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MINT MUSEUM OF ART

Consolidated Financial Statements for the
Years Ended June 30, 2023 and 2022
and Independent Auditors' Report



GreerWalker



GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Mint Museum of Art:

Opinion

We have audited the consolidated financial statements of Mint Museum of Art (the "Museum"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Museum as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Museum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – 2022 Financial Statements

The consolidated financial statements of the Museum as of and for the year ended June 30, 2022 were audited by other auditors who expressed an unmodified opinion on those consolidated financial statements on December 16, 2022.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

GreenWalker LLP

Certified Public Accountants
January 10, 2024
Charlotte, NC

MINT MUSEUM OF ART

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,241,287	\$ 1,967,099
Accounts receivable	230,774	273,724
Government grant receivable	-	1,361,463
Contributions receivable, net	277,224	975,846
Inventory	382,948	310,250
Deposits for future exhibitions and prepaid expenses	863,819	433,459
Total current assets	<u>2,996,052</u>	<u>5,321,841</u>
NON-CURRENT ASSETS:		
Endowed investments:		
Foundation for the Mint Museums	17,925,306	17,249,448
Beneficial interest in trusts	26,453,697	25,694,323
Non-endowment beneficial interest in trusts	2,849,767	2,677,581
Other investments	1,020,021	1,277,356
Beneficial interest in contributions receivable	249,871	686,344
Property and equipment, net	43,350,550	44,396,132
Land use and air rights, net	2,464,360	2,536,160
Total non-current assets	<u>94,313,572</u>	<u>94,517,344</u>
TOTAL	<u>\$ 97,309,624</u>	<u>\$ 99,839,185</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,271,492	\$ 1,429,411
Deferred revenue	779,881	1,378,910
Total liabilities	<u>2,051,373</u>	<u>2,808,321</u>
NET ASSETS:		
Without donor restrictions	4,269,015	4,517,750
With donor restrictions	90,989,236	92,513,114
Total net assets	<u>95,258,251</u>	<u>97,030,864</u>
TOTAL	<u>\$ 97,309,624</u>	<u>\$ 99,839,185</u>

See notes to consolidated financial statements.

MINT MUSEUM OF ART

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT, REVENUE AND RECLASSIFICATIONS:			
Annual use of City facilities	\$ 1,641,852	\$ -	\$ 1,641,852
Grants	1,739,777	-	1,739,777
Gifts	2,609,509	1,136,399	3,745,908
Contributions from Mint Affiliates	214,341	73,448	287,789
Memberships	265,571	-	265,571
Admissions	1,406,925	-	1,406,925
Rental income	2,184,473	-	2,184,473
Event ticket revenue	227,154	-	227,154
Museum store sales	873,573	-	873,573
Other operating revenues	362,395	-	362,395
Other interest income	58,716	-	58,716
Allocation of allowable endowment balance for spending	-	2,048,541	2,048,541
Reclassifications:			
Endowment spending released from restrictions	2,048,541	(2,048,541)	-
Net assets released from restrictions	2,280,438	(2,280,438)	-
Total operating support and revenue	<u>15,913,265</u>	<u>(1,070,591)</u>	<u>14,842,674</u>
EXPENSES:			
Program	12,387,320	-	12,387,320
Management and general	1,712,940	-	1,712,940
Development	1,782,547	-	1,782,547
Total expenses	<u>15,882,807</u>	<u>-</u>	<u>15,882,807</u>
Change in net assets from operations before depreciation and amortization	<u>30,458</u>	<u>(1,070,591)</u>	<u>(1,040,133)</u>
DEPRECIATION AND AMORTIZATION:			
Net assets released from restrictions	1,528,057	(1,528,057)	-
Program	(1,829,811)	-	(1,829,811)
Management and general	(45,830)	-	(45,830)
Development	(28,796)	-	(28,796)
Total depreciation and amortization	<u>(376,380)</u>	<u>(1,528,057)</u>	<u>(1,904,437)</u>
Change in net assets from operations	(345,922)	(2,598,648)	(2,944,570)
OTHER INCREASES (DECREASES):			
Change in value of beneficial interests in trusts	-	1,891,927	1,891,927
Endowment investment return, net	-	1,225,699	1,225,699
Non-endowment investment return, net	97,187	5,685	102,872
Allocation of allowable endowment balance for spending	-	(2,048,541)	(2,048,541)
CHANGE IN NET ASSETS	(248,735)	(1,523,878)	(1,772,613)
NET ASSETS, BEGINNING OF YEAR	<u>4,517,750</u>	<u>92,513,114</u>	<u>97,030,864</u>
NET ASSETS, END OF YEAR	<u>\$ 4,269,015</u>	<u>\$ 90,989,236</u>	<u>\$ 95,258,251</u>

See notes to consolidated financial statements.

