges, or promises to give, for contributions extending over several years. Contributions are recognized when the donor makes a promise to give to the Aquarium that is, in substance, unconditional. Donor-restricted promises to give are reported as increases in With Donor Restrictions net assets. When a restriction expires, With Donor Restrictions net assets are reclassified to Without Donor Restrictions net assets and shown as net assets released from restrictions. The Aquarium uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made. Conditional promises to give are recognized only when the condition on which they depend are substantially met and the promises become unconditional.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Unconditional promises to give as of December 31, 2020 and 2019 are due as follows:

	2020	2019
Pledges receivable	\$ 9,608,063	\$ 5,419,980
Less: Allowance for Uncollectible		
Promises Receivable	(96,081)	(54,200)
Unamortized discount	(381,323)	(216,799)
Total Unconditional Promises to Give, Net	\$ 9,130,659	\$ 5,148,981
Amounts due in:		
Less than one year	\$ 334,413	\$ 971,007
One to four years, net of discount	8,796,246	4,177,974
Total Unconditional Promises to Give, Net	\$ 9,130,659	\$ 5,148,981

Unconditional promises to give receivable due in more than one year are discounted at 4.0% for 2020 and 4.0% for 2019.

Note Receivable

The note receivable, totaling \$6,990,000 as of December 31, 2020 and 2019, is reported at its outstanding balance and is considered to be fully collectible. Accordingly, no allowance for doubtful accounts has been provided. In making that determination, management evaluated the financial condition of the borrower, the estimated value of the underlying collateral, and the economic conditions. Interest on the note receivable is recognized over the term of the note receivable and is calculated using the simple-interest method on principal amounts outstanding.



**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Contributed Services

The Aquarium received an estimated 14,113 hours of donated services during the year ended December 31, 2020 and 45,152 hours during the year ended December 31, 2019. A significant amount of those donated services are not reflected in the financial statements because they do not meet the criteria for recognition of such volunteer efforts under SFAS No. 116. Volunteer services of a specialized nature are valued at estimated market values and are recorded at the time of contribution. Other contributions of services or materials are recorded at estimated market value at the time of contribution. For the years ended December 31, 2020 and 2019, the Aquarium recognized \$76,715 and \$90,243, respectively, for donated services. The amounts are included in unrestricted support and expense.

Inventories

Inventories consist of concession items and are stated at the lower of cost or market determined by the first-in first-out method.

Membership Fees

The Aquarium sells annual memberships entitling the purchaser to unlimited admission during the year as well as discounts on gifts and special events. Fees for memberships are recognized as revenue in the period to which they relate.

Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition, except for certain donated items. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Aquarium reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. At that time, the Aquarium reclassifies temporarily restricted net assets to unrestricted net assets. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset.

**Note 2 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**Note 3 - WITH DONOR RESTRICTIONS NET ASSETS**

With Donor Restrictions net assets are available for the following purposes:

	2020	2019
To provide educational activities	\$ 85,747	\$ 155,965
To support the Texas State Aquarium Library	18,014	18,014
Gloria Hicks Endowment (Interest)	16,826	14,251
Hurricane Harvey Staff Relief	59,109	61,452
Texas State Aquarium Endowment (Appreciation)	1,768,904	1,479,172
To provide for curatorial program services	781,440	1,062,159
Construction of Center for Conservation	8,281,720	2,624,643
Use of Land and Building	<u>6,950,820</u>	<u>6,097,466</u>
 Total	 <u>\$ 17,962,580</u>	 <u>\$ 11,513,122</u>

**Aquarium's Endowment**

The Aquarium's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including any funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Aquarium has interpreted the Texas Prudent Management of Institutional Funds Act (TPMIFA) 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 Aquarium classifies 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 Aquarium in a manner consistent with the standard of prudence prescribed by TPMIFA. In accordance with TPMIFA, the Aquarium considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

the appreciation of investments, (6) other resources of the Aquarium, and (7) the Aquarium's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies.* The Aquarium has adopted investment policies, approved by the Board of Trustees, for endowment assets that can be used to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds an annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. Therefore, the Aquarium expects its endowment assets, over time, to produce an average rate of return. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy.* The nature of the endowment fund is that the corpus is to remain invested in perpetuity, and managed by the TSA Investment Committee, under the governance of the TSA Executive Committee. Based on the desire to increase the size of the endowment, every effort will be made to reinvest earned income until such time as the Trustees feel the endowment has reached a certain minimum level. Capital appreciation, or gain in the fund will remain as part of the fund corpus.

