



FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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 12, 2020

## Minnetrista Cultural Foundation, Inc.

## STATEMENTS OF FINANCIAL POSITION

December 31,

	ASSETS	
	2019	2018
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 475,035	\$ 328,620
Cash - savings	699,163	866,438
Cash and cash equivalents - endowment	287,695	689,453
Accounts receivable	9,713	13,713
Grants receivable	-	200,000
Inventories	68,979	75,780
Prepaid expenses	146,084	175,242
Total current assets	1,686,669	2,349,246
<b>PROPERTY, BUILDING AND EQUIPMENT,</b> net of depreciation	6,282,404	6,187,378
<b>HISTORICAL PROPERTY AND EQUIPMENT</b>	3,102,358	3,102,358
<b>COLLECTIONS</b>	2,538,230	2,547,050
<b>INVESTMENTS</b>	5,382,136	4,250,564
<b>TOTAL ASSETS</b>	\$ 18,991,797	\$ 18,436,596
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 81,430	\$ 71,220
Accrued sales tax and payroll withholdings	2,425	2,972
Accrued employees' compensation	97,787	96,000
Contract liabilities	9,556	7,878
Total current liabilities	191,198	178,070
<b>NET ASSETS</b>		
Without donor restrictions	14,563,761	13,921,596
With donor restrictions	4,236,838	4,336,930
	18,800,599	18,258,526
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 18,991,797	\$ 18,436,596

The accompanying notes are an integral part of these statements.

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31,

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue			
Admissions	\$ 50,633		\$ 50,633
Programs	75,690		75,690
Membership dues	29,450		29,450
Gifts and grants	3,736,785	\$ 192,468	3,929,253
In-kind contributions	71,030		71,030
Retail operations	186,479		186,479
Catering and leasing	246,416		246,416
Investment return (loss), net	825,025	146,721	971,746
Twilight on the Boulevard fundraiser	12,086		12,086
Other revenue	351		351
	<u>5,233,945</u>	<u>339,189</u>	<u>5,573,134</u>
Total operating support and revenue			
Operating expenses			
Programs			
Collections	491,325		491,325
Programs and Signature Events	664,494		664,494
Exhibits	311,967		311,967
Horticulture	209,442		209,442
Supporting services			
Administration	936,178		936,178
Marketing	358,699		358,699
Development	167,399		167,399
Facilities and Grounds	1,015,716		1,015,716
Cost of sales and expenses			
Retail Operations	202,276		202,276
Catering and Leasing	321,036		321,036
Depreciation expense	573,709		573,709
	<u>5,252,241</u>	<u>339,189</u>	<u>5,591,430</u>
Change in net assets before capital additions	(18,296)	339,189	320,893

The accompanying notes are an integral part of these statements.

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 43,572		\$ 43,572
68,869		68,869
24,920		24,920
3,710,062	\$ 429,517	4,139,579
43,212		43,212
219,619		219,619
261,070		261,070
(170,203)	(25,186)	(195,389)
15,025		15,025
4,993		4,993
<u>4,221,139</u>	<u>404,331</u>	<u>4,625,470</u>
295,696		295,696
630,353		630,353
218,433		218,433
200,224		200,224
920,712		920,712
353,488		353,488
230,030		230,030
1,061,421		1,061,421
228,248		228,248
290,712		290,712
555,412		555,412
<u>4,984,729</u>	<u>404,331</u>	<u>4,984,729</u>
(763,590)	404,331	(359,259)

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended December 31,

	2019		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	(8,820)		(8,820)
	(8,820)	230,000	221,180
Net assets released from restrictions:			
Satisfaction of purpose restrictions	669,281	(669,281)	
<b>CHANGE IN NET ASSETS</b>	642,165	(100,092)	542,073
Net assets at beginning of year	13,921,596	4,336,930	18,258,526
Net assets at end of year	\$ 14,563,761	\$ 4,236,838	\$ 18,800,599

The accompanying notes are an integral part of these statements.

