

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2020 AND 2019



AMERICA'S CAR MUSEUM®

LEMAY - AMERICA'S CAR MUSEUM
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

May 18, 2021

Board of Directors
LeMay - America's Car Museum
Tacoma, Washington

We have audited the accompanying consolidated financial statements of LeMay - America's Car Museum, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 in the first paragraph of this letter present fairly, in all material respects, the financial position of LeMay - America's Car Museum as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position as of December 31, 2020 and 2019 and consolidating statements of activities for the years then ended are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidating financial statements are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Jacobson Jarvis & Co, PLLC

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,486,781	\$ 1,016,407
Contributions receivable, net - current	755,224	907,368
Other receivables	-	3,362
Prepaid expenses	89,327	111,459
	<u>2,331,332</u>	<u>2,038,596</u>
Long-Term and Other Assets		
Cash restricted for investment in exhibitions	253,249	208,302
Cash restricted for endowment	80,000	80,000
Contributions receivable, net - long-term	2,718,968	2,381,074
Property and equipment, net	42,432,123	43,607,485
Other assets	317,861	307,831
Classic and antique cars - not accessed	4,479,697	4,518,297
Collection (Note C)	-	-
	<u>52,613,230</u>	<u>53,141,585</u>
	<u>\$ 52,613,230</u>	<u>\$ 53,141,585</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 70,564	\$ 122,422
Accrued expenses	241,249	369,879
Deferred membership revenue	164,925	130,730
Refundable advances	638,144	-
Current portion of long-term debt	381,361	1,349,665
	<u>1,496,243</u>	<u>1,972,696</u>
Interest Rate Swap Value	298,413	151,420
Debt, net of current portion above	6,781,069	6,835,815
	<u>8,575,725</u>	<u>8,959,931</u>
Net Assets		
Without donor restrictions	39,944,643	40,400,375
With donor restrictions	4,092,862	3,781,279
	<u>44,037,505</u>	<u>44,181,654</u>
Total Liabilities and Net Assets	<u>\$ 52,613,230</u>	<u>\$ 53,141,585</u>

See notes to consolidated financial statements.

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Revenue						
Admissions	\$ 269,957		\$ 269,957	\$ 1,288,729		\$ 1,288,729
Memberships	43,724		43,724	221,299		221,299
Guest services	73,564		73,564	300,560		300,560
Tours and events	98,080		98,080	350,871		350,871
Other earned revenue	77,943		77,943	714,076		714,076
Total Revenue	<u>563,268</u>		<u>563,268</u>	<u>2,875,535</u>		<u>2,875,535</u>
Support						
Contributions	3,569,471	\$ 871,494	4,440,965	2,179,342	\$ 1,078,757	3,258,099
In-kind contributions	130,681	-	130,681	439,767	190,868	630,635
Total Support	<u>3,700,152</u>	<u>871,494</u>	<u>4,571,646</u>	<u>2,619,109</u>	<u>1,269,625</u>	<u>3,888,734</u>
Net Assets Released from Restrictions						
Satisfaction of time restriction	149,862	(149,862)	-	532,813	(532,813)	-
Satisfaction of purpose restriction	320,826	(320,826)	-	897,214	(897,214)	-
Total Net Assets Released from Restrictions	<u>470,688</u>	<u>(470,688)</u>	<u>-</u>	<u>1,430,027</u>	<u>(1,430,027)</u>	<u>-</u>
Total Revenue and Support	<u>4,734,108</u>	<u>400,806</u>	<u>5,134,914</u>	<u>6,924,671</u>	<u>(160,402)</u>	<u>6,764,269</u>
Expenses						
Program services	3,279,768		3,279,768	5,399,149		5,399,149
Management and general	828,397		828,397	1,143,480		1,143,480
Fundraising	822,891		822,891	911,872		911,872
Total Expenses	<u>4,931,056</u>		<u>4,931,056</u>	<u>7,454,501</u>		<u>7,454,501</u>
Change in Net Assets Before Gains and (Losses)	<u>(196,948)</u>	<u>400,806</u>	<u>203,858</u>	<u>(529,830)</u>	<u>(160,402)</u>	<u>(690,232)</u>
Gains and (Losses)						
Initial consolidation of America's Automotive Trust	-		-	(1,201,245)	688,568	(512,677)
Accession of classic and antique cars to collection	(61,500)		(61,500)	(109,538)		(109,538)
Change in value of interest rate swap	(146,992)		(146,992)	(128,629)		(128,629)
Loss on valuation of assets	-		-	(223,808)		(223,808)
Known and estimated loss on uncollectible contributions receivable	(50,292)	(89,223)	(139,515)	(2,029)	(29,500)	(31,529)
Total Gains and (Losses)	<u>(258,784)</u>	<u>(89,223)</u>	<u>(348,007)</u>	<u>(1,665,249)</u>	<u>659,068</u>	<u>(1,006,181)</u>
Change in Net Assets	(455,732)	311,583	(144,149)	(2,195,079)	498,666	(1,696,413)
Net Assets - beginning of year	40,400,375	3,781,279	44,181,654	42,704,977	3,282,613	45,987,590
Cumulative effect of change in accounting principle	-	-	-	(109,523)	-	(109,523)
Net Assets - end of year	<u>\$ 39,944,643</u>	<u>\$ 4,092,862</u>	<u>\$ 44,037,505</u>	<u>\$ 40,400,375</u>	<u>\$ 3,781,279</u>	<u>\$ 44,181,654</u>