On an annual basis, the TSA staff and Executive Committee evaluates current needs and cash flow projections, and may make recommendations in terms of dispersal of earnings. A decision to utilize the annual earned income may be made by a majority vote of the Executive Committee. Any decision to use any of the fund in addition to a given years earned income needs the approval of the majority of the Trustees.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Endowment Net Asset Composition by Type of fund as of December 31, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds:			
TSA Endowment Fund	\$ -	\$ 3,356,822	\$ 3,356,822
Gloria Hicks Endowment Fund	-	80,526	80,526
Board-designated Endowment Funds	498,876	-	498,876
Total Funds	<u>\$ 498,876</u>	<u>\$ 3,437,348</u>	<u>\$ 3,936,224</u>

Changes in endowment net assets as of December 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beg. of year	\$ 476,723	\$ 3,059,874	\$ 3,536,597
Contributions	22,153	1,000	23,153
Investment income		133,815	133,815
Investment expense		(40,847)	(40,847)
Education Programs expense		-	-
Net appreciation (depreciation)		283,506	283,506
Amounts appropriated for expenditure		-	-
Endowment net assets, end of year	<u>\$ 498,876</u>	<u>\$ 3,437,348</u>	<u>\$ 3,936,224</u>

In 2009, the Board of Trustees approved yearly 20% allocations of unrestricted donations to an Endowment fund within the category of Without Donor Restrictions. The endowment allocation for 2020 was \$22,153 and is reported as a Board-designated endowment fund within the Without Donor Restrictions category.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Endowment Net Asset Composition by Type of Fund as of December 31, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds:			
TSA Endowment Fund	\$ -	\$ 2,979,072	\$ 2,979,072
Gloria Hicks Endowment Fund	-	80,801	80,801
Board-designated Endowment Funds	476,724	-	476,724
Total Funds	\$ 476,724	\$ 3,059,873	\$ 3,536,597

Changes in endowment net assets as of December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 448,648	\$ 2,361,336	\$ 2,809,984
Contributions	28,075	-	28,075
Investment income	-	237,097	237,097
Investment expense	-	(43,170)	(43,170)
Education Programs expense	-	(455)	(455)
Net appreciation (depreciation)	-	505,066	505,066
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	\$ 476,723	\$ 3,059,874	\$ 3,536,597

In 2009, the Board of Trustees approved yearly 20% allocations of unrestricted donations to an Endowment Fund within the category of Without Donor Restrictions. The endowment allocation for 2019 was \$28,075 and is reported as a Board-designated endowment fund with the Without Donor Restricted category.

*Funds with Deficiencies.* From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or TPMIFA requires the Aquarium to retain as a fund of perpetual duration. Deficiencies of this nature are reported in Without Donor Restricted net assets. Deficiencies result from unfavorable market fluctuations. There were no deficiencies at December 31, 2020 or 2019.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**Note 4 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes by donors as follows:

	2020	2019
Educational Activities	\$ 39,352	\$ 75,618
Gloria Hicks Endowment	50	505
Construction of Center for Conservation	42,616	-
Use of Land and Building	7,221	-
TSA Endowment Investment expense	40,797	-
Hurricane Harvey Relief - Staff assistance	2,343	-
Curatorial Program Services	53,058	56,709
Total	<u>\$ 185,437</u>	<u>\$ 132,832</u>

