



FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2020 and 2019

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## Independent Auditors' Report

Board of Directors  
Minnetrستا Cultural Foundation, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Minnetrista Cultural Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, statements of functional expenses - programs, statements of functional expenses - supporting services, statements of functional expenses - sales, cost of sales and expenses, and statements of cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnetrista Cultural Foundation, Inc. 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.

*Estep Burkey Simmons, LLC*

Muncie, Indiana  
March 18, 2021

## Minnetrista Cultural Foundation, Inc.

## STATEMENTS OF FINANCIAL POSITION

December 31,

	ASSETS	
	2020	2019
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 569,450	\$ 362,530
Cash - savings	427,933	699,163
Cash and cash equivalents - endowment	417,963	400,200
Accounts receivable	13,475	9,713
Grants receivable	125,000	-
Inventories	68,312	68,979
Prepaid expenses	77,458	146,084
Total current assets	1,699,591	1,686,669
<b>PROPERTY, BUILDING AND EQUIPMENT,</b> net of depreciation	6,076,881	6,282,404
<b>HISTORICAL PROPERTY AND EQUIPMENT</b>	3,102,358	3,102,358
<b>COLLECTIONS</b>	2,538,230	2,538,230
<b>INVESTMENTS</b>	5,697,597	5,382,136
<b>TOTAL ASSETS</b>	\$ 19,114,657	\$ 18,991,797
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 120,269	\$ 81,430
Accrued sales tax and payroll withholdings	2,695	2,425
Accrued employees' compensation	34,292	97,787
Contract liabilities	7,125	9,556
Total current liabilities	164,381	191,198
<b>NET ASSETS</b>		
Without donor restrictions	14,733,945	14,563,761
With donor restrictions	4,216,331	4,236,838
	18,950,276	18,800,599
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 19,114,657	\$ 18,991,797

The accompanying notes are an integral part of these statements.

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31,

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue			
Admissions	\$ 28,065		\$ 28,065
Programs	28,526		28,526
Membership dues	15,900		15,900
Gifts and grants	4,215,509	\$ 400,931	4,616,440
In-kind contributions	5,350		5,350
Retail operations	119,299		119,299
Catering and leasing	45,691		45,691
Investment return, net	391,439	65,596	457,035
Twilight on the Boulevard fundraiser			
Other revenue	22,901		22,901
	<hr/>	<hr/>	<hr/>
Total operating support and revenue	4,872,680	466,527	5,339,207
Operating expenses			
Programs			
Collections	424,525		424,525
Programs and Signature Events	563,732		563,732
Exhibits	207,685		207,685
Horticulture	246,034		246,034
Supporting services			
Administration	938,018		938,018
Marketing	353,394		353,394
Development	195,646		195,646
Facilities and Grounds	1,445,268		1,445,268
Cost of sales and expenses			
Retail Operations	195,606		195,606
Catering and Leasing	232,452		232,452
Depreciation expense	617,170		617,170
	<hr/>	<hr/>	<hr/>
	5,419,530		5,419,530
Change in net assets before capital additions	(546,850)	466,527	(80,323)

The accompanying notes are an integral part of these statements.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 50,633		\$ 50,633
75,690		75,690
29,450		29,450
3,736,785	\$ 192,468	3,929,253
71,030		71,030
186,479		186,479
246,416		246,416
825,025	146,721	971,746
12,086		12,086
351		351
<u>5,233,945</u>	<u>339,189</u>	<u>5,573,134</u>
491,325		491,325
664,494		664,494
311,967		311,967
209,442		209,442
936,178		936,178
358,699		358,699
167,399		167,399
1,015,716		1,015,716
202,276		202,276
321,036		321,036
573,709		573,709
<u>5,252,241</u>	<u>339,189</u>	<u>5,252,241</u>
(18,296)	339,189	320,893

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended December 31,

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Non-Operating Revenue (Expense)			
Capital additions			
Gifts and grants - capital		230,000	230,000
Donation of deaccessed collection items			
		230,000	230,000
Net assets released from restrictions:			
Satisfaction of purpose restrictions	717,034	(717,034)	
<b>CHANGE IN NET ASSETS</b>	170,184	(20,507)	149,677
Net assets at beginning of year	14,563,761	4,236,838	18,800,599
Net assets at end of year	\$ 14,733,945	\$ 4,216,331	\$ 18,950,276