2018		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
	230,000	230,000
	230,000	230,000
329,074	(329,074)	
(434,516)	305,257	(129,259)
<u>14,356,112</u>	<u>4,031,673</u>	<u>18,387,785</u>
<u>\$ 13,921,596</u>	<u>\$ 4,336,930</u>	<u>\$ 18,258,526</u>



Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - PROGRAMS

For the Years Ended December 31,

	2019			
	Collections	Programs & Signature Events	Exhibits	Horticulture
Payroll	\$ 235,185	\$ 462,051	\$ 89,541	\$ 124,354
Payroll taxes	17,454	35,575	6,674	9,517
Employee benefits	43,715	77,414	20,546	22,167
Supplies	4,180	1,870	11,211	12,181
Professional development and travel	2,992	9,093	3,521	4,154
Programs		33,964		
Dues and subscriptions	90	1,086	259	866
Repairs and maintenance	180,875			32,084
Printing and publications		1,225		
Postage	75	253	2	30
Contract services			109	3,000
Acquisitions	5,393			
Reference books	35			
Exhibit costs			179,020	
Special events		40,365		
Miscellaneous	1,331	1,598	1,084	1,089
	<u>\$ 491,325</u>	<u>\$ 664,494</u>	<u>\$ 311,967</u>	<u>\$ 209,442</u>

The accompanying notes are an integral part of these statements.

2018			
<u>Collections</u>	<u>Programs &amp; Signature Events</u>	<u>Exhibits</u>	<u>Horticulture</u>
\$ 228,330	\$ 455,216	\$ 85,476	\$ 122,217
16,941	34,792	6,479	9,396
39,490	61,413	17,610	24,662
2,758	1,141	8,693	12,513
2,305	9,172	2,757	2,013
	27,304		
90	1,358	320	369
			26,814
	1,704		
69	985	29	46
			1,000
4,190			
232			
		96,054	
	35,695		
1,291	1,573	1,015	1,194
<u>\$ 295,696</u>	<u>\$ 630,353</u>	<u>\$ 218,433</u>	<u>\$ 200,224</u>

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

For the Years Ended December 31,

	2019			
	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
Payroll	\$ 378,892	\$ 155,370	\$ 99,824	\$ 417,334
Payroll taxes	26,729	11,773	7,645	30,568
Employee benefits	61,267	30,166	18,208	80,269
Personnel expense	5,628	517	365	41
Uniforms	5,519			1,939
Supplies	5,358	2,334	48	24,800
Insurance	102,332			
Professional development and travel	10,225	1,393	15	584
Community outreach	6,549			
Annual campaign expenses			499	
Marketing	300	135,695	638	
Dues and subscriptions	10,243	100	514	227
Telephone	25,007			
Repairs and maintenance				143,285
IT & office equipment maintenance	238,931	5,268		
Website & internet expense	2,387	12,653		
Publications			16,137	
Postage	3,157	3,430	1,353	
Utilities				217,106
Contract services				99,563
Professional fees	35,670			
Taxes and licenses	11,578			
Other expenses				
Uncollectible pledges				
Twilight on the Boulevard fundraiser			20,058	
Membership development			2,095	
Bank fees	6,406			
	<u>\$ 936,178</u>	<u>\$ 358,699</u>	<u>\$ 167,399</u>	<u>\$ 1,015,716</u>

The accompanying notes are an integral part of these statements.

2018			
<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
\$ 395,212	\$ 145,248	\$ 136,363	\$ 419,616
28,033	11,221	9,706	30,914
65,299	22,674	28,791	65,919
6,399	614	35	134
4,471			2,272
8,201	1,280		23,934
102,176			
3,801	1,138	4,138	206
6,553			
		3,279	
	156,687	602	
9,219	45	220	520
24,435			
			206,582
203,693	4,347		1,633
2,185	6,718		
		18,828	
3,249	3,516	1,561	
			225,007
			84,684
30,716			
11,487			
2,403			
8,750			
		23,713	
		2,794	
4,430			
<u>\$ 920,712</u>	<u>\$ 353,488</u>	<u>\$ 230,030</u>	<u>\$ 1,061,421</u>