**Note 5 - PROPERTY AND EQUIPMENT**

Presentation of Building

The Aquarium constructed its primary operating facility for approximately \$24.2 million. The City of Corpus Christi, Texas (the City) provided approximately \$11 million of support to the Aquarium in exchange for title to the building. In addition, the City purchased land valued at approximately \$2 million from third parties for the benefit of the Aquarium. The City will provide the facility to the Aquarium at no cost for a period of thirty years. The Aquarium is responsible for all expenses relating to operating, maintaining, and insuring the building. The Aquarium characterizes the \$13 million in support provided by the City as an unconditional promise to give the use of long-lived assets. The contribution made by the City is reported in the financial statements as land and building and amortized over thirty years with the net value treated as a temporarily restricted asset. The remaining value of the building is carried at original cost and is being depreciated over a thirty-year life.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Presentation of Certain Other Assets

On March 1, 1996, the City issued \$4,400,000 in Combination Tax and Texas State Aquarium Revenue Certificates of Obligation. In exchange for proceeds from the issue, the City assumed title to a portion of land the Mobile Aquarium, the Wildlife Rescue Center, and the Turtle Exhibit. The Aquarium leased these items from the City and agreed to repay the bond amounts issued by the City, to continue to operate the exhibits and maintain the property.

The Aquarium characterizes the full amount of the bonds issued as a note payable to the City. The exchanged assets remain on the Aquarium's books as capital lease assets.

Presentation of Parking Facility

The Aquarium and City agreed to make Improvements to land adjoining the Aquarium to provide parking for visitors. The Aquarium agreed to repay bonds issued by the City for improvements and entered into a 5-year lease agreement to operate the parking facilities. The lease provides for annual payments of principal and interest plus fifty percent of the revenues exceeding \$400,000. The Aquarium characterized the parking lot improvements as a note payable to the City. The parking lot improvements are carried on the Aquarium's books at original cost.

The following is a summary of property and equipment as of December 31, 2020 and 2019:

	2020	2019
Land	\$ 3,556,740	\$ 3,556,740
Building	99,283,773	99,267,218
Parking Facility	1,648,915	1,582,175
Furniture and Equipment	1,324,056	1,358,003
Machinery and Tanks	3,789,979	3,569,518
Exhibits	6,942,016	6,942,237
Animals	-	-
Construction in Progress	541,317	152,144
Other	127,307	127,307
Total	117,214,103	116,555,342
Less Accumulated Depreciation/Amortization	57,779,039	54,142,171
Total	\$ 59,435,064	\$ 62,413,171

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Depreciation/Amortization expense is computed on a straight-line basis over the estimated useful lives or lease term of the assets amounted to \$3,766,067 and \$4,478,743 respectively, for 2020 and 2019. Useful lives/lease terms are as follows:

Land (Amortization)	30 years
Buildings	20 - 30 years
Parking Facility	19 years
Furniture and Equipment	10 years
Office Equipment	5 years
Machinery and Tanks	10 - 20 years
Exhibits	10 years
Animal and Other	5 years

**Note 6 - NOTE RECEIVABLE**

In January, 2015, FTSA entered into an agreement to lend \$6,990,000 to Twain Investment Fund 43, LLC (the "investment fund") owned by U.S. Bancorp Community Development Corporation (USBCDC), it's 100% member. The note is secured by USBCDC's equity interest in TMF Sub-CDE XXII, LLC, a community development entity which provides financing and monitoring for qualified low-income investments and related new markets tax credits ("NMTC") under Section 450 of the Internal Revenue Code of 1986, as amended. The interest rate on the note is fixed at 1.0%. Interest is payable quarterly beginning March 2016. All principal and unpaid interest is due and payable on January 31, 2045. In the year ended December 31, 2019 and 2018, interest earned amounted to \$69,900 and \$69,900, respectively. There are no payments of principal due on the note until December 2021.