See notes to consolidated financial statements. 5

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 887,491	\$ 470,296	\$ 234,627	\$ 1,592,414	\$ 1,770,383	\$ 707,475	\$ 373,274	\$ 2,851,132
Payroll taxes and benefits	322,543	107,929	60,895	491,367	417,253	126,931	68,645	612,829
Total payroll expenses	1,210,034	578,225	295,522	2,083,781	2,187,636	834,406	441,919	3,463,961
Depreciation	1,174,508	852	-	1,175,360	1,229,374	852	-	1,230,226
Professional fees	165,212	87,653	198,246	451,111	223,631	82,718	61,976	368,325
Cultivation and events	47,616	1,464	173,084	222,164	66,218	11,209	172,176	249,603
Interest expense	198,867	-	-	198,867	251,851	-	-	251,851
In-kind expense	52,551	-	74,420	126,971	241,531	282	78,018	319,831
Insurance	41,114	83,877	-	124,991	46,288	81,901	-	128,189
Occupancy	88,536	-	1,566	90,102	99,413	-	4,594	104,007
Computer related expenses	31,491	14,847	18,964	65,302	26,173	14,053	11,118	51,344
Bank fees	46,031	2,236	16,404	64,671	82,866	5,436	18,787	107,089
Repairs and maintenance	45,604	7,936	-	53,540	86,600	8,243	21,402	116,245
General operating	25,745	17,683	2,228	45,656	77,716	30,802	3,215	111,733
Grants and scholarships	45,482	-	-	45,482	209,870	-	-	209,870
Miscellaneous	13,939	3,671	27,312	44,922	25,352	16,503	50,536	92,391
Travel and meetings	19,369	22,222	2,005	43,596	65,883	42,061	18,617	126,561
Printing and publications	13,530	5,571	12,678	31,779	93,438	11,549	27,299	132,286
Contract services	18,911	2,160	-	21,071	111,166	3,452	568	115,186
Collection cost	16,800	-	-	16,800	38,068	-	261	38,329
Advertising	12,353	-	462	12,815	153,138	13	1,386	154,537
Exhibition cost	12,075	-	-	12,075	82,937	-	-	82,937
Total expenses	<u>\$ 3,279,768</u>	<u>\$ 828,397</u>	<u>\$ 822,891</u>	<u>\$ 4,931,056</u>	<u>\$ 5,399,149</u>	<u>\$ 1,143,480</u>	<u>\$ 911,872</u>	<u>\$ 7,454,501</u>

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Cash received from:		
Guests	\$ 519,520	\$ 2,182,666
Donors	4,115,700	3,239,982
Other income	81,305	719,959
Cash paid for:		
Personnel	(2,212,411)	(3,433,471)
Services and supplies	(1,394,992)	(2,113,050)
Interest	(176,429)	(229,413)
Net Cash Provided by Operating Activities	<u>932,693</u>	<u>366,673</u>
Cash Flows from Investing Activities		
Proceeds from sales of vehicles	-	81,000
Purchases of property and equipment	(10,028)	(103,081)
Proceeds received upon consolidation of AAT	-	175,695
Net Cash (Used) Provided by Investing Activities	<u>(10,028)</u>	<u>153,614</u>
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	304,177	44,220
Refundable advances	638,144	-
Repayment of long-term debt	(1,349,665)	(349,274)
Net Cash Used by Financing Activities	<u>(407,344)</u>	<u>(305,054)</u>
Net Change in Cash and Cash Equivalents	515,321	215,233
Cash, Cash Equivalents, and Restricted Cash, beginning of year	<u>1,304,709</u>	<u>1,089,476</u>
Cash, Cash Equivalents, and Restricted Cash, end of year	<u>\$ 1,820,030</u>	<u>\$ 1,304,709</u>

Reconciliation of Cash, Cash Equivalents and Restricted Cash to the Statement of Cash Flows

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,486,781	\$ 1,016,407
Cash restricted for investment in exhibitions	253,249	208,302
Cash restricted for endowment	80,000	80,000
	<u>\$ 1,820,030</u>	<u>\$ 1,304,709</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

In 1998, Harold and Nancy LeMay formed The Harold E. LeMay Museum, now called LeMay - America's Car Museum (ACM), a nonprofit corporation in the state of Washington. They committed themselves to donating a portion of the vast LeMay Collection to the museum for the benefit of the public. LeMay - America's Car Museum was chartered to secure, preserve, and interpret the valuable LeMay Collection, along with additional vehicles and artifacts that it may acquire in order to explore the broad themes of American mobility and lifestyle in an instructive and entertaining manner. Its primary sources of revenue and support are private contributions, grants, and museum admission tickets. Opened on June 1, 2012, the spacious museum with rotating exhibits is designed to be the centerpiece for automotive history as well as an educational center and library. The campus contains a 3.5-acre show field, theatre, store, cafe, banquet hall, and meeting facilities.