## Minnetrista Cultural Foundation, Inc.

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

For the Years Ended December 31,

	2019		2018	
	Retail Operations	Catering & Leasing	Retail Operations	Catering & Leasing
Sales	\$ 186,479	\$ 246,416	\$ 219,619	\$ 261,070
Cost of sales and expenses				
Cost of sales	99,568	78,421	119,998	83,853
Payroll	70,736	173,135	71,987	162,537
Payroll taxes	5,254	12,725	5,222	12,032
Employee benefits	11,931	40,177	14,234	18,070
Staff meetings and employee recognition		1,047		739
Supplies	2,447	6,240	2,518	6,863
Freight	3,611		4,945	
Postage	1	220	3	167
Software licenses	1,994	2,963	1,994	1,788
Permits and licenses	280	465	280	430
Dues and subscriptions	175	439	285	349
Professional development and travel	642	3,499	847	3,055
Advertising		1,705		829
Bank card fees	5,637		5,935	
Total cost of sales and expenses	202,276	321,036	228,248	290,712
<b>OPERATING LOSS</b>	<b>\$ (15,797)</b>	<b>\$ (74,620)</b>	<b>\$ (8,629)</b>	<b>\$ (29,642)</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>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets before capital additions	\$ 320,893	\$ (359,259)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	573,709	555,412
Realized gains on investments	(122,004)	(127,350)
Unrealized (gains) losses on investments	(757,447)	388,164
Contributions to funds not subject to appropriation or expenditure	(3,448)	(275)
(Increase) decrease in assets:		
Accounts and pledges receivable	4,000	11,679
Grants receivable	200,000	(200,000)
Inventories	6,801	(5,414)
Prepaid expenses	29,158	(81,816)
Increase (decrease) in liabilities:		
Accounts payable	10,210	19,902
Accrued sales tax and payroll withholdings	(547)	(331)
Accrued employees' compensation	1,787	8,153
Contract liabilities	1,678	(2,947)
Net cash provided by operating activities	<u>264,790</u>	<u>205,918</u>
Cash flows from investing activities:		
Purchases of capital additions	(668,735)	(293,224)
Purchases of investments	(2,018,466)	(3,176,127)
Proceeds from the sales of investments	1,766,345	3,364,082
Net cash used in investing activities	<u>(920,856)</u>	<u>(105,269)</u>
Cash flows from financing activities:		
Contributions to funds not subject to appropriation or expenditure	3,448	275
Gifts and grants for capital additions	230,000	230,000
Net cash provided by financing activities	<u>233,448</u>	<u>230,275</u>
Net increase (decrease) in cash and cash equivalents	(422,618)	330,924
Cash and cash equivalents at beginning of year	<u>1,884,511</u>	<u>1,553,587</u>
Cash and cash equivalents at end of year	<u>\$ 1,461,893</u>	<u>\$ 1,884,511</u>
<u>Supplemental Disclosures</u>		
In-kind contributions	\$ 71,030	\$ 43,212

The accompanying notes are an integral part of these statements.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## 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, 2019 and 2018

## 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 market value as of the date of the gift. Additional historical improvements and expenditures are recorded at cost. 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.



## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## 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

Minnetrista 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 \$136,633 and \$157,289 for the years ended December 31, 2019 and 2018, respectively. Of this amount, in-kind contributions totaled \$5,050 and \$19,215 for the years ended December 31, 2019 and 2018, respectively.

15. Concentration of Credit Risk

Minnetrista 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, 2019 and 2018, Minnetrista exceeded the insured limit by \$647,200 and \$480,300, respectively.

16. Concentration of Revenue Risk

Minnetrista received 61% and 52% of its support and revenue from the Ball Brothers Foundation for the years ended December 31, 2019 and 2018, respectively.

Minnetrista received 25% and 26% of its support and revenue from the George and Frances Ball Foundation for the years ended December 31, 2019 and 2018, respectively.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## 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 2016, 2017, and 2018 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 grants awarded to Minnetrista in the amount of \$-0- and \$200,000 as of December 31, 2019 and 2018, respectively.

## NOTE C - PROPERTY, BUILDING AND EQUIPMENT

The amount of fixed assets, net of depreciation, at December 31, 2019 and 2018 consists of the following.

	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 1,544,944	\$1,544,944
Buildings and improvements	15,610,620	15,366,968
Furniture and equipment	4,335,349	3,962,876
Vehicles	160,490	126,380
	<u>21,651,403</u>	<u>21,001,168</u>
Less accumulated depreciation	<u>15,368,999</u>	<u>14,813,790</u>
	<u>\$ 6,282,404</u>	<u>\$ 6,187,378</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.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## NOTE E - INVESTMENTS

Investments are stated at fair value as of December 31, 2019 and 2018 and are summarized as follows.