**Note 7 - BRIDGE LOAN**

The Aquarium has a construction bridge loan available with The Ed Rachal Foundation of up to \$30,000,000 to provide financing for the construction, furniture, and fixtures including exhibits cost for the new Caribbean Wing construction project. As of December 31, 2020, \$16,575,255 was outstanding on this line of credit. As of December 31, 2019, \$17,683,736 was outstanding on this line of credit.



**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Note 8 - NOTES PAYABLE AND LONG-TERM DEBT

New Markets Tax Credits Notes Payable

In January 2015, the Aquarium, a Qualified Active Low-Income Community Business, executed secured loan agreements to borrow \$6,990,000 and \$2,910,050 from TMF Sub-COE XXII, LLC to finance the construction of a new Caribbean Wing expansion project. These loans are secured by, among other things, that certain Leasehold Deed of Trust (Security Agreement, Assignment of Rents and Leases and Financing Statement).

Under the terms of the loan agreement, each loan has an interest rate of 1.38% per annum, payable quarterly, beginning March 2016, and the principal balance is due in its entirety on the stated maturity dates. The Aquarium is not permitted to prepay any portion of the loans in whole or in part until the seventh anniversary of the loans.

The loan agreements are intended to be treated as a "qualified low-income community investment" and generate new markets tax credits for TMF Sub-COE XXII, LLC. Accordingly, in conjunction with the financing, the Aquarium entered into an indemnification agreement with USBCDC for costs incurred or valued lost as a result of a recapture event as defined in Section 45D (g) of the Internal Revenue Code of 1986, as amended.

Additionally, the FTSA entered into a put agreement (put) or fair value (call) with USBCDC to buy Twain Investment Fund 43, LLC (See Note 6 and Note 9) for \$1,000 at the end of the seven-year NMTC investment period. Should such put be exercised, FTSA would also own TMF-Sub-COE XXII, LLC and its primary assets, the secured notes from the Aquarium.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

A summary of the New Market Tax Credit notes payable is as follows:

	<u>2020</u>	<u>2019</u>
Note payable to TMF sub-CDE XXII, LLC, matures of January 31, 2045, with principal payments commencing in December 2021.	\$ 6,990,000	\$ 6,990,000
Note payable to TMF Sub-CDE XXII, LLC, matures on January 31, 2045, with principal payment commencing in December 2021	<u>2,910,050</u>	<u>2,910,050</u>
Total New Markets Tax Credits (NMTC) Note Payable	<u>\$ 9,900,050</u>	<u>\$ 9,900,050</u>

There are no payments of principal due on the above notes until December 2021.

**Note 9 - NEW MARKETS TAX CREDIT PROJECT**

In the fiscal year 2016, the Aquarium began construction and development of a 65,000-square foot expansion of its existing building.

In connection with the Aquarium's efforts to construct the new addition, it determined that it would be financially beneficial to participate in a New Market Tax Credit (NMTC) program.

To facilitate utilizing the NMTC program, the Aquarium organized Friends of the Texas State Aquarium (FTSA), a Texas nonprofit corporation. Both organizations are under common control, since board members of the Aquarium comprise a majority of the Board of Trustees of FTSA. In January 2015, in connection with the Aquarium's efforts to obtain supplemental financing for the construction of the new facility, FTSA partnered with U.S. Bancorp Community Development Corporation (USBCDC) to obtain additional funding for the facility.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must, in turn, be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39% of the cost of the investment and the credit is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

As part of the NMTC program, FTSA entered into an agreement on January 27, 2015 to lend \$6,990,000 to the U.S. Bancorp Community Development Corporation Twain Investment Fund 43, LLC (the "Investment Fund"). The interest rate on the note is fixed at 1.000% per annum. USBCDC made a capital contribution of \$3,315,000 to the Investment Fund as its 100% member. The Investment Fund then made an equity investment in the amount of \$10,000,000 in TMF Sub-CDE XXII, LLC (CDE), a Texas limited liability company, which is intended to qualify as a "qualified equity investment" (a QEI). On January 27, 2015, substantially all of the proceeds received by CDE were then loaned to the Aquarium in the form of two promissory notes: Note A for \$6,990,000 and Note B for \$2,910,050 (to be used for construction and development of the new addition). Both notes have a fixed rate of 1.38235% per annum.