The accompanying notes are an integral part of these statements.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
	230,000	230,000
(8,820)		(8,820)
(8,820)	230,000	221,180
669,281	(669,281)	
642,165	(100,092)	542,073
13,921,596	4,336,930	18,258,526
<u>\$ 14,563,761</u>	<u>\$ 4,236,838</u>	<u>\$ 18,800,599</u>



Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - PROGRAMS

For the Years Ended December 31,

	2020			
	Collections	Programs & Signature Events	Exhibits	Horticulture
Payroll	\$ 267,676	\$ 385,693	\$ 78,293	\$ 138,161
Payroll taxes	20,299	29,706	6,148	10,591
Employee benefits	60,995	113,542	23,928	48,440
Supplies	2,195	4,118	3,215	14,269
Professional development and travel	1,718	1,837	4,111	389
Programs		8,724		
Dues and subscriptions	120	700	375	696
Repairs and maintenance	68,905			32,380
Printing and publications				
Postage	15	2,612		2
Contract services			185	
Acquisitions	417			
Reference books				
Exhibit costs			90,470	
Special events		16,584		
Miscellaneous	2,185	216	960	1,106
	<u>\$ 424,525</u>	<u>\$ 563,732</u>	<u>\$ 207,685</u>	<u>\$ 246,034</u>

The accompanying notes are an integral part of these statements.

2019

Collections	Programs & Signature Events	Exhibits	Horticulture
\$ 235,185	\$ 462,051	\$ 89,541	\$ 124,354
17,454	35,575	6,674	9,517
43,715	77,414	20,546	22,167
4,180	1,870	11,211	12,181
2,992	9,093	3,521	4,154
	33,964		
90	1,086	259	866
180,875			32,084
	1,225		
75	253	2	30
		109	3,000
5,393			
35			
		179,020	
	40,365		
1,331	1,598	1,084	1,089
\$ 491,325	\$ 664,494	\$ 311,967	\$ 209,442

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

For the Years Ended December 31,

	2020			
	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
Payroll	\$ 407,481	\$ 136,919	\$ 129,810	\$ 398,912
Payroll taxes	29,822	10,478	9,885	28,926
Employee benefits	93,830	34,817	32,913	146,949
Personnel expense	3,857	218	4	59
Uniforms	3,789			1,487
Supplies	3,753	975	225	22,350
Insurance	116,089			
Professional development and travel	9,310		404	238
Community outreach	2,290			
Annual campaign expenses			1,182	
Marketing	2,184	134,547	267	
Dues and subscriptions	10,241	100	630	177
Telephone	26,247			
Repairs and maintenance				535,628
IT & office equipment maintenance	171,327	5,201		
Website & internet expense	3,371	28,316		
Publications			16,165	
Postage	2,984	1,823	992	
Utilities				207,770
Contract services				102,772
Professional fees	36,783			
Taxes and licenses	11,438			
Twilight on the Boulevard fundraiser				
Membership development			3,169	
Bank fees	3,222			
	<u>\$ 938,018</u>	<u>\$ 353,394</u>	<u>\$ 195,646</u>	<u>\$ 1,445,268</u>

The accompanying notes are an integral part of these statements.

2019			
<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
\$ 378,892	\$ 155,370	\$ 99,824	\$ 417,334
26,729	11,773	7,645	30,568
61,267	30,166	18,208	80,269
5,628	517	365	41
5,519			1,939
5,358	2,334	48	24,800
102,332			
10,225	1,393	15	584
6,549			
		499	
300	135,695	638	
10,243	100	514	227
25,007			
			143,285
238,931	5,268		
2,387	12,653		
		16,137	
3,157	3,430	1,353	
			217,106
			99,563
35,670			
11,578			
		20,058	
		2,095	
6,406			
<u>\$ 936,178</u>	<u>\$ 358,699</u>	<u>\$ 167,399</u>	<u>\$ 1,015,716</u>

## Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES -  
SALES, COST OF SALES AND EXPENSES