In 2010, as part of the New Markets Tax Credit financing package utilized for the construction of the museum and show field, two subordinate entities were created: LeMay-Dome Parking Association (DOME) and The Harold E. LeMay Museum (HELM). These organizations are registered with the state of Washington as nonprofit corporations. The board members of these two organizations are required to be board members of LeMay - America's Car Museum. The sole purpose of these organizations is to support LeMay - America's Car Museum.

In 2014, RPM Foundation, formerly Hagerty Education Program, a 501(c)(3) organization, became a 509(a)(3) supporting organization of LeMay - America's Car Museum. RPM Foundation is the first major museum-based program designed to train young people in the skills and trades necessary to preserve and restore collector vehicles and boats.

On January 1, 2017, America's Automotive Trust (AAT), a Washington not-for-profit corporation, was formed to secure America's automotive heritage through the support of cultural institutions displaying the history and cultural significance of the automobile; supporting educational and scholarship programs to ensure the skill sets necessary to perpetuate the maintenance and restoration of historic automobiles; establishing a system for recognition of historically significant automobiles; and providing active programs to encourage utilization of historic automobiles and engage the communities that support them. During 2019, the bylaws of AAT were amended such that the Board of Directors consists of those board members serving on the Board of Directors of ACM. Accordingly, beginning in 2019 the activity for AAT has been consolidated herein.

Principles of consolidation

The consolidated financial statements include the accounts of LeMay - America's Car Museum, The Harold E. LeMay Museum, LeMay - Dome Parking Association, America's Automotive Trust, and RPM Foundation (collectively, the Museum). The entities are under common control shared through a Board of Directors. All material inter-organization transactions have been eliminated in the consolidation.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

The Museum presents its consolidated financial statements on an accrual basis of accounting in accordance with FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Museum is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor 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.

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.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as 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. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows which is a level 3 input. The Museum also uses fair value concepts to test various long-lived assets for impairment. There were no assets measured at fair value on a recurring basis as of December 31, 2020 or 2019.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with remaining maturity at the date of purchase of three months or less. The Museum maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Museum has not experienced any losses in these accounts and management does not believe it is exposed to any significant credit risk.

Contributions receivable

Contributions receivable represents unconditional promises to give by donors and are stated at net realizable value. In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received.

Other assets

Other assets includes two Auguste Rodin sculptures, *L'age d'airain* and *Petite Eve*, which the Museum received from donors during 2009. While it is the Museum's intent to sell these assets, they are not being actively held for sale at this time.

Property and equipment

Land, buildings, and equipment are stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The Museum capitalizes fixed assets with a cost greater than \$1,500. Maintenance and repair costs are expensed as incurred. The cost and related accumulated depreciation of significant assets sold or retired are removed from the property accounts and any resulting gain or loss is reported as an increase or decrease in net assets.

Depreciation is provided on the straight-line method over the assets' estimated useful lives, which, for building improvements is 15 years, for the building is 39 years, and for furniture and equipment is three to seven years.

Property and equipment for the Museum consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Building	\$ 33,981,591	\$ 33,981,591
Building improvements	1,351,843	1,351,843
Furniture and equipment	<u>3,498,104</u>	<u>3,498,104</u>
	38,831,538	38,831,538
Less accumulated depreciation	<u>(11,187,606)</u>	<u>(10,012,244)</u>
	27,643,932	28,819,294
Land	<u>14,788,191</u>	<u>14,788,191</u>
	<u>\$ 42,432,123</u>	<u>\$ 43,607,485</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (continued)

The Museum, using its best estimates based on reasonable and supportable assumptions and projections, reviews for impairment of long-lived assets when indicators of impairment are identified. The review addresses the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets.

When the carrying value of an asset exceeds estimated recoverability, asset impairment is recognized. There were no impairment losses on the classic and antique cars for the years ended December 31, 2020 and 2019.

In 2010, the City of Tacoma donated 7.8 acres of land valued at \$14,788,191 to the Museum subject to certain restrictions. So long as the Museum's \$3.6 million HUD loan (see Note E) is outstanding, the donated land may not be used as collateral. Once the HUD loan has been satisfied, the land may then be utilized as collateral to fund expansion or capital improvements to the Museum.

Revenue and support

Admissions

Admissions revenue includes ticket sales for admission into the museum, adjusted for discounts and promotions. Admissions revenue is recorded at time of admission.

Memberships

Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided and a contribution element for the difference between the total dues paid and the exchange element. The Museum recognizes the exchange element of membership dues over the membership period and recognizes the contribution portion immediately.

Guest services

The Museum collects revenue from various guest attractions and services, such as slot car racing, racing simulators and guest parking. Guest services revenue is recorded at the point of sale.

Tours and events

Tours and events revenue primarily consists of private event space rental fees and related income, such as catering commissions and group tour tickets. Revenue is recognized on completion of the private event or group tour.

Other earned revenue

Other earned revenue includes income from sources unrelated to the Museum's normal activities, such as parking revenue as the result of events held at the adjacent Tacoma Dome and Club Auto car storage fees. This revenue is generally recognized at the point of sale.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and support (continued)

Contributions

The Museum recognizes contributions when cash, securities or other assets, and unconditional promises to give or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been met.

Donor-restricted support is reported as an increase in donor-restricted net assets depending on the nature of the restriction. When restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reported as net assets released from restrictions.