MINT MUSEUM OF ART

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT, REVENUE AND RECLASSIFICATIONS:			
Annual use of City facilities	\$ 1,641,852	\$ -	\$ 1,641,852
Grants	3,660,374	-	3,660,374
Gifts	2,545,040	4,212,462	6,757,502
Contributions from Mint Affiliates	37,413	57,088	94,501
Memberships	142,138	-	142,138
Admissions	507,622	-	507,622
Rental income	1,320,847	-	1,320,847
Event ticket revenue	198,725	-	198,725
Museum store sales	582,498	-	582,498
Other operating revenues	154,959	-	154,959
Allocation of allowable endowment balance for spending	-	680,922	680,922
Reclassifications:			
Endowment spending released from restrictions	680,922	(680,922)	-
Net assets released from restrictions	1,559,441	(1,559,441)	-
Total operating support and revenue	13,031,831	2,710,109	15,741,940
EXPENSES:			
Program	9,597,078	-	9,597,078
Management and general	1,588,172	-	1,588,172
Development	1,075,762	-	1,075,762
Total expenses	12,261,012	-	12,261,012
Change in net assets from operations before depreciation and amortization	770,819	2,710,109	3,480,928
DEPRECIATION AND AMORTIZATION:			
Net assets released from restrictions	1,528,057	(1,528,057)	-
Program	(1,766,902)	-	(1,766,902)
Management and general	(29,960)	-	(29,960)
Development	(27,841)	-	(27,841)
Total depreciation and amortization	(296,646)	(1,528,057)	(1,824,703)
Change in net assets from operations	474,173	1,182,052	1,656,225
OTHER DECREASES:			
Change in value of beneficial interests in trusts	-	(3,290,042)	(3,290,042)
Endowment investment return, net	-	(2,042,768)	(2,042,768)
Non-endowment investment return, net	(197,553)	(6,908)	(204,461)
Allocation of allowable endowment balance for spending	-	(680,922)	(680,922)
CHANGE IN NET ASSETS	276,620	(4,838,588)	(4,561,968)
NET ASSETS, BEGINNING OF YEAR	4,241,130	97,351,702	101,592,832
NET ASSETS, END OF YEAR	\$ 4,517,750	\$ 92,513,114	\$ 97,030,864

See notes to consolidated financial statements.

MINT MUSEUM OF ARTCONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>
Personnel:				
Salaries and benefits	\$ 4,285,815	\$ 727,944	\$ 657,262	\$ 5,671,021
Travel and donor relations	323,925	53,610	49,638	427,173
Training and conferences	10,281	2,328	968	13,577
Employee parking	78,182	12,938	11,984	103,104
	<u>4,698,203</u>	<u>796,820</u>	<u>719,852</u>	<u>6,214,875</u>
Professional services:				
Contract services	2,226,433	482,160	440,624	3,149,217
Insurance	36,417	68,511	-	104,928
Accounting and professional	-	43,297	-	43,297
	<u>2,262,850</u>	<u>593,968</u>	<u>440,624</u>	<u>3,297,442</u>
Utilities and maintenance:				
Heating, ventilating, and air conditioning	482,218	8,341	7,151	497,710
Telephone	115,580	1,889	1,753	119,222
Postage	9,121	8,825	4,856	22,802
Maintenance and repair	2,687	103,108	-	105,795
	<u>609,606</u>	<u>122,163</u>	<u>13,760</u>	<u>745,529</u>
Supplies and materials:				
Office supplies	18,730	51,082	4,565	74,377
Furniture and equipment	67,823	32,123	4,129	104,075
	<u>86,553</u>	<u>83,205</u>	<u>8,694</u>	<u>178,452</u>
Program expenditures:				
Exhibition rental and installation	864,593	48	-	864,641
Education and library	125,933	1,519	1,506	128,958
Printing and publications	131,301	25	28,343	159,669
Receptions and member services	43,537	-	377,180	420,717
Photography	89,774	-	-	89,774
Conservation	19,557	-	-	19,557
Advertising	410,314	-	-	410,314
Board, volunteer, and staff support	4,123	63,731	4,226	72,080
Mint Affiliates expenses	59,603	-	-	59,603
	<u>1,748,735</u>	<u>65,323</u>	<u>411,255</u>	<u>2,225,313</u>
Other:				
Store cost of sales	372,889	-	-	372,889
Special events	305,871	2,390	-	308,261
Bank charges and interest	59,621	18,540	138,773	216,934
Dues and subscriptions	92,486	23,148	6,757	122,391
Transportation and freight	253,369	1,300	20	254,689
Building rental	1,221,458	-	36,538	1,257,996
Government appropriations	372,127	6,083	5,646	383,856
Accessions	296,397	-	-	296,397
Miscellaneous	7,155	-	628	7,783
	<u>2,981,373</u>	<u>51,461</u>	<u>188,362</u>	<u>3,221,196</u>
Total before depreciation and amortization	<u>12,387,320</u>	<u>1,712,940</u>	<u>1,782,547</u>	<u>15,882,807</u>
Depreciation and amortization:				
Depreciation	1,760,119	44,829	27,689	1,832,637
Land use rights amortization	69,692	1,001	1,107	71,800
	<u>1,829,811</u>	<u>45,830</u>	<u>28,796</u>	<u>1,904,437</u>
Total expenses	<u>\$ 14,217,131</u>	<u>\$ 1,758,770</u>	<u>\$ 1,811,343</u>	<u>\$ 17,787,244</u>

See notes to consolidated financial statements.