For the Years Ended December 31,

	2020		2019	
	Retail Operations	Catering & Leasing	Retail Operations	Catering & Leasing
Sales	\$ 119,299	\$ 45,691	\$ 186,479	\$ 246,416
Cost of sales and expenses				
Cost of sales	67,915	24,443	99,568	78,421
Payroll	88,056	141,190	70,736	173,135
Payroll taxes	6,670	11,036	5,254	12,725
Employee benefits	22,190	50,043	11,931	40,177
Staff meetings and employee recognition		679		1,047
Supplies	2,247	740	2,447	6,240
Freight	3,518		3,611	
Postage	1	80	1	220
Software licenses	1,994	2,856	1,994	2,963
Permits and licenses			280	465
Dues and subscriptions	280	430	175	439
Professional development and travel		306	642	3,499
Advertising		649		1,705
Bank card fees	2,735		5,637	
Total cost of sales and expenses	195,606	232,452	202,276	321,036
<b>OPERATING LOSS</b>	<b>\$ (76,307)</b>	<b>\$ (186,761)</b>	<b>\$ (15,797)</b>	<b>\$ (74,620)</b>

The accompanying notes are an integral part of these statements.

## Minnetrista Cultural Foundation, Inc.

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets before capital additions	\$ (80,323)	\$ 320,893
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	617,170	573,709
Realized (gains) losses on investments	8,094	(122,004)
Unrealized gains on investments	(379,907)	(757,447)
Contributions to funds not subject to appropriation or expenditure	(102,949)	(3,448)
(Increase) decrease in assets:		
Accounts and pledges receivable	(3,762)	4,000
Grants receivable	(125,000)	200,000
Inventories	667	6,801
Prepaid expenses	68,626	29,158
Increase (decrease) in liabilities:		
Accounts payable	38,839	10,210
Accrued sales tax and payroll withholdings	270	(547)
Accrued employees' compensation	(63,495)	1,787
Contract liabilities	(2,431)	1,678
Net cash provided by (used in) operating activities	<u>(24,201)</u>	<u>264,790</u>
Cash flows from investing activities:		
Purchases of capital additions	(411,647)	(668,735)
Purchases of investments	(3,667,158)	(2,018,466)
Proceeds from the sales of investments	3,723,510	1,766,345
Net cash used in investing activities	<u>(355,295)</u>	<u>(920,856)</u>
Cash flows from financing activities:		
Contributions to funds not subject to appropriation or expenditure	102,949	3,448
Gifts and grants for capital additions	230,000	230,000
Net cash provided by financing activities	<u>332,949</u>	<u>233,448</u>
Net decrease in cash and cash equivalents	(46,547)	(422,618)
Cash and cash equivalents at beginning of year	<u>1,461,893</u>	<u>1,884,511</u>
Cash and cash equivalents at end of year	<u>\$ 1,415,346</u>	<u>\$ 1,461,893</u>
<u>Supplemental Disclosures</u>		
In-kind contributions	\$ 5,350	\$ 71,030

The accompanying notes are an integral part of these statements.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. Organization

Minnetrista Cultural Foundation, Inc. (Minnetrista) is East Central Indiana's premier destination for cultural experiences of all kinds. A diverse menu of museum exhibits, events, programs, and quiet garden spaces attracts over 100,000 visits each year. Minnetrista hosts many of Muncie and Delaware County's most important community meetings, celebrations, and civic events, as well as signature festivals that attract traveling visitors. As our mission and vision statements note: Minnetrista is the home of the Ball Jar; a gathering place and catalyst for community engagement. We create shared experiences that connect people, leading to a better quality of life. We envision a thriving community where people who call this region home, take pride in its accomplishments, and aspire to a brighter future.

Financial support for programs and services comes from: contributed revenue in the form of grants and donations from private and public organizations, corporations and individuals and earned revenue from admissions and fees, sales and catering events, and retail operations. Minnetrista Cultural Foundation, Inc. is an Indiana corporation chartered on May 17, 1984. It is exempt from federal income tax as a public charity described in Section 509(a)(3).

2. Basis of Presentation

Net assets, support, investment return, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give Minnetrista's Board of Trustees the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of Minnetrista are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and comprised of Minnetrista's operating fund and unrestricted income from endowment funds.