After a seven-year period, during which tax credits are earned and paid to the investor group, FTSA can then exercise its option to purchase the Investment Fund for \$1,000. Once FTSA acquires the Investment Fund, FTSA can cancel the notes payable of \$6,990,000 and \$2,910,000 owed by the Aquarium.

**Note 10 - RETIREMENT PLAN**

The Aquarium sponsors a Section 403 (b) salary reduction retirement plan that covers all full-time employees employed on a regular basis and certain regular part-time employees. For those eligible employees who elect to contribute to the plan, the Aquarium will match 100% of the employee's contribution, up to a maximum of 5% of base earnings. Employees may contribute up to \$19,500 per year (26,000 per year if employee is age 50 or over).

The vesting plan provides for 100% vesting after one year of regular full-time or eligible regular part-time employment. The vesting schedule applies only to the matching funds contributed by the Aquarium, and not to the employees' contributions. Contributions by the Aquarium to the plan amounted to \$164,635 and \$195,423 for 2020 and 2019, respectively.

**Note 11 - FAIR VALUE MEASUREMENTS**

The Aquarium's assets and liabilities reported at fair value are valued using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

The Aquarium uses the following hierarchical disclosure framework:

Level 1 - Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 - Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Measurement based on the Aquarium's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Aquarium uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Aquarium measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

The following tables set forth by level within the fair value hierarchy, the Aquarium's assets measured at fair value on a recurring basis as of December 31, 2020:

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

<u>INVESTMENTS</u>	2020			
	Level 1	Level 2	Level 3	Total
Without Donor Restrictions:				
Cash / Money Accounts	\$ 2,547,957	\$ -	\$ -	\$ 2,547,957
Certificates of Deposit/ Equivalent	12,500	-	-	12,500
Total Investments	<u>\$ 2,560,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,560,457</u>
With Donor Restrictions:				
Cash / Money Accounts	\$ 555,141	\$ -	\$ -	\$ 555,141
Stock Equities	550,352	-	-	550,352
Stock Funds	1,597,844	-	-	1,597,844
Bond Funds	380,026	-	-	380,026
Exchange Traded Funds	1,152,116	-	-	1,152,116
Total Investments	<u>\$ 4,235,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,235,479</u>

**Note 12 - SUBSEQUENT EVENTS**

The organization has evaluated subsequent events through December 3, 2021, which is the date the consolidated financial statements were available to be issued. The consolidated financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there are not subsequent events that requires additional disclosure.

Effective October 5, 2021, the New Market Credit Program came to completion. Both Notes payable in the amount of \$6,990,000 and \$2,910,000 were forgiven. The effects of this forgiveness is not reflected in attached financial statements.

**Note 13 - CONCENTRATION OF CREDIT RISK**

The Aquarium, TSAABSA and FTSA maintain operating cash in four financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2020 the cash in bank balances exceeded the FDIC by \$3,511,334. At December 31, 2019, the cash in bank balances exceeded the FDIC by \$3,246,930. Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings. No losses were incurred during 2020 or 2019.

**TEXAS STATE AQUARIUM ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Note 14 - LIQUIDITY

Texas State Aquarium Association has \$6,505,497 of financial assets available within one year of the balance sheet date to meet cash needs for general expenses consisting of cash and cash equivalents of \$3,666,245; Investments of \$2,735,479 and Receivables of \$103,773. Most of these financial assets are not subject to donor or other contractual restrictions that make them unavailable for general expenses within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximates \$1,998,796. The Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. Texas State Aquarium Association has an average daily cash flow of \$31,334 generated by Admission, programs, memberships and concessions. In addition, as part of its liquidity, management of the Organization invests cash in excess of daily requirements in various short-term investments, including Money Market accounts and other short-term investments.