Gifts of equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

In-kind donations

Donated goods are recorded at their estimated fair value at the date of donation. Donated rent is recognized at the fair value of the space occupied. Donated services are recorded as in-kind contributions and are recognized as revenue at estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized. A number of volunteers have donated time to the Museum's programs and fundraising activities. The services of those volunteers are not recorded in the consolidated financial statements as they do not meet the criteria for recognition.

In-kind contributions are as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Donated goods	\$ 89,429	\$ 264,504
Donated services	18,352	140,136
Donated classic and antique cars	22,900	225,995
	<u>\$ 130,681</u>	<u>\$ 630,635</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments

In accordance with financial accounting standards, all derivative financial instruments are recognized in the consolidated financial statements and measured at fair value. The Museum entered into an interest rate swap contract in May 2017 in order to manage the interest rate risk on long-term borrowings. This contract is designated as a cash flow hedge and is used to reduce the exposure to possible increases in interest rates.

Expense allocation

Directly identifiable expenses are charged to program, fundraising, and management and general expenses. Expenses relating to more than one function are charged to the function based on an estimate of utilization for that particular function. Management and general expenses include those expenses that are not directly identifiable with any specific function but to provide for the overall support of the Museum.

Advertising

The Museum expenses the costs of advertising as incurred. Advertising expense for the years ended December 31, 2020 and 2019, was \$12,815 and \$154,537, respectively.

Federal income tax

The LeMay - America's Car Museum and America's Automotive Trust are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Harold E. LeMay Museum and LeMay Dome Parking Association are 509(a)(3) supporting organizations of LeMay - America's Car Museum. RPM Foundation is a 509(a)(3) supporting organization of America's Automotive Trust. Net unrelated business income, if any, is subject to federal income taxes under Sections 512 and 514. Taxes paid, if any, are immaterial to the Museum.

The Museum evaluates its uncertain tax positions and a loss contingency is recognized only when it is more likely than not the tax position will not be sustained on examination by tax authorities, based on technical merits of the position. The Museum recognizes interest and penalties related to income tax matters in income tax expense, if applicable. As of December 31, 2020, the Museum is not aware of any uncertain tax positions that require accrual.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation. There has been no impact on the prior year change in or classification of net assets as a result of the reclassifications.

NOTE B - LIQUIDITY

The Museum receives significant contributions and promises to give which are restricted by donors, and considers contributions without donor restrictions, board-designated and restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Museum 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 Museum strives to maintain current financial assets less current liabilities at a minimum to support 30 days of operating expenses. The Museum targets a year-end balance of reserves of unrestricted, undesignated net assets to meet 15 to 30 days of expected expenditures.

The table below presents financial assets available for general expenditures within one year at December 31:

	<u>2020</u>	<u>2019</u>
Total Cash and receivables	\$ 5,294,222	\$ 4,596,513
Less: Promises to give in-kind	<u>(238,553)</u>	<u>(142,743)</u>
Total financial assets	5,055,669	4,453,770
Less Donor-imposed restrictions:		
Purpose restricted	(714,368)	(404,508)
Time restricted to future periods of more than one year	(251,054)	(468,702)
Endowments	<u>(2,133,665)</u>	<u>(1,822,383)</u>
Net financial assets after donor-imposed restrictions	1,956,582	1,758,177
Less Internal designations:		
Proceeds from sale of collection held for purchase of collection items	(168,024)	(166,497)
Board-designated reserve for debt reduction	<u>(142,456)</u>	<u>(142,459)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,646,102</u>	<u>\$ 1,449,221</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE C - COLLECTION

The Museum's collection consists of automobiles and other memorabilia that are held for public exhibition, education and curatorial purposes. The Museum has policies in place to ensure that the collection is adequately displayed, stored, protected, and maintained. The collection has been acquired through purchases and contributions since the Museum's inception.

The Museum has adopted a policy of not capitalizing the collection in its consolidated financial statements. Accordingly, no collection items are recognized as assets, whether they are purchased or received as a donation. Purchases of collection items reduce net assets in the period when purchased. Proceeds from sales or insurance recoveries are recorded as increases in net assets when received. It is the policy of the Museum that proceeds from the sale of any collection items are to be used to purchase additional collection items, the direct care of existing collection items, or both.

Vehicles donated to the Museum undergo a thorough evaluation to determine whether they should be accessed into the collection. During this determination process, they are held on the books of the Museum and reported as "classic and antique cars - not accessed" on the consolidated statements of financial position. For donated items in excess of \$5,000, the museum obtains appraisals to determine the fair value. In order to determine the fair value of items less than \$5,000, the Museum's collection manager utilizes the donor's listed value, pricing guides, and other reference material to develop a conservative estimate of the item's fair value.

Items which are approved by the Conservator in conjunction with the Collection Committee to be accessed into the collection are transferred off the books of the Museum and into the collection. Items which are to be sold are reclassified into "vehicles held for sale" until they can be sold.

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable due in more than one year are recorded at the present value of estimated future cash flows using discount rates ranging from 1.69% to 3.86%. As of December 31, 2020, 29% of total contributions receivable were due from one board member.