MINT MUSEUM OF ARTCONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>
Personnel:				
Salaries and benefits	\$ 3,290,284	\$ 618,327	\$ 514,387	\$ 4,422,998
Travel and donor relations	171,270	31,177	26,842	229,289
Training and conferences	8,782	1,769	-	10,551
Employee parking	71,218	12,964	11,162	95,344
	<u>3,541,554</u>	<u>664,237</u>	<u>552,391</u>	<u>4,758,182</u>
Professional services:				
Contract services	1,279,819	435,835	322,780	2,038,434
Insurance	33,950	63,064	-	97,014
Accounting and professional	-	98,764	-	98,764
	<u>1,313,769</u>	<u>597,663</u>	<u>322,780</u>	<u>2,234,212</u>
Utilities and maintenance:				
Heating, ventilating, and air conditioning	444,345	7,643	6,605	458,593
Telephone	71,822	1,174	1,090	74,086
Postage	6,334	4,450	3,673	14,457
Maintenance and repair	476	82,440	436	83,352
	<u>522,977</u>	<u>95,707</u>	<u>11,804</u>	<u>630,488</u>
Supplies and materials:				
Office supplies	19,681	24,905	1,098	45,684
Furniture and equipment	5,429	97,046	-	102,475
	<u>25,110</u>	<u>121,951</u>	<u>1,098</u>	<u>148,159</u>
Program expenditures:				
Exhibition rental and installation	255,915	-	-	255,915
Education and library	74,744	1,013	-	75,757
Printing and publications	59,163	1,409	11,494	72,066
Receptions and member services	15,434	-	114,392	129,826
Photography	14,932	-	-	14,932
Conservation	37,029	-	-	37,029
Advertising	105,292	2,302	-	107,594
Board, volunteer, and staff support	4,511	21,605	704	26,820
	<u>567,020</u>	<u>26,329</u>	<u>126,590</u>	<u>719,939</u>
Other:				
Store cost of sales	253,009	-	-	253,009
Special events	303,280	2,377	-	305,657
Bank charges and interest	59,489	17,077	33,385	109,951
Dues and subscriptions	75,924	22,666	1,125	99,715
Transportation and freight	147,328	1,167	-	148,495
Building rental	1,221,458	16,905	19,633	1,257,996
Government appropriations	372,127	6,083	5,646	383,856
Accessions	1,128,411	-	-	1,128,411
Miscellaneous	65,622	16,010	1,310	82,942
	<u>3,626,648</u>	<u>82,285</u>	<u>61,099</u>	<u>3,770,032</u>
Total before depreciation and amortization	<u>9,597,078</u>	<u>1,588,172</u>	<u>1,075,762</u>	<u>12,261,012</u>
Depreciation and amortization:				
Depreciation	1,697,210	28,959	26,734	1,752,903
Land use rights amortization	69,692	1,001	1,107	71,800
	<u>1,766,902</u>	<u>29,960</u>	<u>27,841</u>	<u>1,824,703</u>
Total expenses	<u>\$ 11,363,980</u>	<u>\$ 1,618,132</u>	<u>\$ 1,103,603</u>	<u>\$ 14,085,715</u>

See notes to consolidated financial statements.

MINT MUSEUM OF ART

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,772,613)	\$ (4,561,968)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in allowance of contributions receivable	(17,411)	-
Depreciation and amortization	1,904,437	1,824,703
Return on investments, net	(1,328,571)	2,139,795
Change in value of beneficial interests in trusts	(1,891,927)	3,290,042
Contributions restricted for endowment	(962)	(2,013,545)
Paycheck Protection Program loan forgiveness income	-	(776,145)
Changes in operating assets and liabilities:		
Accounts receivable	60,361	(55,736)
Government grant receivable	1,361,463	(987,507)
Contributions receivable	698,622	(593,636)
Inventory	(72,698)	10,258
Deposits for future exhibitions and prepaid expenses	(430,360)	98,894
Accounts payable and accrued liabilities	(157,919)	387,202
Deferred revenue	(599,029)	464,530
Net cash applied to operating activities	<u>(2,246,607)</u>	<u>(773,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(787,055)	(135,369)
Proceeds from sale (purchases) of investments, net	910,048	(1,905,296)
Withdrawals from beneficial interests in trust, net	1,396,840	957,996
Net cash provided by (applied to) investing activities	<u>1,519,833</u>	<u>(1,082,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for endowment	<u>962</u>	<u>2,013,545</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(725,812)	157,763
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,967,099</u>	<u>1,809,336</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,241,287</u>	<u>\$ 1,967,099</u>

See notes to consolidated financial statements.