	<u>2019</u>	<u>2018</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Equities - common stock	\$ 2,105,311	\$1,554,427
Equities - mutual funds:		
Small blend	219,016	260,270
Small value	108,889	
Mid-cap blend	635,664	497,360
Mid-cap growth	127,579	100,897
Foreign small/mid growth	73,095	143,197
Foreign large growth	73,036	75,322
Large growth	115,822	74,526
Consumer defensive	42,323	27,726
Equity energy	28,099	
Leveraged equity	39,043	
Real estate	331,456	179,687
Total equities - mutual funds	<u>1,794,022</u>	<u>1,358,985</u>
Fixed income - mutual funds:		
Corporate bonds	997,886	852,505
Intermediate-term bonds	322,320	145,420
Certificates of deposit		109,554
Mortgage-backed security	22,823	
US treasury bonds	139,774	229,673
Total fixed income - mutual funds	<u>1,482,803</u>	<u>1,337,152</u>
Total investments, at fair value	<u>\$ 5,382,136</u>	<u>\$ 4,250,564</u>
Total investments, at historical cost	<u>\$ 4,932,366</u>	<u>\$4,557,811</u>

## NOTE F - CONTRACT LIABILITIES

Contract liabilities consists of billings for catering and leasing contracts in excess of revenue recognized. Contract liabilities totaled \$9,556 and \$7,878 as of December 31, 2019 and 2018, 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, 2019 and 2018

**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, 2019 and 2018:

	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
	2018	
	Fair Value	Level 1
Assets:		
Investments:		
Equities - common stock	\$ 1,554,427	\$ 1,554,427
Equities - mutual funds	\$ 1,358,985	\$ 1,358,985
Fixed income - mutual funds	\$ 1,337,152	\$ 1,337,152

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, 2019 and 2018, Minnetrista received in-kind contributed services and software from various area businesses. The amount recognized as revenue and expenses totaled \$71,030 and \$43,212 for the years ended December 31, 2019 and 2018, respectively.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for a specific purpose:		
Marjorie Zeigler Fund	\$ 12,937	\$ 12,918
Rosemary Ball Bracken Tree & Habitat Planting Fund	6,097	6,087
River Project Fund	5,003	4,995
Edmund F. Ball Capital Improvement Fund		297
Signage Project	20,246	20,216
Art Catalog grant	8,567	8,554
Hoosier Bicentennial Celebration 2016 Fund	7,261	7,250
Oakhurst Exhibit and Programs	22,010	35,704
Nature area grant		11,044
Remembering Ball Stores book grant	372	371
Collection Acquisitions and Maintenance Fund	672,770	593,601
Bob Ross Experience	118,670	
Catalyst project	15,154	101,663
G A Ball Home reinterpretation		210,796
Capital projects	<u>459,337</u>	<u>409,847</u>
	1,348,424	1,423,343
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
School access fund	44,622	29,040
Oakhurst Exhibit and Programs		37,814
Shinkle Fund for History		<u>6,389</u>
	44,622	73,243
Subject to endowment spending policy and appropriation:		
Endowment Fund	2,713,745	2,710,297
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>2,843,792</u>	<u>2,840,344</u>
	<u>\$ 4,236,838</u>	<u>\$ 4,336,930</u>

## Minnetrissa Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## NOTE J - 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Hoosier Bicentennial Celebration 2016 Fund		\$ 550
Collection Acquisitions and Maintenance Fund	\$ 21,943	
School access fund	5,002	5,476
Catalyst project	86,663	77,662
ECI Rose Society	861	
Bob Ross Experience	49,459	
G A Ball Home reinterpretation	311,555	39,132
Remembering Ball Stores book grant	1,278	1,278
Nature area grant	11,052	7,200
Capital projects	<u>181,468</u>	<u>197,776</u>
Total restrictions released	<u>\$ 669,281</u>	<u>\$ 329,074</u>