Contributions receivable were as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Contributions receivable restricted to:		
Endowment	\$ 2,821,274	\$ 2,584,413
Programs and exhibits	726,575	230,000
Future periods	<u>1,038,926</u>	<u>1,669,855</u>
	4,586,775	4,484,268
Less allowance for uncollectible	(59,523)	(35,056)
Less unamortized discount	<u>(1,053,060)</u>	<u>(1,160,770)</u>
Total contributions receivable, net	<u>\$ 3,474,192</u>	<u>\$ 3,288,442</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE D - CONTRIBUTIONS RECEIVABLE (Continued)

Contributions receivable expected to be collected in:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 755,224	\$ 907,368
One to five years	410,277	392,487
More than five years	<u>3,421,274</u>	<u>3,184,413</u>
Total contributions receivable	<u>\$ 4,586,775</u>	<u>\$ 4,484,268</u>

NOTE E - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2020</u>	<u>2019</u>
Note payable to Columbia Bank, bearing interest at 30 day LIBOR +2.5% floating (0.144% as of December 31, 2020). An interest rate swap effective May 2017 sets the interest rate for the loan at 5.15%. The note is secured by a first deed of trust, assignment of rents, and commercial property. The commercial property is owned by a company of one of the Museum's board members and not by the Museum. In addition, the note is further secured by a first position blanket UCC filing and security agreement on all of the borrower's assets, including a recorded assignment of rents and leases on the Museum's Lots "B" and the "Showfield". The loan requires monthly principal and interest payments starting July 1, 2017 through maturity date of May 1, 2027.	\$ 2,312,200	\$ 2,369,200
Note payable to Columbia Bank, bearing interest at 6% until paid in full. The note is secured by all inventory and equipment including three racing simulators. The loan requires monthly principal and interest payments starting May 1, 2019 through maturity date of April 1, 2022.	20,699	35,155
Note payable to City of Tacoma (HUD), funded by a Community Development Block Grant Section 108 Guarantee Loan, and bearing interest of LIBOR + 0.7% (1.4% as of December 31, 2020) thereafter until conversion to a fixed interest rate. Interest-only payments were due in the initial period, from May 28, 2010 through August 1, 2017. In August 2017, this note was amended and payment was extended with annual principal payments due each August 1, through maturity on August 1, 2029.		

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE E - LONG-TERM DEBT (Continued)	<u>2020</u>	<u>2019</u>
<p>The note is secured by a first lien deed of trust (The HUD Deed of Trust) on the property, a first lien security interest (the "Pledge Lien") on any future pledge of capital contribution made to Borrower (excluding the first \$500,000 of building restricted pledges), and a first lien security interest on seventeen vehicles currently included in classic and antique cars with a book value of \$2.9 million.</p>	2,651,000	2,902,000
<p>The Museum and the City of Tacoma entered into an agreement for utility infrastructure installation as part of the Museum's new building construction. The associated costs were to be funded through a Local Improvement District. The district was formed in 2010 and utility construction occurred during 2011. In 2013 the final assessment of \$422,092 was confirmed after a formal hearing. The amount is payable in 10 annual principal installments with interest. The first installment was due October 25, 2014. Annual interest rate will be fixed by the ordinance authorizing the issuance and sale of bonds to finance the assessment. Any payment made after the due date includes a full year's interest.</p>	126,628	168,837
<p>In 2007, the Museum was granted a Washington State Historic Automobile Museum Sales and Use Tax Deferral Certificate for costs associated with the construction of its building. In 2013 the final state audit report was completed. Total tax assessment is \$1,994,540 and payable over 10 years beginning December 31, 2017. In 2017, this assessment was extended five years by state legislation, allowing payments to begin on December 31, 2022. Interest on this non-interest bearing note has been imputed at a rate of 1.6% per annum.</p>	1,747,725	1,725,288
<p>Note payable to the State of Washington Department of Commerce, Capital Programs Unit or its successor agency. The note is non-interest bearing and was forgiven in May 2020 since the museum building was used by the Museum and its subsidiaries through May 2020, as required per the terms of the note.</p>	-	985,000

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE E - LONG-TERM DEBT (Continued)	<u>2020</u>	<u>2019</u>
<p>Note payable (LeMay - America's Car Museum) to US Small Business Administration, Economic Injury Disaster Loan (EIDL) bearing interest at 2.75% per annum. Installment payments of \$641, including principal and interest, are deferred for 12 months with the first payment due June 2021. The loan matures in June 2050. The note is secured by all inventory, equipment and receivables. The note balance includes capitalized interest of \$2,089.</p>	152,089	-
<p>Note payable (LeMay - America's Car Museum) to US Small Business Administration, Economic Injury Disaster Loan (EIDL) bearing interest at 2.75% per annum. Installment payments of \$641, including principal and interest, are deferred for 12 months with the first payment due June 2021. The loan matures in June 2050. The note is secured by all inventory, equipment and receivables. The note balance includes capitalized interest of \$2,089.</p>	<u>152,089</u>	<u>-</u>
Total	7,162,430	8,185,480
Less current portion of long-term debt	<u>(381,361)</u>	<u>(1,349,665)</u>
	<u>\$ 6,781,069</u>	<u>\$ 6,835,815</u>

Scheduled principal reductions of long-term debt are as follows for the year ending December 31:

2021	\$ 381,361
2022	585,144
2023	591,612
2024	562,206
2025	575,016
Thereafter	<u>4,467,091</u>
	<u>\$ 7,162,430</u>

Included under the terms of the note agreements are covenants that require the maintenance of various minimum financial ratios and filing requirements for annual audited financial statements. Management represents that the Museum is in compliance with these requirements.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE F - THIRD PARTY CREDIT ENHANCEMENTS

One of the Museum's board members provided the Museum's bank with additional guarantees for a specific loan. The board member allowed the Museum to use his business property as collateral for the loan and provided his personal guarantee. The Museum explored various methods for determining a fair value for these guarantees, but found these methods to be impractical and, in accordance with financial accounting standards, no value has been recorded. However, without these guarantees the Museum would not have been able to complete the financing package that funded the construction of the Museum. The personal guarantee was removed from the loan in 2020.