Net assets with donor restrictions - Net assets not yet appropriated for expenditure by Minnetrista's Board of Trustees in accordance with their spending policy or that have donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished or amounts have been allocated for expenditure by the Board of Trustees, net assets are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

3. Cash and Cash Equivalents

Minnetrista maintains its cash in accounts at local financial institutions which are insured by agencies of the U.S. Government and money market accounts. For purposes of the Statements of Cash Flows, Minnetrista considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Investments

Minnetrista records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return/(loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

5. Accounts Receivable

Minnetrista's trade receivables have a contractual maturity of one year or less, and therefore are exempted from disclosure requirements. Trade receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

6. Inventories

Inventories are accounted for using a perpetual inventory system and valued using the retail method, at the lower of cost or market value.

7. Property, Building and Equipment

Property, building and equipment owned by Minnetrista are recorded at cost for items purchased and at fair value at the date of gift for items donated. Depreciation is computed by using the straight-line method over the estimated useful class lives of the assets, which range from three to forty years.

Expenditures for maintenance, repair and minor renewals are charged to income as incurred. Additions and major renewals are capitalized. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts. Any gain or loss is credited or charged to income.

8. Historical Property and Equipment

Historical property and equipment is recorded at the fair value as of the date of the gift. No depreciation is taken on historical property and equipment.

9. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable to a program is presented as supporting services.

In addition, Minnetrista operates a retail shop. The direct expenses of operating this shop are segregated from program and supporting services.

10. Revenue Recognition

Contributions - Contributions are recognized when the donor makes a promise to give to Minnetrista that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Retail operations - Revenues are recognized when control of these products is transferred to its customers, in an amount that reflects the consideration Minnetrista expects to be entitled to in exchange for those products. Sales and other taxes Minnetrista collects concurrent with revenue-producing activities are excluded from revenue.



## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

10. Revenue Recognition - Continued

Catering and leasing - Revenues are recognized when the services for the contracts are completed, in an amount that reflects the consideration Minnetrista expects to be entitled to in exchange for those products and services. Sales and other taxes Minnetrista collects concurrent with revenue-producing activities are excluded from revenue.

Memberships - Revenues are recognized when the membership is purchased and any deferred income is considered immaterial to the financial statements.

11. Collections

Collections acquired by purchase or donation having a certified appraised value of \$5,000 or more are capitalized at appraised value. The capitalized basis of items sold or deaccessioned from collections is included in expenses in the period of sale to offset revenues received. No depreciation is taken on collections.

12. Contributed Services and Materials

Minnetrasta receives donated services from a variety of unpaid volunteers assisting Minnetrista in its programs. No amounts have been recognized in the accompanying Statements of Activities because the criteria for recognition of such volunteer effort have not been satisfied.

13. Compensated Absences

The full-time employees are entitled to paid vacation and sick days, depending on length of service. Vacation days are earned and must be used within a calendar year. The accumulation of sick days occurs on January 1 of each year up to a maximum of 30 days. Part-time and full-time employees are entitled to personal days, which accumulate within each quarter of a year and must be used in the quarter earned.

14. Marketing Costs

Marketing costs are expensed as incurred and included in operating expenses. Marketing expenses totaled \$136,998 and \$136,633 for the years ended December 31, 2020 and 2019, respectively. Of this amount, in-kind contributions totaled \$3,170 and \$5,050 for the years ended December 31, 2020 and 2019, respectively.

15. Concentration of Credit Risk

Minnetrasta maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2020 and 2019, Minnetrista exceeded the insured limit by \$436,950 and \$647,200, respectively.

16. Concentration of Revenue Risk

Minnetrasta received 54% and 61% of its support and revenue from the Ball Brothers Foundation for the years ended December 31, 2020 and 2019, respectively.

Minnetrasta received 22% and 25% of its support and revenue from the George and Frances Ball Foundation for the years ended December 31, 2020 and 2019, respectively.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

17. Uncertain Tax Positions

Minnetrista recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Minnetrista has examined this issue and has determined there are no material contingent tax liabilities.