## **SUPPLEMENTARY INFORMATION**



5934 S. Staples St. Ste. 201  
Corpus Christi, TX 78413  
Telephone: (361) 993-1000  
Fax: (361) 991-2880

GOWLAND, STREATLY, MORALES & COMPANY, PLLC  
Certified Public Accountants

---

**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTARY INFORMATION**

Board of Directors  
Texas State Aquarium  
Corpus Christi, Texas

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 29 and 30 is presented for purposes of additional analysis and is presented to highlight certain information in the consolidated financial statements, and is not a required part of those financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

  
Gowland, Streatly, Morales & Company, PLLC  
Certified Public Accountants

Corpus Christi, Texas  
December 3, 2021

[www.gowland-cpa.com](http://www.gowland-cpa.com)



TEXAS STATE AQUARIUM ASSOCIATION  
Consolidating Statements of Financial Position  
December 31, 2020  
With Summarized Information at December 31, 2019

	2020			
	Texas State Aquarium	Friends of TSA	TSAA Beverage Services	Elimination
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 1,227,584	\$ -	\$ 35,474	\$ -
Cash and Cash Equivalents - With Donor Restrictions	2,290,511	25,797	-	-
Investments:				
Without Donor Restrictions	2,522,160		12,500	-
Trade and Other Receivables	7,226,390		517	(7,010,917)
Inventories	27,643		5,652	-
Prepaid Assets	175,245	374	1,147	-
Total Current Assets	13,469,533	26,171	55,290	(7,010,917)
Note Receivable	-	6,990,000	-	-
Pledges Receivable, restricted to purchase of property and equipment, net	9,130,659	-	-	-
Endowment Assets				
Cash and Cash Equivalents	-	-	-	-
Investments	4,235,479	-	-	-
Total Endowment Assets	4,235,479	-	-	-
Property and Equipment	117,209,128	-	4,975	-
Less: Accumulated Depreciation	(57,776,386)	-	(2,653)	-
Total Property and Equipment, Net	59,432,742	-	2,322	-
<b>TOTAL ASSETS</b>	<b>\$ 86,268,413</b>	<b>\$ 7,016,171</b>	<b>\$ 57,612</b>	<b>\$ (7,010,917)</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities				
Accounts Payable	\$ 263,531	\$ -	\$ 9,252	\$ (8,261)
Accrued Payables	612,436	-	-	-
Deferred Income	25,000	-	-	-
Deposits	-	-	-	-
Notes Payable - Current	1,257,927	-	-	-
Total Current Liabilities	2,158,894	-	9,252	(8,261)
Long-Term Debt:				
Notes Payable	25,217,378	7,002,656	-	(7,002,656)
Total Liabilities	27,376,272	7,002,656	9,252	(7,010,917)
Net Assets:				
Without Donor Restrictions	11,767,988	-	-	-
With Donor Restrictions	47,124,153	13,515	48,360	-
Total Net Assets	58,892,141	13,515	48,360	-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 86,268,413</b>	<b>\$ 7,016,171</b>	<b>\$ 57,612</b>	<b>\$ (7,010,917)</b>

See Independent Auditor's Report on Supplementary Information.

<u>2020</u>		<u>2019</u>	
<u>Total</u>		<u>Summarized Totals</u>	
\$	1,263,058	\$	1,459,200
	2,316,308		2,220,327
	2,534,660		2,942,925
	215,990		328,887
	33,295		53,952
	<u>176,766</u>		<u>182,644</u>
	6,540,077		7,187,935
	6,990,000		6,990,000
	9,130,659		5,148,981
	-		-
	<u>4,235,479</u>		<u>3,858,986</u>
	4,235,479		3,858,986
	117,214,103		116,555,342
	<u>(57,779,039)</u>		<u>(54,142,171)</u>
	59,435,064		62,413,171
\$	<u><u>86,331,279</u></u>	\$	<u><u>85,599,073</u></u>