MINT MUSEUM OF ART

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Mint Museum of Art (the "Museum") is a nonprofit membership corporation organized under the laws of the state of North Carolina for the primary purpose of collecting, displaying, and preserving art and artifacts. The Museum's operations consist of Mint Museum Randolph (a long-time Charlotte tradition located in the Eastover neighborhood) and Mint Museum Uptown at the Levine Center for the Arts. All activities of the Museum are controlled by the Board of Trustees and administered by the management of the Museum.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of the Museum and the Foundation for the Mint Museum (the "FFTMM"). FFTMM is a nonprofit corporation and classified by the Internal Revenue Service as a supporting organization, whose mission is to administer and manage a portion of the Museum's endowed funds. Since FFTMM is organized and operating for the benefit of the Museum, its financial activity has been included in the accompanying consolidated financial statements. All intercompany activities have been eliminated in consolidation.

Financial Statement Presentation - The net assets of the Museum and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired. From time to time, the Board of Trustees may designate certain amounts to be utilized or invested to meet specific objectives of the Museum.

Net assets with donor restrictions - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met or contain donor-imposed restrictions stipulating that the amounts be maintained by the Museum in perpetuity.

Use of Accounting Estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents - The Museum considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Museum maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Accounts Receivable - Accounts receivable primarily include receivables for usage of facilities by third parties. Management periodically reviews the receivables to determine if an allowance for doubtful accounts is necessary. Such determination is based on an analysis of historical collection trends, current relations with customers, and current and anticipated economic conditions. Accounts receivable are written off when, in the opinion of management, such receivables are deemed to be uncollectible. As of June 30, 2023 and 2022, management determined that no allowance for doubtful accounts is necessary. While management uses the best information available to make such evaluations, future adjustments to the allowance for doubtful accounts may be necessary if conditions differ substantially from the assumptions used in making the evaluations. No accounts receivable were written off during the years ended June 30, 2023 or 2022.

Government Grant Receivable - The Museum determined it was a qualified employer and claimed \$1,361,463 as of June 30, 2022 in tax credits associated with the Employee Retention Credit Program initially created through the Coronavirus Aid, Relief, and Economic Security Act. The tax credits have been recognized as revenue and are included in grants revenue on the consolidated statement of activities and government grant receivable on the consolidated statement of financial position as of and for the year ended June 30, 2022.

Contributions Receivable - Contributions receivable are recorded at their present value, net of estimated uncollectible amounts. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history and the nature of fundraising activities.

Inventory - Inventory consist of items available for sale in the Museum shops, such as books, jewelry, pottery, and other exhibit-related items. Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Investments - Investments are recorded at fair value with realized and unrealized gains and losses included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations. The fair value of investment securities is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

Beneficial Interests in Trusts and Contributions Receivable - The Museum recognizes contribution revenue from assets held by a recipient organization for the sole benefit of the Museum in accordance with GAAP.

Property and Equipment - Property and equipment are stated at cost for purchased items and at estimated fair value at the date received for donated items. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The Museum capitalizes expenditures for property and equipment over \$10,000. Long-lived assets held and used by the Museum are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable.

Revenue Recognition

Contributions and Pledges

Contributions, including grants and sponsorships, are recognized when cash, other assets or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. It is the Museum's policy to record revenues with donor restrictions and investment returns thereon that are received and expended in the same accounting period in the without donor restrictions net asset category.

Revenues from Contracts with Customers

The Museum primarily generates revenue from customers through event rentals and museum ticket and store sales. The performance obligation under these contracts is considered to be the goods or services provided in the respective contract. For event rental revenues, the Museum satisfies its performance obligations and recognizes the revenue over time as those services are performed whereby the customer simultaneously receives and consumes the benefits of such services under the agreement. Revenue from museum ticket and store sales are recognized on the date of the museum visit or store purchase as the Museum satisfies these performance obligations at a point in time. Revenues are recognized at an amount that reflects the consideration the Museum expects to be entitled to in exchange for the goods and services provided. For event rental services, payments are typically due in accordance with a defined payment schedule. Payments for ticket and store sales are typically due upon purchase.

Various economic factors affect the Museum's revenues and cash flows. The Museum's revenues from various revenue streams with customers are labeled in the accompanying consolidated statements of activities.

The timing of revenue recognition, billings, and cash collections results in accounts receivable. The balances of accounts receivable resulting from contracts with customers were \$230,774, \$273,734, and \$217,998 as of June 30, 2023, 2022, and 2021, respectively.

Deferred Revenue

The Museum receives payments from customers based on contractual billing schedules, generally in advance of providing the related services, which can differ from when the related revenue is recognized. Accordingly, the Museum utilizes contract liabilities, labeled as deferred revenue on the accompanying consolidated statements of financial position, to account for these timing differences. The balances of deferred revenue were \$779,881, \$1,378,910, and \$914,380 as of June 30, 2023, 2022, and 2021, respectively.

