



FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2021 and 2020

**Independent Auditors' Report**

Board of Directors  
Minnetrista Cultural Foundation, Inc.

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Minnetrista Cultural Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Minnetrista Cultural Foundation, Inc. as of December 31, 2021 and 2020, 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.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnetrista Cultural Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 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 Minnetrista Cultural Foundation, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnetrista Cultural Foundation, Inc.'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.

*Estep Burkey Simmons, LLC*

Muncie, Indiana  
March 17, 2022

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## Minnetrista Cultural Foundation, Inc.

## STATEMENTS OF FINANCIAL POSITION

December 31,

	ASSETS	
	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 637,054	\$ 569,450
Cash - savings	291,282	427,933
Cash and cash equivalents - endowment	333,720	417,963
Accounts receivable	3,622	13,475
Grants receivable	2,170	125,000
Inventories	73,216	68,312
Prepaid expenses	139,816	77,458
Total current assets	<u>1,480,880</u>	<u>1,699,591</u>
<b>PROPERTY, BUILDING AND EQUIPMENT,</b> net of depreciation	5,576,260	6,076,881
<b>HISTORICAL PROPERTY AND EQUIPMENT</b>	3,102,358	3,102,358
<b>COLLECTIONS</b>	2,538,230	2,538,230
<b>INVESTMENTS</b>	<u>6,721,917</u>	<u>5,697,597</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,419,645</u>	<u>\$ 19,114,657</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 51,156	\$ 120,269
Accrued sales tax and payroll withholdings	4,680	2,695
Accrued employees' compensation	37,371	34,292
Contract liabilities	14,965	7,125
Total current liabilities	<u>108,172</u>	<u>164,381</u>
<b>NET ASSETS</b>		
Without donor restrictions	14,918,398	14,733,945
With donor restrictions	4,393,075	4,216,331
	<u>19,311,473</u>	<u>18,950,276</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 19,419,645</u>	<u>\$ 19,114,657</u>

The accompanying notes are an integral part of these statements.

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31,

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue			
Admissions	\$ 168,765		\$ 168,765
Programs	112,692		112,692
Membership dues	36,240		36,240
Gifts and grants	3,952,582	\$ 216,045	4,168,627
In-kind contributions			
Retail operations	288,892		288,892
Hospitality	112,727		112,727
Investment return, net	872,764	148,996	1,021,760
Other revenue	7,072		7,072
	<u>5,551,734</u>	<u>365,041</u>	<u>5,916,775</u>
Total operating support and revenue			
Operating expenses			
Programs			
Collections	346,277		346,277
Programs and Signature Events	655,711		655,711
Exhibits	251,561		251,561
Horticulture	235,822		235,822
Supporting services			
Administration	1,009,447		1,009,447
Marketing	402,777		402,777
Development	247,239		247,239
Facilities and Grounds	1,480,853		1,480,853
Cost of sales and expenses			
Retail Operations	285,337		285,337
Hospitality	224,535		224,535
Depreciation expense	646,019		646,019
	<u>5,785,578</u>	<u>365,041</u>	<u>5,785,578</u>
Change in net assets before capital additions	(233,844)	365,041	131,197

The accompanying notes are an integral part of these statements.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 28,065		\$ 28,065
28,526		28,526
15,900		15,900
4,215,509	\$ 400,931	4,616,440
5,350		5,350
119,299		119,299
45,691		45,691
391,439	65,596	457,035
22,901		22,901
<u>4,872,680</u>	<u>466,527</u>	<u>5,339,207</u>
424,525		424,525
563,732		563,732
207,685		207,685
246,034		246,034
938,018		938,018
353,394		353,394
195,646		195,646
1,445,268		1,445,268
195,606		195,606
232,452		232,452
617,170		617,170
<u>5,419,530</u>		<u>5,419,530</u>
(546,850)	466,527	(80,323)

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended December 31,

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Non-Operating Revenue (Expense)			
Capital additions			
Gifts and grants - capital		230,000	230,000
		230,000	230,000
Net assets released from restrictions:			
Satisfaction of purpose restrictions	418,297	(418,297)	
<b>CHANGE IN NET ASSETS</b>	184,453	176,744	361,197
Net assets at beginning of year	14,733,945	4,216,331	18,950,276
Net assets at end of year	<u>\$ 14,918,398</u>	<u>\$ 4,393,075</u>	<u>\$ 19,311,473</u>

The accompanying notes are an integral part of these statements.