NOTE G - RELATED PARTY

During 2019, AAT hired a new CEO on a part-time basis who is also the part-time CEO for TechForce Foundation (TechForce), a 501c3 organization located in Scottsdale, Arizona. TechForce's mission, which is to champion students to and through their education and into careers as professional technicians, complements the mission of the Museum. It is believed that by combining the mutual resources of TechForce and the Museum, a greater level of efficiency in delivering both missions will be achieved. During 2020, however, the Board terminated its relationship with TechForce and its CEO. There were no material financial transactions between the Museum and TechForce during the year ended December 31, 2020.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specific purpose:		
Available for future periods	\$ 1,244,829	\$ 984,278
RPM Foundation activities	454,648	669,162
Other programs	<u>259,720</u>	<u>305,456</u>
	<u>1,959,197</u>	<u>1,958,896</u>
Endowments:		
Subject to endowment spending policy and appropriation:	-	-
Not subject to spending policy or appropriation:		
Promises to give	2,821,274	2,584,413
Discount to net present value	<u>(767,609)</u>	<u>(842,030)</u>
	Promises to give, net	1,742,383
Cash and cash equivalents	<u>80,000</u>	<u>80,000</u>
	<u>2,133,665</u>	<u>1,822,383</u>
Total net assets with donor restrictions	<u>\$ 4,092,862</u>	<u>\$ 3,781,279</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE I - REFUNDABLE ADVANCES

In April 2020, the Museum applied for and received a Paycheck Protection Program ("PPP") loan through Columbia State Bank in the amount of \$638,144. The loan was funded on April 28, 2020 and has a maturity date of April 28, 2022. PPP loans have a forgiveness option for employers who maintain their staffing levels and salaries at pre-COVID-19 pandemic levels. Expenses eligible to trigger forgiveness include employee wages, benefits, office utilities, and loan interest payments. The Museum entered into the program with the intention of complying with the terms for forgiveness and has recognized the loan as a conditional grant. Should the Museum fail to meet the terms for forgiveness, interest at a rate of 1% will be added to the amount owing and the first monthly payment of \$35,913 would have been due November 28, 2020, but repayment has been deferred pending a determination of forgiveness.

NOTE J - RETIREMENT PLAN

The Museum sponsors a 403(b) defined contribution pension plan. Employees may contribute up to the Internal Revenue Service limits per year. The Museum matches eligible employees' contributions up to 5% of their compensation. Eligible employees include those having one year of service and have reached age 21. For the years ended December 31, 2020 and 2019, the Museum contributed \$53,675 and \$89,921, respectively, in matching contributions. The Museum also provides a nonqualified, non-matching, deferred compensation plan open to certain senior management.

NOTE K - DERIVATIVE FINANCIAL INSTRUMENTS

In May 2017, the Museum refinanced its interest rate swap agreement that effectively converted \$2,500,000 of a variable-rate loan issue to a fixed interest rate of 5.15% with an effective date of June 1, 2017.

In accordance with financial accounting standards, all derivatives, whether designated as hedging relationships or not, are required to be recorded on the consolidated statement of financial position at fair value. The effective gains and losses of the cash flow hedges are recognized in the consolidated statement of activities as a change in net assets when the hedged item affects current period earnings. The fair value of the interest rate swap is based on current market price.

For the years ended December 31, 2020 and 2019, variable interest rates have fluctuated, resulting in the recording of a total interest rate swap liability of \$298,413 and \$151,420, respectively.

Interest incurred and paid under this swap agreement is as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest incurred at variable rate	\$ 74,286	\$ 117,246
Additional interest incurred at fixed rate	<u>48,165</u>	<u>8,004</u>
Interest paid at fixed rate	<u>\$ 122,451</u>	<u>\$ 125,250</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE L - COMMITMENTS

Option agreement

In August of 2007, the Museum exercised an option agreement with the City of Tacoma (the City) to acquire approximately 7.8 acres of land located near the Tacoma Dome, through a donation by the City, for the new location of the Museum. The Museum closed on the land in May of 2010 and retains a 20-year option for an additional one-acre parcel which expires August 2027.

In 2020 and 2019, the Museum had a \$500,000 revolving line of credit. Advances on the line of credit were payable on demand and accrued interest at 1.75 percentage points over the bank's base rate, but not less than 5% per annum. The line of credit was collateralized by the general assets of the Museum and guaranteed by a member of its Board of Directors. The line of credit matured in October 2020 and was not renewed. There was no balance outstanding at maturity.

NOTE M - RISKS AND UNCERTAINTIES

The Museum is subject to the risk and challenges associated with organizations at a similar stage of operation including dependence on key individuals, successful marketing of the Museum and its events, and ability to retain significant donors and sponsors.