Donated Services - A number of volunteers, including members of the Board of Trustees, contribute significant amounts of time to the Museum. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying consolidated financial statements.

Income Taxes - The Museum is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the accompanying consolidated financial statements.

The Museum records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of June 30, 2023 and 2022.

Art Collection - In accordance with GAAP and the practice typically followed by museums, exhibits and art objects purchased and donated are not included in the accompanying consolidated statements of financial position. Even though not reported in the accompanying consolidated financial statements, the Museum's collection represents one of its most valuable assets.

The Museum's collections consist of art objects and artifacts of historical significance that are held for curatorial and educational purposes. The collection is kept under curatorial care, which includes conservation practices, and is subject to the Museum's policy that requires proceeds from the sale of collection items to be used only for acquisition of additional collections. The Museum does not recognize as a contribution any income from donated collection items, as its collections are not capitalized.

Functional Expense Classification - The Museum allocates certain expenses, principally personnel and contract labor, utilities and maintenance, building rental, and depreciation, to program and supporting services based on management's estimates of the respective service's personnel requirements and space and equipment utilization. Personnel and contract labor are allocated based on time and effort. Utilities and maintenance, building rental, and depreciation are allocated based on square footage. All other expenses have been allocated directly in the accompanying consolidated statements of functional expenses.

Reclassifications - Certain amounts in the 2022 consolidated financial statements have been reclassified to conform with 2023 presentation. Such reclassifications had no effect on the previously reported change in net assets.

Subsequent Events - In preparing its consolidated financial statements, the Museum has evaluated subsequent events through January 10, 2024, which is the date the consolidated financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The table below represents financial assets available for general expenditures within one year as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,241,287	\$ 1,967,099
Accounts receivable	230,774	273,734
Government grant receivable	-	1,361,463
Contributions receivable	277,224	975,846
Investments	<u>48,498,662</u>	<u>47,585,052</u>
Total financial assets	<u>50,247,947</u>	<u>52,163,194</u>
Less amounts not available to be used for general expenditures within one year:		
Restricted by donors with purpose restrictions	986,144	2,332,499
Beneficial interest in trusts restricted for accessions	2,849,767	2,677,581
Endowments less appropriations available for current use	40,577,741	41,680,716
Designated by board and senior leadership for limited use	<u>957,175</u>	<u>1,738,969</u>
Financial assets not available to be used within one year	<u>45,370,827</u>	<u>48,429,765</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,877,120</u>	<u>\$ 3,733,429</u>

The Museum considers general expenditures to include program expenses, supporting services, and any other commitments or liabilities to be paid in the subsequent year. As part of the Museum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Museum invests cash in excess of daily requirements in short-term investments and money market funds.

Board-designated net assets are a portion of net assets without donor restrictions that are available for use at the discretion of the Board of Trustees. The board-designated funds are intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in revenues, or uninsured losses. These amounts could be made available with approval by the Board of Trustees, if necessary.

Endowment funds are subject to appropriation using a board approved annual spending rate of up to a maximum of 5% of the average fair value over the prior 12 quarters through the calendar year preceding the fiscal year in which the distribution is planned.

3. RELATIONSHIP WITH THE CITY OF CHARLOTTE

The City of Charlotte (the “City”) owns the museum building and grounds at the Randolph Road location. The Museum uses the facility under a lease agreement that provides for annual rental of \$1 and expires in 2047, subject to two 25-year renewal options under terms similar to the original lease. Under the lease agreement, the City is responsible for utilities, maintaining the structural integrity of the building, maintaining the fixed equipment and systems, and maintaining the grounds and driveways.

Because the Museum has been using this facility since the mid-1930s, it is not able to accurately establish the estimated fair value of the facility and various improvements at the dates they were placed in service. The net depreciated value of the building and improvements has not been recorded as an asset in the accompanying consolidated statements of financial position; however, the Museum’s management believes any such depreciated value would be immaterial to the consolidated financial statements as whole. Consistent with the practice that has been followed during the periods the facility has been leased, the Museum records the estimated rental value of the facility owned and services paid or provided by the City and used by the Museum as both revenue and expense in the accompanying consolidated statements of activities. This value is \$1,641,852 for each of the years ended June 30, 2023 and 2022.

In November 2010, the Museum entered into a long-term lease with the City for its uptown facility, Mint Museum Uptown, which provides for annual rentals of \$1. The lease agreement expires in 2039 and contains two 25-year renewal options under terms similar to the original lease. During the year ended June 30, 2015, the fifth floor of the facility, which previously was not leased or available for use by the Museum, was purchased by the Museum for approximately \$1,800,000, granted to the City, and added to the existing lease.