\$	264,522	\$	362,647
	612,436		553,409
	25,000		58,231
	-		-
	<u>1,257,927</u>		<u>1,142,508</u>
	2,159,885		2,116,795
	25,217,378		26,441,277
	<u>27,377,263</u>		<u>28,558,072</u>
	11,767,988		13,038,703
	<u>47,186,028</u>		<u>44,002,298</u>
	58,954,016		57,041,001
\$	<u><u>86,331,279</u></u>	\$	<u><u>85,599,073</u></u>

TEXAS STATE AQUARIUM ASSOCIATION  
Consolidating Statement of Activities  
For the Year Ended December 31, 2020  
With Summarized Information for the Year Ended December 31, 2019

	2020			
	Texas State Aquarium	Friends of TSA	TSAA Beverage Services	Eliminations
<b>SUPPORT AND REVENUE</b>				
Admissions	\$ 3,189,943	\$ -	\$ -	\$ -
Gift Shop Sales	495,845	-	-	-
Programs	2,972,937	-	-	-
Gifts and Donations	522,706	-	-	-
In-Kind Donations	78,792	-	-	-
Parking	269,851	-	-	-
Education Programs	151,419	-	-	-
Memberships	795,401	-	-	-
Concessions	956,858	-	36,915	-
Vending, Rentals & Other	1,857,560	-	16	-
Investment Income	472,245	69,900	244	-
Net Unrealized Gain/(Loss) on Investments	264,998	-	-	-
Restricted Donations	6,180,736	-	-	(69,900)
Net Assets Released From Restrictions				-
Total Support and Revenue	<u>18,209,291</u>	<u>69,900</u>	<u>37,175</u>	<u>(69,900)</u>
<b>EXPENSES</b>				
Program services				
Education	386,203	-	-	-
Curatorial	3,444,449	-	-	-
Other Program Services	<u>6,383,287</u>	<u>-</u>	<u>30,035</u>	<u>-</u>
Total Program Services	10,213,939	-	30,035	-
Supporting Services				
Management and General	1,967,206	70,246	5,871	(69,900)
Endowment & Reserve	40,847	-	-	-
Fundraising	<u>288,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Supporting Services	2,296,515	70,246	5,871	(69,900)
Total Operating Expenses (before Depreciation & Gain/Loss)	12,510,454	70,246	35,906	(69,900)
Increase (Decrease) in Net Assets Before Depreciation & Gain/Loss	5,698,837	(346)	1,269	-
Depreciation and Amortization Expense	(3,767,569)	-	(498)	-
Net gain (loss) on Disposal of Assets	<u>(18,678)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	1,912,590	(346)	771	-
NET ASSETS, beginning of year	<u>56,979,551</u>	<u>13,861</u>	<u>47,589</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 58,892,141</u>	<u>\$ 13,515</u>	<u>\$ 48,360</u>	<u>\$ -</u>

See Independent Auditor's Report on Supplementary Information.

<u>2020</u>		<u>2019</u>	
<u>Total</u>		<u>Summarized Totals</u>	
\$	3,189,943	\$	7,596,223
	495,845		885,700
	2,972,937		3,425,365
	522,706		298,563
	78,792		120,942
	269,851		-
	151,419		799,525
	795,401		1,197,317
	993,773		2,351,976
	1,857,576		576,259
	542,389		516,955
	264,998		513,673
	6,110,836		3,605,077
	-		-
	<u>18,246,466</u>		<u>21,887,575</u>
	386,203		699,486
	3,444,449		3,410,084
	<u>6,413,322</u>		<u>8,541,963</u>
	10,243,974		12,651,533
	1,973,423		2,221,977
	40,847		43,170
	<u>288,462</u>		<u>791,369</u>
	2,302,732		3,056,516
	12,546,706		15,708,049
	5,699,760		6,179,526
	(3,768,067)		(4,478,743)
	<u>(18,678)</u>		<u>(3,097)</u>
	1,913,015		1,697,686
	<u>57,041,001</u>		<u>55,343,315</u>
\$	<u>58,954,016</u>	\$	<u>57,041,001</u>