The Museum operates in the not-for-profit sector, and accordingly, can be affected by a variety of factors. For example, management of the Museum believes that any of the following factors could have a significant negative effect on the Museum's future financial position, results of operations and cash flows: failure of its marketing efforts to grow attendance and membership, adverse economic conditions that impact customers' ability and willingness to attend events, and inability to retain significant donors.

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 23, 2020, the Governor of Washington declared a health emergency and issued an order to close all nonessential businesses until further notice. Management continues to evaluate the financial impact of the COVID-19 pandemic and monitor carefully the effect on the Museum's financial position, changes in net assets, and cash flows in the future.

NOTE N - SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated financial position date but before consolidated financial statements are available to be issued. The Museum recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of consolidated financial position, including the estimates inherent in the process of preparing the consolidated financial statements.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE N - SUBSEQUENT EVENTS (Continued)

Subsequent events were evaluated through May 18, 2021, which is the date the consolidated financial statements were available to be issued, for events requiring recording or disclosure in the consolidated financial statements for the year ended December 31, 2020.

In 2021, America On Wheels museum (AOW), a 501(c)(3) organization located in Allentown, Pennsylvania, came under the control of the Museum's board. AOW will serve as an east coast presence continuing to fulfill the Museum's national mission. The transition of services between entities will take place during 2021, with completion by year end.

SUPPLEMENTARY INFORMATION

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	2020							2019						
	ACM	HELM	DOME	RPM	AAT	Eliminations	Total	ACM	HELM	DOME	RPM	AAT	Eliminations	Total
ASSETS														
Current Assets														
Cash and cash equivalents	\$ 528,177	\$ 16,115	\$ 174,687	\$ 352,659	\$ 415,143	\$ -	\$ 1,486,781	\$ 271,066	\$ 16,115	\$ 237,952	\$ 264,876	\$ 226,398	\$ -	\$ 1,016,407
Contributions receivable, net - current	256,738	-	-	77,000	421,486	-	755,224	297,623	-	-	326,910	282,835	-	907,368
Other receivables	-	-	-	-	-	-	-	3,031	-	-	331	-	-	3,362
Prepaid expenses	84,886	-	-	-	4,441	-	89,327	97,313	-	-	-	14,146	-	111,459
Total Current Assets	869,801	16,115	174,687	429,659	841,070	-	2,331,332	669,033	16,115	237,952	592,117	523,379	-	2,038,596
Long-Term and Other Assets														
Cash restricted for investment in exhibitions	253,249	-	-	-	-	-	253,249	208,302	-	-	-	-	-	208,302
Cash restricted for endowment	20,000	-	-	60,000	-	-	80,000	20,000	-	-	60,000	-	-	80,000
Contributions receivable, net - long-term	2,264,469	-	-	163,247	291,252	-	2,718,968	2,024,324	-	50,000	197,835	108,915	-	2,381,074
Due from related entities	1,620,590	86,062	837,325	-	-	(2,543,977)	-	1,579,103	86,062	872,768	-	-	(2,537,933)	-
Property and equipment, net	41,403,455	-	1,028,668	-	-	-	42,432,123	42,437,009	-	1,170,476	-	-	-	43,607,485
Other assets	317,861	-	-	-	-	-	317,861	307,831	-	-	-	-	-	307,831
Classic and antique cars - not accessed	4,479,697	-	-	-	-	-	4,479,697	4,518,297	-	-	-	-	-	4,518,297
Total Assets	\$ 51,229,122	\$ 102,177	\$ 2,040,680	\$ 652,906	\$ 1,132,322	\$ (2,543,977)	\$ 52,613,230	\$ 51,763,899	\$ 102,177	\$ 2,331,196	\$ 849,952	\$ 632,294	\$ (2,537,933)	\$ 53,141,585
LIABILITIES AND NET ASSETS														
Current Liabilities														
Accounts payable	\$ 3,222	\$ -	\$ 10,254	\$ 6,999	\$ 50,089	\$ -	\$ 70,564	\$ 59,263	\$ -	\$ 12,188	\$ 17,306	\$ 33,665	\$ -	\$ 122,422
Accrued expenses	186,435	-	46,814	-	8,000	-	241,249	346,187	-	23,692	-	-	-	369,879
Deferred membership revenue	-	-	-	-	164,925	-	164,925	-	-	-	-	130,730	-	130,730
Refundable advances	466,905	-	-	19,848	151,391	-	638,144	-	-	-	-	-	-	-
Current portion of long-term debt	300,760	-	80,601	-	-	-	381,361	1,274,457	-	75,208	-	-	-	1,349,665
Total Current Liabilities	957,322	-	137,669	26,847	374,405	-	1,496,243	1,679,907	-	111,088	17,306	164,395	-	1,972,696
Interest Rate Swap Value	-	-	298,413	-	-	-	298,413	-	-	151,420	-	-	-	151,420
Due to Related Entities	918,608	4,779	-	46,864	1,573,726	(2,543,977)	-	954,051	4,779	-	40,523	1,538,580	(2,537,933)	-
Debt, net of current portion above	4,342,757	-	2,438,312	-	-	-	6,781,069	4,468,990	-	2,366,825	-	-	-	6,835,815
Total Liabilities	6,218,687	4,779	2,874,394	73,711	1,948,131	(2,543,977)	8,575,725	7,102,948	4,779	2,629,333	57,829	1,702,975	(2,537,933)	8,959,931
Net Assets														
Without donor restrictions	42,209,506	97,398	(833,714)	92,846	(1,528,547)	(92,846)	39,944,643	41,696,018	97,398	(322,360)	128,549	(1,070,681)	(128,549)	40,400,375
With donor restrictions	2,800,929	-	-	486,349	712,738	92,846	4,092,862	2,964,933	-	24,223	663,574	-	128,549	3,781,279
Total Net Assets	45,010,435	97,398	(833,714)	579,195	(815,809)	-	44,037,505	44,660,951	97,398	(298,137)	792,123	(1,070,681)	-	44,181,654
Total Liabilities and Net Assets	\$ 51,229,122	\$ 102,177	\$ 2,040,680	\$ 652,906	\$ 1,132,322	\$ (2,543,977)	\$ 52,613,230	\$ 51,763,899	\$ 102,177	\$ 2,331,196	\$ 849,952	\$ 632,294	\$ (2,537,933)	\$ 53,141,585