2020		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
	230,000	230,000
	230,000	230,000
717,034	(717,034)	
170,184	(20,507)	149,677
<u>14,563,761</u>	<u>4,236,838</u>	<u>18,800,599</u>
<u>\$ 14,733,945</u>	<u>\$ 4,216,331</u>	<u>\$ 18,950,276</u>

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - PROGRAMS

For the Years Ended December 31,

	2021			
	Collections	Programs & Signature Events	Exhibits	Horticulture
Payroll	\$ 232,730	\$ 463,712	\$ 54,704	\$ 142,347
Payroll taxes	17,920	34,034	4,014	10,171
Employee benefits	42,069	104,357	13,182	32,214
Supplies	4,564	2,734	7,173	3,551
Professional development and travel	4,597	5,949	(823)	1,579
Programs		23,669		
Dues and subscriptions	843	1,143	390	940
Repairs and maintenance	8,875			42,072
Printing and publications		370		
Postage	179	327	1	1
Contract services			201	2,000
Acquisitions	48			
Reference books	411			
Exhibit costs			171,685	
Special events		18,721		
Miscellaneous	34,041	695	1,034	947
	<u>\$ 346,277</u>	<u>\$ 655,711</u>	<u>\$ 251,561</u>	<u>\$ 235,822</u>

The accompanying notes are an integral part of these statements.

2020			
Collections	Programs & Signature Events	Exhibits	Horticulture
\$ 267,676	\$ 385,693	\$ 78,293	\$ 138,161
20,299	29,706	6,148	10,591
60,995	113,542	23,928	48,440
2,195	4,118	3,215	14,269
1,718	1,837	4,111	389
	8,724		696
120	700	375	32,380
68,905			
15	2,612		2
		185	
417			
		90,470	
	16,584		
2,185	216	960	1,106
<u>\$ 424,525</u>	<u>\$ 563,732</u>	<u>\$ 207,685</u>	<u>\$ 246,034</u>

Minnetrista Cultural Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

For the Years Ended December 31,

	2021			
	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
Payroll	\$ 412,370	\$ 117,091	\$ 159,684	\$ 433,193
Payroll taxes	29,851	8,223	11,846	29,482
Employee benefits	66,640	35,574	40,707	106,563
Personnel expense	3,650	84	161	15
Uniforms	4,849			1,497
Supplies	38,482	379	237	27,237
Insurance	128,490			
Professional development and travel	9,140	706	2,933	551
Community outreach	2,237			
Annual campaign expenses			5,386	
Marketing	3,964	213,908	654	
Dues and subscriptions	11,057	200	1,350	187
Telephone	24,138			
Repairs and maintenance				524,844
IT & office equipment maintenance	196,642	3,516		
Website & internet expense	4,580	20,267		
Publications			16,601	
Postage	3,431	2,829	2,401	1
Utilities				235,301
Contract services				121,982
Professional fees	38,670			
Taxes and licenses	11,459			
Membership development			5,279	
Bank fees	19,797			
	<u>\$ 1,009,447</u>	<u>\$ 402,777</u>	<u>\$ 247,239</u>	<u>\$ 1,480,853</u>

The accompanying notes are an integral part of these statements.

2020			
<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
\$ 407,481	\$ 136,919	\$ 129,810	\$ 398,912
29,822	10,478	9,885	28,926
93,830	34,817	32,913	146,949
3,857	218	4	59
3,789			1,487
3,753	975	225	22,350
116,089			
9,310		404	238
2,290			
		1,182	
2,184	134,547	267	
10,241	100	630	177
26,247			
			535,628
171,327	5,201		
3,371	28,316		
		16,165	
2,984	1,823	992	
			207,770
			102,772
36,783			
11,438			
		3,169	
3,222			
<u>\$ 938,018</u>	<u>\$ 353,394</u>	<u>\$ 195,646</u>	<u>\$ 1,445,268</u>

## Minnetrista Cultural Foundation, Inc.

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

For the Years Ended December 31,

	2021		2020	
	Retail Operations	Hospitality	Retail Operations	Hospitality
Sales	\$ 288,892	\$ 112,727	\$ 119,299	\$ 45,691
Cost of sales and expenses				
Cost of sales	145,501	66,816	67,915	24,443
Payroll	104,890	109,036	88,056	141,190
Payroll taxes	8,079	8,172	6,670	11,036
Employee benefits	15,903	29,785	22,190	50,043
Staff meetings and employee recognition		657		679
Supplies	2,718	5,461	2,247	740
Freight	5,985		3,518	
Postage	81	49	1	80
Software licenses		2,802	1,994	2,856
Permits and licenses		580		
Dues and subscriptions	175	300	280	430
Professional development and travel	101	277		306
Advertising	150	600		649
Bank card fees	1,754		2,735	
Total cost of sales and expenses	285,337	224,535	195,606	232,452
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 3,555</b>	<b>\$ (111,808)</b>	<b>\$ (76,307)</b>	<b>\$ (186,761)</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>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets before capital additions	\$ 131,197	\$ (80,323)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	646,019	617,170
Realized (gains) losses on investments	(362,347)	8,094
Unrealized gains on investments	(572,674)	(379,907)
Contributions to funds not subject to appropriation or expenditure	(100,725)	(102,949)
(Increase) decrease in assets:		
Accounts and pledges receivable	9,853	(3,762)
Grants receivable	122,830	(125,000)
Inventories	(4,904)	667
Prepaid expenses	(62,358)	68,626
Increase (decrease) in liabilities:		
Accounts payable	(69,113)	38,839
Accrued sales tax and payroll withholdings	1,985	270
Accrued employees' compensation	3,079	(63,495)
Contract liabilities	7,840	(2,431)
Net cash used in operating activities	<u>(249,318)</u>	<u>(24,201)</u>
Cash flows from investing activities:		
Purchases of capital additions	(145,398)	(411,647)
Purchases of investments	(1,786,490)	(3,667,158)
Proceeds from the sales of investments	1,697,191	3,723,510
Net cash used in investing activities	<u>(234,697)</u>	<u>(355,295)</u>
Cash flows from financing activities:		
Contributions to funds not subject to appropriation or expenditure	100,725	102,949
Gifts and grants for capital additions	230,000	230,000
Net cash provided by financing activities	<u>330,725</u>	<u>332,949</u>
Net decrease in cash and cash equivalents	(153,290)	(46,547)
Cash and cash equivalents at beginning of year	<u>1,415,346</u>	<u>1,461,893</u>
Cash and cash equivalents at end of year	<u>\$ 1,262,056</u>	<u>\$ 1,415,346</u>
<u>Supplemental Disclosures</u>		
In-kind contributions		\$ 5,350