Minnetrista's federal and state exempt organization tax returns for 2017, 2018, and 2019 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

18. Estimates

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

## NOTE B - GRANTS RECEIVABLE

Grants receivable consist of a grant awarded to Minnetrista in the amount of \$125,000 and \$-0- as of December 31, 2020 and 2019, respectively. The grant is expected to be paid during 2021.

## NOTE C - PROPERTY, BUILDING AND EQUIPMENT

The amount of fixed assets, net of depreciation, at December 31, 2020 and 2019 consists of the following.

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 1,544,944	\$ 1,544,944
Buildings and improvements	15,938,475	15,610,620
Furniture and equipment	4,419,141	4,335,349
Vehicles	160,490	160,490
	<u>22,063,050</u>	<u>21,651,403</u>
Less accumulated depreciation	<u>15,986,169</u>	<u>15,368,999</u>
	<u>\$ 6,076,881</u>	<u>\$ 6,282,404</u>

## NOTE D - RISKS AND UNCERTAINTIES

Minnetrista holds a variety of investments (Note E). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

In early March, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread rapidly. Market risks, attendance, and memberships could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE E - INVESTMENTS

Investments are stated at fair value as of December 31, 2020 and 2019 and are summarized as follows.

	<u>2020</u>	<u>2019</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Equities - common stock	\$ 2,602,085	\$ 2,105,311
Equities - mutual funds:		
Small blend	301,853	219,016
Small growth	89,256	108,889
Mid-cap blend	500,441	635,664
Mid-cap growth	155,720	127,579
Foreign small/mid growth		73,095
Foreign large growth	305,526	73,036
Large growth	78,696	115,822
Consumer defensive	47,620	42,323
Consumer cyclical	61,096	
Equity energy		28,099
Leveraged equity		39,043
Real estate	74,132	331,456
Total equities - mutual funds	<u>1,614,340</u>	<u>1,794,022</u>
Fixed income - mutual funds:		
Corporate bonds	922,297	997,886
Intermediate-term bonds	288,475	322,320
Short-term bond	96,857	
Mortgage-backed security	22,459	22,823
US treasury bonds	151,084	139,774
Total fixed income - mutual funds	<u>1,481,172</u>	<u>1,482,803</u>
Total investments, at fair value	<u>\$ 5,697,597</u>	<u>\$ 5,382,136</u>
Total investments, at historical cost	<u>\$ 4,868,969</u>	<u>\$ 4,932,366</u>

## NOTE F - CONTRACT LIABILITIES

Contract liabilities consists of billings for catering and leasing contracts in excess of revenue recognized. Contract liabilities totaled \$7,125 and \$9,556 as of December 31, 2020 and 2019, respectively.

## NOTE G - FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A hierarchy of inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of Minnetrista. Unobservable inputs are inputs that reflect Minnetrista's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

**Minnetrستا Cultural Foundation, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020 and 2019

**NOTE G - FAIR VALUE MEASUREMENTS - Continued**

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that Minnetrista has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table sets forth financial assets and liabilities measured at fair value in the Statements of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2020 and 2019:

	2020	
	Fair Value	Level 1
Assets:		
Investments:		
Equities - common stock	\$ 2,602,085	\$ 2,602,085
Equities - mutual funds	\$ 1,614,340	\$ 1,614,340
Fixed income - mutual funds	\$ 1,481,172	\$ 1,481,172
	2019	
	Fair Value	Level 1
Assets:		
Investments:		
Equities - common stock	\$ 2,105,311	\$ 2,105,311
Equities - mutual funds	\$ 1,794,022	\$ 1,794,022
Fixed income - mutual funds	\$ 1,482,803	\$ 1,482,803

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

**NOTE H - IN-KIND CONTRIBUTIONS**

During the years ended December 31, 2020 and 2019, Minnetrista received in-kind contributed services and software from various area businesses. The amount recognized as revenue and expenses totaled \$5,350 and \$71,030 for the years ended December 31, 2020 and 2019, respectively.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE I - COMMITMENTS AND CONTINGENCIES

Minnetrasta is subject to laws and regulations relating to the protection of the environment. Minnetrasta's policy is to accrue environmental and cleanup-related costs of a noncapital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of Minnetrasta's continuing compliance efforts, management believes any future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of Minnetrasta.

## NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for a specific purpose:		
Marjorie Zeigler Fund	\$ 12,955	\$ 12,937
Rosemary Ball Bracken Tree & Habitat Planting Fund	6,105	6,097
River Project Fund	5,009	5,003
Signage Project	20,274	20,246
Art Catalog grant	8,579	8,567
Hoosier Bicentennial Celebration 2016 Fund	7,271	7,261
Remembering Ball Stores book grant	372	372
Collection Acquisitions and Maintenance Fund	689,236	672,770
Bob Ross Experience		118,670
Catalyst project	15,175	15,154
Capital projects	<u>427,172</u>	<u>459,337</u>
	1,192,148	1,326,414
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Oakhurst Exhibit and Programs	28,950	22,010
School access fund	<u>48,492</u>	<u>44,622</u>
	77,442	66,632
Subject to endowment spending policy and appropriation:		
Endowment Fund	2,816,694	2,713,745
Margaret Ball Petty and Edmund F. Petty School Access Fund	70,994	70,994
Frances Sargent Oakhurst Fund	<u>59,053</u>	<u>59,053</u>
	<u>2,946,741</u>	<u>2,843,792</u>
	<u>\$ 4,216,331</u>	<u>\$ 4,236,838</u>

Minnetrista Cultural Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

**NOTE K - NET ASSETS RELEASED FROM DONOR RESTRICTION**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Purpose restrictions accomplished:		
Collection Acquisitions and Maintenance Fund	\$ 30,000	\$ 21,943
School access fund	5,781	5,002
Catalyst project		86,663
ECI Rose Society		861
Bob Ross Experience	410,889	49,459
G A Ball Home reinterpretation		311,555
Remembering Ball Stores book grant		1,278
Nature area grant		11,052
Capital projects	270,364	181,468
Total restrictions released	\$ 717,034	\$ 669,281

**NOTE L - ENDOWMENT FUNDS**

The Board of Trustees of Minnetrista has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of Minnetrista and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of Minnetrista
7. Investment policies of Minnetrista

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE L - ENDOWMENT FUNDS - Continued

Endowment net assets composition by type of fund as of December 31, 2020 and 2019 were as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,178,509		\$ 2,178,509
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 2,946,741	2,946,741
Accumulated investment gains		77,442	77,442
	<u>\$ 2,178,509</u>	<u>\$ 3,024,183</u>	<u>\$ 5,202,692</u>
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,961,853		\$ 1,961,853
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 2,843,792	2,843,792
Accumulated investment gains		66,632	66,632
	<u>\$ 1,961,853</u>	<u>\$ 2,910,424</u>	<u>\$ 4,872,277</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019, were as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grant income		\$ 102,949	\$ 102,949
Investment return, net	\$ 392,760	16,591	409,351
Total revenue and support	<u>392,760</u>	<u>119,540</u>	<u>512,300</u>
Appropriation of endowment assets for expenditure	<u>176,104</u>	<u>5,781</u>	<u>181,885</u>
Change in endowment net assets	216,656	113,759	330,415
Endowment net assets, beginning of year	<u>1,961,853</u>	<u>2,910,424</u>	<u>4,872,277</u>
Endowment net assets, end of year	<u>\$ 2,178,509</u>	<u>\$ 3,024,183</u>	<u>\$ 5,202,692</u>

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE L - ENDOWMENT FUNDS - Continued

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue and support			
Contributions and grant income		\$ 3,448	\$ 3,448
Investment return, net	\$ 826,374	42,375	868,749
Total revenue and support	826,374	45,823	872,197
Appropriation of endowment assets for expenditure	126,112	48,986	175,098
Change in endowment net assets	700,262	(3,163)	697,099
Endowment net assets, beginning of year	1,261,591	2,913,587	4,175,178
Endowment net assets, end of year	\$ 1,961,853	\$ 2,910,424	\$ 4,872,277

## NOTE M - DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates Minnetrista's revenue from contracts with customers based on the type of revenue for the years ended December 31, 2020 and 2019:

	2020	2019
Admissions	\$ 28,065	\$ 50,633
Programs	28,526	75,690
Membership dues	15,900	29,450
Retail operations	119,299	186,479
Catering and leasing	45,691	246,416
	\$ 237,481	\$ 588,668

The revenue from contracts with customers consists of performance obligations satisfied at a point in time.