The Museum initially recorded the uptown building agreement as an asset in accordance with GAAP at the present value of the expected below-market lease payments, with such present value not to exceed the estimated fair value of the building and all associated rights held by the City. It was determined the total fair value of \$59,681,822 was less than the calculated present value, thus the fair value amount was recorded. The fifth-floor acquisition had an estimated fair value of \$1,800,000, which was added to the building fair value previously recognized. The building, including the fifth floor, is being depreciated over its estimated useful life of 40 years. Air rights held by the City are being amortized over the initial lease term, including renewal options. The net depreciated value of the building is included as part of net property and equipment and the net amortized value of the air rights is included in net land use rights in the accompanying consolidated statements of financial position. Because both assets have time restrictions as to use, they are included as part of net assets with donor restrictions (see Note 12).

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Buildings and improvements, including long-term use of facilities	\$ 64,393,048	\$ 64,393,048
Furniture, fixtures, and office equipment	118,615	44,404
Computers, software, and other technological equipment	1,859,077	1,598,607
Construction in progress	<u>522,424</u>	<u>70,050</u>
	66,893,164	66,106,109
Less accumulated depreciation	<u>(23,542,614)</u>	<u>(21,709,977)</u>
Property and equipment, net	<u>\$ 43,350,550</u>	<u>\$ 44,396,132</u>

See Note 3 regarding the contribution of the use of the Mint Museum Uptown by the City. Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$1,832,637 and \$1,752,903, respectively.

5. LAND USE AND AIR RIGHTS

During fiscal year 1995, the Museum and the City entered into an arrangement to acquire land for the future benefit of the Museum. The land, which is adjacent to the Museum facility on Randolph Road, was acquired by the City through a condemnation proceeding with \$750,000 cash provided by the Museum. Concurrent with the land purchase, the City extended its current lease arrangement, covering the Museum and the adjacent land, through fiscal year 2047 (see Note 3) plus two 25-year renewal options under terms similar to the original lease.

As of June 30, 1995, the Museum recorded an asset in an amount equivalent to the \$750,000 purchase price. This asset is being amortized over 50 years, which is the original extension period of the amended lease agreement. Accumulated amortization totaled \$420,001 and \$405,001 as of June 30, 2023 and 2022, respectively.

As discussed in Note 3, air rights also include the fair value of air rights that were granted to the City as part of the Mint Museum Uptown construction. As part of the lease with the City, the Museum has recorded the value of the air rights as an asset of \$2,840,000, which is being amortized over the life of the lease, including renewal options. Accumulated amortization totaled \$705,639 and \$648,839 as of June 30, 2023 and 2022, respectively.

6. ART COLLECTION

As discussed in Note 1, purchased and donated art objects are not included in the accompanying consolidated statements of financial position. Sales and purchases of art objects are classified as restricted revenues and net assets released from restrictions, respectively, in the accompanying consolidated statements of activities. The Museum did not sell any art objects during the years ended June 30, 2023 and 2022.

7. FAIR VALUE MEASUREMENTS

GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

The inputs used for valuing the Museum's assets and liabilities are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The inputs or methodology used for valuing the Museum's assets and liabilities are not necessarily an indication of the risk associated with those assets and liabilities.

The following are descriptions of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Bonds – These investments are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Equities, Domestic – These investments are common stock of U.S. companies valued at the closing price reported on the active market on which the individual securities are traded.

Endowment at Foundation for the Mint Museums and Beneficial Interests in Trusts – The investment portions of the endowment at FFTMM (the “Endowment”) and the beneficial interests in trusts (the “Trusts”) held at Foundation for the Carolinas (“FFTC”) represent interests held in pooled investment funds, which include private investment funds. The Museum has no ownership interest in those underlying investments. However, the estimated fair value of those investments is used by management of FFTC to determine the fair value of the Museum’s interests in the pooled investments funds. Management of FFTC uses the inputs noted above to estimate the fair value of its investment funds.

The Museum believes its valuation methods are appropriate and consistent with other market participants; however, the use of methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following tables summarize the valuation of the Museum’s investments measured at fair value on a recurring basis as of June 30, 2023 and 2022, based on the level of input utilized to measure fair value.

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Bonds	\$ -	\$ 62,846	\$ -	\$ 62,846
Equities, domestic	957,175	-	-	957,175
Endowment at FFTMM	-	-	17,925,306	17,925,306
Endowed Trusts	-	-	26,453,697	26,453,697
Non-endowed Trusts	-	-	2,849,767	2,849,767
Total	<u>\$ 957,175</u>	<u>\$ 62,846</u>	<u>\$ 47,228,770</u>	<u>\$ 47,228,770</u>

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Bonds	\$ -	\$ 57,368	\$ -	\$ 57,368
Equities, domestic	1,219,988	-	-	1,219,988
Endowment at FFTMM	-	-	17,249,448	17,249,448
Endowed Trusts	-	-	25,694,323	25,694,323
Non-endowed Trusts	-	-	2,677,581	2,677,581
Total	<u>\$ 1,219,988</u>	<u>\$ 57,368</u>	<u>\$ 45,621,352</u>	<u>\$ 46,898,708</u>