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATING STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020							2019						
	ACM	HELM	DOVE	RPM	AAT	Eliminations	Total	ACM	HELM	DOVE	RPM	AAT	Eliminations	Total
Revenue and Support														
Revenue														
Admissions	\$ 269,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,957	\$ 1,288,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,288,729
Memberships	-	-	-	-	43,724	-	43,724	-	-	-	-	221,299	-	221,299
Guest services	73,564	-	-	-	-	-	73,564	300,560	-	-	-	-	-	300,560
Tours and events	98,080	-	-	-	-	-	98,080	350,871	-	-	-	-	-	350,871
Other earned revenue	251,785	-	32,425	61,029	42,457	(309,753)	77,943	167,386	-	557,677	42,354	138,333	(191,674)	714,076
Total Revenue	693,386	-	32,425	61,029	86,181	(309,753)	563,268	2,107,546	-	557,677	42,354	359,632	(191,674)	2,875,535
Support														
Contributions	2,438,296	-	-	79,774	1,922,895	-	4,440,965	1,161,764	-	-	666,096	1,430,239	-	3,258,099
In-kind contributions	12,212	-	-	31,965	86,504	-	130,681	297,699	-	70,579	70,868	191,489	-	630,635
Total Support	2,450,508	-	-	111,739	2,009,399	-	4,571,646	1,459,463	-	70,579	736,964	1,621,728	-	3,888,734
Total Revenue and Support	3,143,894	-	32,425	172,768	2,095,580	(309,753)	5,134,914	3,567,009	-	628,256	779,318	1,981,360	(191,674)	6,764,269
Expenses														
Program services	1,866,198	-	371,010	334,496	1,017,817	(309,753)	3,279,768	2,857,972	2,458	452,860	757,768	1,519,765	(191,674)	5,399,149
Management and general	828,397	-	-	-	-	-	828,397	1,143,405	-	-	75	-	-	1,143,480
Fundraising	-	-	-	-	822,891	-	822,891	-	-	-	-	911,872	-	911,872
Total Expenses	2,694,595	-	371,010	334,496	1,840,708	(309,753)	4,931,056	4,001,377	2,458	452,860	757,843	2,431,637	(191,674)	7,454,501
Change in Net Assets Before Gains and (Losses)	449,299	-	(338,585)	(161,728)	254,872	-	203,858	(434,368)	(2,458)	175,396	21,475	(450,277)	-	(690,232)
Gains and (Losses)														
Initial consolidation of AAT	-	-	-	-	-	-	-	-	-	-	-	-	(512,677)	(512,677)
Accession of classic and antique cars to collection	(61,500)	-	-	-	-	-	(61,500)	(109,538)	-	-	-	-	-	(109,538)
Change in value of interest rate swap	-	-	(146,992)	-	-	-	(146,992)	-	-	(128,629)	-	-	-	(128,629)
Gain (loss) on valuation of assets	-	-	-	-	-	-	-	(226,400)	-	-	796	1,796	-	(223,808)
Known and estimated loss on uncollectible contributions receivable	(38,315)	-	(50,000)	(51,200)	-	-	(139,515)	(31,529)	-	-	-	-	-	(31,529)
Total Gains and (Losses)	(99,815)	-	(196,992)	(51,200)	-	-	(348,007)	(367,467)	-	(128,629)	796	1,796	(512,677)	(1,006,181)
Change in Net Assets	349,484	-	(535,577)	(212,928)	254,872	-	(144,149)	(801,835)	(2,458)	46,767	22,271	(448,481)	(512,677)	(1,696,413)
Net Assets - beginning of year	44,660,951	97,398	(298,137)	792,123	(1,070,681)	-	44,181,654	45,462,786	99,856	(344,904)	769,852	(512,677)	512,677	45,987,590
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	(109,523)	-	(109,523)
Net Assets - end of year	\$ 45,010,435	\$ 97,398	\$ (833,714)	\$ 579,195	\$ (815,809)	\$ -	\$ 44,037,505	\$ 44,660,951	\$ 97,398	\$ (298,137)	\$ 792,123	\$ (1,070,681)	\$ -	\$ 44,181,654