## NOTE N - RELATED-PARTY TRANSACTIONS

Ball Brothers Foundation donated \$2,700,000 and \$2,705,000 in operating and capital grants to Minnetrista in 2020 and 2019, respectively, and has made similar commitments for 2021.

The George and Frances Ball Foundation donated \$1,110,000 and \$1,110,000 in operating and capital grants to Minnetrista in 2020 and 2019, respectively, and has made similar operating and capital grant commitments for 2021.

The Edmund F. and Virginia B. Ball Foundation donated \$100,000 and \$0- in grants to Minnetrista in 2020 and 2019, respectively.

Board members made donations to Minnetrista totaling \$5,750 and \$7,339 during the years ended December 31, 2020 and 2019, respectively.



## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

**NOTE N - RELATED-PARTY TRANSACTIONS - Continued**

Minnetrista offers a ten to fifteen percent (10-15%) discount on all retail shop purchases to its employees, certain classes of members and certain other related parties. The dollar amount of these discounts for the years ended December 31, 2020 and 2019 are \$4,152 and \$6,129, respectively.

**NOTE O - PAYROLL PROTECTION PROGRAM**

A promissory note was obtained as part of the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Funds from the promissory note may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the promissory note may be forgiven if they are used for qualifying expenses as described in the CARES Act.

Minnetrista has elected to account for this loan as a conditional grant in accordance with ASC 958-605. As such, Minnetrista has recorded the total amount received of \$538,200 as a refundable advance and recognized the revenue as the qualifying expenses were incurred. As of December 31, 2020, Minnetrista has met all conditions and has recognized the entire amount as revenue.

**NOTE P - LIQUIDITY**

Minnetrista has financial assets available within one year of the Statements of Financial Position date consisting the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 997,383	\$ 1,174,198
Accounts receivable	13,475	9,713
Grants receivable	<u>125,000</u>	<u>-</u>
	<u>\$ 1,135,858</u>	<u>\$ 1,183,911</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statements of Financial Position date. As part of its liquidity management, Minnetrista invests cash in excess of daily requirements in various cash equivalents including money market funds and other interest earning opportunities.

**NOTE Q - OPERATING LEASES**

Minnetrista has non-cancelable leases for office equipment expiring through August 2024. Monthly payments of \$2,685 and quarterly payments of \$450 are required as well as payment for charges over the usage limit.

The amounts charged to expense in 2020 and 2019 for all leases were \$37,245 and \$38,744, respectively.

Future minimum payments on the above leases are as follows.

Year ending December 31, 2021	\$37,460
2022	35,660
2023	35,660
2024	20,802
2025	-0-

**Minnetrista Cultural Foundation, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

**NOTE R - 401(k) PROFIT-SHARING PLAN**

Prior to January 1, 2003, Minnetrista had a money-purchase plan for the benefit of all eligible employees. On January 1, 2003, all assets of the plan were transferred to the 401(k) profit-sharing plan that was established in 1999 for the benefit of all eligible employees. Eligible employees consist of those who are at least twenty-one years of age and who have completed one year of service. Employees may elect to make contributions in any amount that does not exceed the limitations set forth in the plan. Minnetrista contributes 3% of each participant's compensation to the plan. Participant contributions of up to 3% of their compensation are matched 100% and 4% to 5% are matched 50% by Minnetrista. Minnetrista's contributions to the plan totaled \$119,293 and \$106,493 for the years ended December 31, 2020 and 2019, respectively.

**NOTE S - BEQUESTS**

Bequests from estates are recorded when Minnetrista is notified by the executor or other representative of a deceased person of an amount due to Minnetrista from an estate. Minnetrista has been notified that it has been named as a beneficiary of an estate; however, no amounts have been disclosed.

**NOTE T - SUBSEQUENT EVENTS**

Minnetrista has evaluated subsequent events through March 18, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2020, have been incorporated into these financial statements herein.