For the assets measured at fair value on a recurring basis using Level 3 valuations, the following table provides a reconciliation of beginning and ending balances for the years ended June 30, 2023 and 2022:

	<u>Endowment at FFTMM</u>	<u>Trusts</u>
Balance, June 30, 2021	\$ 17,278,671	\$ 32,334,103
Endowment investment return, net	(2,042,768)	285,839
Additions	2,013,545	15,100
Withdrawals	-	(973,096)
Change in value of Trusts	-	(3,290,042)
Balance, June 30, 2022	<u>17,249,448</u>	<u>28,371,904</u>
Endowment investment return, net	1,225,699	-
Additions	962	436,472
Withdrawals	(550,803)	(1,396,839)
Change in value of Trusts	-	1,891,927
Balance, June 30, 2023	<u>\$ 17,925,306</u>	<u>\$ 29,303,464</u>

8. BENEFICIAL INTERESTS IN TRUSTS

A summary of beneficial interests in trusts as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Endowment:		
Campaign for the Cultural Facilities	\$ 21,421,816	\$ 21,886,183
Greater Charlotte Cultural Trust	3,860,060	2,603,079
Other	<u>1,171,821</u>	<u>1,205,061</u>
	26,453,697	25,694,323
Non-endowment:		
The Mint Museum Auxiliary	<u>2,849,767</u>	<u>2,677,581</u>
Total	<u>\$ 29,303,464</u>	<u>\$ 28,371,904</u>

Campaign for the Cultural Facilities - Campaign for the Cultural Facilities (the "Campaign") was a collaborative initiative, adopted in 2004, between local government and several cultural organizations. In conjunction with the Trusts, the parties involved completed the Cultural Organizations Endowment Agreement (the "Agreement") related to the Campaign. The Agreement outlined the plan to fund an endowment to support the operation of new or remodeled facilities, as well as other endowment and capital needs in the cultural community. The Museum is party to this Agreement and is budgeted to be allocated \$22 million of the approximately \$83 million raised. If actual Campaign collections are less than the total raised, the Museum will receive a prorated share of its budgeted allocation. In accordance with the Agreement, earnings are to be distributed annually to fund operating costs of the new facilities.

Greater Charlotte Cultural Trust - Established in 2002 as a supporting organization of FFTC, Greater Charlotte Cultural Trust, was formed to manage funds and promises to give received during a 1998 cultural arts endowment fund drive. The Museum has recorded as a beneficial interest in trusts the contributions and promises to give designated for the Museum. FFTC distributes endowed funds based on an income approach, which utilizes both income and capital appreciation in determining amounts to be withdrawn for spending. This approach is approved by the FFTC Board of Directors and uses an average of endowed fund's market value for the previous three years. Currently, a maximum of 5% of the average, as calculated, may be distributed from these funds.

Affiliated Organizations - The Mint Museum Auxiliary (the "Auxiliary") and The Founders' Circle (the "Circle") are separate legal entities from the Museum and are not controlled by the Museum. However, the Auxiliary was established for the purpose of furthering the Museum's literary, artistic, and educational purposes including programs and exhibitions and the Circle was established to advance scholarship about, education and appreciation for, the craft arts by supporting the Museum. As such, the Museum and these two organizations are financially interrelated organizations, and the Museum recognizes its interest in the net assets of these organizations in accordance with GAAP.

9. ENDOWMENT FUNDS

Interpretation of Relevant Law

The Board of Trustees of the Museum has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Museum and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Museum
- The investment policies of the Museum

The Museum’s endowments consist of a number of individual, donor-restricted funds established for a variety of purposes that are held by FFTC. The endowment includes donor-restricted endowment funds and certain beneficial interests in trusts (See Note 8). In accordance with GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions. As of June 30, 2023 and 2022, all endowment funds contain donor restrictions.

A summary of endowment investment fund composition by type as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Donor-restricted endowment funds - FFTMM	\$ 17,925,306	\$ 17,249,448
Donor-restricted endowment funds - beneficial interests in trusts	<u>26,453,697</u>	<u>25,694,323</u>
Total	<u>\$ 44,379,003</u>	<u>\$ 42,943,771</u>

Return Objectives and Risk Parameters

FFTC administers the endowed funds of the Trusts and endowment of FFTMM. The Board of Trustees of the Trusts and FFTMM and ultimately the Museum have adopted investment and spending policies for endowment assets that attempt to provide for a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, the endowment assets are invested in a manner that is intended to produce results that provide an average annual real rate of return, net of fees, equal to or greater than spending, administrative fees, and inflation (Consumer Price Index). Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Trusts and FFTMM rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Accordingly, the Trusts and FFTMM have adopted varying ranges of investment allocation guidelines for each type of fund.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Trusts and Foundation have a policy of appropriating for distribution each year 5% of the average fair value over the prior 12 quarters through the calendar year proceeding the fiscal year in which the distribution is planned. The policy will be evaluated on an annual basis for prudence. In establishing the spending policy, the expected return on the Endowment was taken into consideration. Accordingly, the spending policy is expected to allow the Endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return. Distributions for the years ended June 30, 2023 and 2022, were within the terms of the above policy.