## NOTE K - ENDOWMENT FUNDS

The Board of Directors of Minnetrista has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the maintenance of the historic dollar value for each endowed fund as defined previously by the Uniform Management of Institutional Funds Act. As a result of this interpretation, Minnetrista classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions until those funds are appropriated for expenditure by Minnetrista in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Minnetrista considers 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, 2019 and 2018

## NOTE K - ENDOWMENT FUNDS - Continued

Endowment net assets composition by type of fund as of December 31, 2019 and 2018 were as follows:

	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>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,261,591		\$ 1,261,591
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 2,840,344	2,840,344
Accumulated investment gains		73,243	73,243
	<u>\$ 1,261,591</u>	<u>\$ 2,913,587</u>	<u>\$ 4,175,178</u>

Changes in endowment net assets for the years ended December 31, 2019 and 2018, were as follows:

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

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## NOTE K - ENDOWMENT FUNDS - Continued

	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue and support			
Contributions and grant income		\$ 275	\$ 275
Investment loss, net	\$ (168,405)	(8,597)	(177,002)
Total revenue and support	(168,405)	(8,322)	(176,727)
Appropriation of endowment assets for expenditure	127,537	5,476	133,013
Change in endowment net assets	(295,942)	(13,798)	(309,740)
Endowment net assets, beginning of year	1,557,533	2,927,385	4,484,918
Endowment net assets, end of year	\$ 1,261,591	\$ 2,913,587	\$ 4,175,178

## NOTE L - 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, 2019 and 2018:

	2019	2018
Admissions	\$ 50,633	\$43,572
Programs	75,690	68,869
Membership dues	29,450	24,920
Retail operations	186,479	219,619
Catering and leasing	246,416	261,070
	<u>\$ 588,668</u>	<u>\$ 618,050</u>

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

## NOTE M - RELATED-PARTY TRANSACTIONS

Ball Brothers Foundation donated \$2,705,000 and \$2,625,000 in operating and capital grants to Minnetrista in 2019 and 2018, respectively, and has made similar commitments for 2020.

The George and Frances Ball Foundation donated \$1,110,000 and \$1,310,000 in operating and capital grants to Minnetrista in 2019 and 2018, respectively, and has made similar operating and capital grant commitments for 2020.

The Edmund F. and Virginia B. Ball Foundation donated \$0- and \$179,325 in grants to Minnetrista in 2019 and 2018, respectively.

Board members made donations to Minnetrista totaling \$7,339 and \$7,955 during the years ended December 31, 2019 and 2018, respectively.



## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

## NOTE M - 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, 2019 and 2018 are \$6,129 and \$5,391, respectively.

## NOTE N - LIQUIDITY

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

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,174,198	\$1,195,058
Accounts receivable	9,713	13,713
Grants receivable	<u>-</u>	<u>200,000</u>
	<u>\$ 1,183,911</u>	<u>\$1,408,771</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 O - 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 2019 and 2018 for all leases were \$38,744 and \$39,417, respectively.

Future minimum payments on the above leases are as follows.

Year ending December 31, 2020	\$37,460
2021	37,460
2022	35,660
2023	35,660
2024	20,802

## NOTE P - COMMITMENTS AND CONTINGENCIES

Minnetrista is subject to laws and regulations relating to the protection of the environment. Minnetrista'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 Minnetrista'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 Minnetrista.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

**NOTE Q - 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 \$106,493 and \$109,492 for the years ended December 31, 2019 and 2018, respectively.

**NOTE R - 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 S - SUBSEQUENT EVENTS**

Minnetrista has evaluated subsequent events through March 12, 2020, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2019, have been incorporated into these financial statements herein.

**NOTE T - ADOPTION OF NEW ACCOUNTING STANDARD**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Minnetrista adopted the new standard effective January 1, 2019, the first day of Minnetrista's fiscal year, using the full retrospective method.

As part of the adoption of the ASU, Minnetrista elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) Minnetrista used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when Minnetrista expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) Minnetrista has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

The majority of Minnetrista's revenue from contracts with customers is recognized at a point in time and over a period of time. The contracts recognized at a point in time consist of a single performance obligation that is satisfied within one year or less. The contracts recognized over a period of time consist of monthly performance obligations that are satisfied within one year or less. In addition, the majority of Minnetrista's contracts do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have an impact on Minnetrista's financial statements. The majority of Minnetrista's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on Minnetrista's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.