A summary of the changes in endowment net assets for the years ending June 30, 2023 and 2022 is as follows:

	<u>Total</u>
Balance, June 30, 2021	\$ 46,226,370
Endowment investment return, net	(2,042,768)
Contributions and collection of pledges	2,302,210
Change in value of endowed beneficial interests in trusts	(2,861,119)
Allocation of allowable endowment balance for spending	<u>(680,922)</u>
Balance, June 30, 2022	42,943,771
Endowment investment return, net	1,225,699
Contributions and collection of pledges	437,435
Change in value of endowed beneficial interests in trusts	1,723,639
Allocation of allowable endowment balance for spending	<u>(1,951,541)</u>
Balance, June 30, 2023	<u>\$ 44,379,003</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Museum has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

The balances of funds with deficiencies reported in net assets with donor restrictions as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Fair value of underwater endowment funds	\$ -	\$ 5,511,483
Original endowment gift amount	-	5,851,430
Deficiencies of underwater endowment funds	<u>\$ -</u>	<u>\$ (339,947)</u>

10. LINE OF CREDIT

During 2023, the Museum entered into a line of credit agreement with a bank that allows for borrowings up to a maximum of \$500,000. The line is collateralized by substantially all assets of the Museum. The line bears interest at the prime rate (8.25% at June 30, 2023) plus a margin of 1.75%, with a floor rate of 5%. The line of credit matures in April 2024. The Museum had no outstanding balances as of June 30, 2023.

11. PAYCHECK PROTECTION PROGRAM LOAN

On January 26, 2021, the Museum received a Paycheck Protection Program loan for \$776,145 under the Economic Aid to Hard-Hit Small Business, Nonprofits and Venues Act. Per the terms of the agreement, if the Museum utilized the funds under certain parameters, it may apply for loan forgiveness up to the entire amount owed plus any interest accrued on the loan. The Museum applied for full forgiveness of the loan after it met the related requirements. The bank provided notification of forgiveness of the loan on April 1, 2022. Accordingly, the Museum recognized the forgiven amount as other income in the accompanying consolidated statement of activities for the year ended June 30, 2022.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions available for future periods or purposes as of June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Time and purpose restricted:		
Contributions receivable, net	\$ 277,224	\$ 829,307
Uptown building, net of accumulated depreciation	40,210,500	41,681,758
Land use and air rights, net	2,134,361	2,191,161
Restricted funds for accessions of artwork	675,426	1,435,158
Beneficial interest in trusts restricted for accessions	2,849,767	2,677,581
Young Affiliates of the Mint Museum of Art	87,401	68,034
Other purpose restricted	<u>125,683</u>	<u>-</u>
Total	<u>46,360,362</u>	<u>48,882,999</u>
Endowments held in perpetuity:		
Foundation for the Mint Museums	17,925,306	17,580,777
Beneficial interests in trust - endowment portion	26,453,697	25,702,941
Beneficial interest in trust - receivable portion	249,871	686,344
Underwater endowments	<u>-</u>	<u>(339,947)</u>
Total	<u>44,628,874</u>	<u>43,630,115</u>
Total net assets with donor restrictions	<u>\$ 90,989,236</u>	<u>\$ 92,513,114</u>

13. COMMITMENTS AND CONTINGENCIES

The Museum is the lessor of space under a lease expiring 2025, with one remaining five-year renewal option. The annual rent increases approximately 10% at each renewal date. Rental income totaled \$65,060 and \$52,553 for the years ended June 30, 2023 and 2022, respectively. Under terms of the agreements, the Museum will receive the following future minimum rental income as of June 30:

Fiscal Years:	
2024	\$ 66,060
2025	66,060
2026	<u>16,515</u>
Total	<u>\$ 148,635</u>

14. EMPLOYEE BENEFIT PLAN

The Museum has a defined contribution plan for all eligible employees. Contributions to the retirement plan are discretionary. All full-time Museum employees are eligible to participate in the plan after completing six months of service. The retirement contributions by the Museum were approximately \$138,000 and \$111,000 for the years ended June 30, 2023 and 2022, respectively, and are included in salaries and benefits in the accompanying consolidated statements of functional expenses.

15. CONCENTRATION OF OPERATING SUPPORT

A significant portion of the Museum's annual support has historically been received from one source. Operating grants from the source are included in gifts revenue in the accompanying consolidated statements of activities. During the years ended June 30, 2023 and 2022, the Museum recognized direct support totaling \$1,061,777 and \$934,652, respectively.

16. RELATED PARTIES

During the years ended June 30, 2023 and 2022, the Museum received contributions from members of the Board of Trustees totaling approximately \$457,000 and \$679,000, respectively.