The accompanying notes are an integral part of these statements.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

## 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 in 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, 2021 and 2020

## 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 and hospitality department. The direct expenses of operating the shop and department 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, 2021 and 2020

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

10. Revenue Recognition - Continued

Hospitality - 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.

Admissions - Revenues are recognized when the admission 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. Accumulated sick days are not paid upon termination. 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 \$218,526 and \$136,998 for the years ended December 31, 2021 and 2020, respectively. Of this amount, in-kind contributions totaled \$0- and \$3,170 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, Minnetrista exceeded the insured limit by \$382,654 and \$436,950, respectively.

16. Concentration of Revenue Risk

Minnetrista received 44% and 48% of its support and revenue from the Ball Brothers Foundation for the years ended December 31, 2021 and 2020, respectively.

Minnetrista received 18% and 20% of its support and revenue from the George and Frances Ball Foundation for the years ended December 31, 2021 and 2020, respectively.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

## 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 2018, 2019, and 2020 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 \$2,170 and \$125,000 as of December 31, 2021 and 2020, respectively. The grant is expected to be paid during 2022.

## NOTE C - PROPERTY, BUILDING AND EQUIPMENT

The amount of fixed assets, net of depreciation, at December 31, 2021 and 2020 consists of the following.

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 1,544,944	\$ 1,544,944
Buildings and improvements	15,635,517	15,938,475
Furniture and equipment	4,867,497	4,419,141
Vehicles	160,490	160,490
	<u>22,208,448</u>	<u>22,063,050</u>
Less accumulated depreciation	<u>16,632,188</u>	<u>15,986,169</u>
	<u>\$ 5,576,260</u>	<u>\$ 6,076,881</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 of 2020, 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, 2021 and 2020

## NOTE E - INVESTMENTS

Investments are stated at fair value as of December 31, 2021 and 2020 and are summarized as follows.

	<u>2021</u>	<u>2020</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Equities - common stock	\$ 2,989,009	\$ 2,602,085
Equities - mutual funds:		
Small blend	290,326	301,853
Small growth	101,009	89,256
Mid-cap blend	569,121	500,441
Mid-cap growth	186,608	155,720
Foreign large growth	337,917	305,526
Large growth		78,696
Consumer defensive	50,353	47,620
Consumer cyclical	87,500	61,096
Technology	79,915	
Industrial sector	55,973	
Communications	60,124	
Real estate	34,212	74,132
Total equities - mutual funds	<u>1,853,058</u>	<u>1,614,340</u>
Fixed income - mutual funds:		
Corporate bonds	1,213,759	922,297
Intermediate-term bonds	63,088	288,475
Short-term bond		96,857
Mortgage-backed security		22,459
US treasury bonds	185,390	151,084
Intermediate government	417,613	
Total fixed income - mutual funds	<u>1,879,850</u>	<u>1,481,172</u>
Total investments, at fair value	<u>\$ 6,721,917</u>	<u>\$ 5,697,597</u>
Total investments, at historical cost	<u>\$ 5,325,097</u>	<u>\$ 4,868,969</u>

## NOTE F - CONTRACT LIABILITIES

Contract liabilities consists of billings for hospitality contracts in excess of revenue recognized. Contract liabilities totaled \$14,965 and \$7,125 as of December 31, 2021 and 2020, 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, 2021 and 2020

**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, 2021 and 2020:

	2021	
	Fair Value	Level 1
Assets:		
Investments:		
Equities - common stock	\$ 2,989,009	\$ 2,989,009
Equities - mutual funds	\$ 1,853,058	\$ 1,853,058
Fixed income - mutual funds	\$ 1,879,850	\$ 1,879,850
	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

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, 2021 and 2020, Minnetrista received in-kind contributed services and software from various area businesses. The amount recognized as revenue and expenses totaled \$-0- and \$5,350 for the years ended December 31, 2021 and 2020, respectively.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

## 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for a specific purpose:		
Marjorie Zeigler Fund		\$ 12,955
Rosemary Ball Bracken Tree & Habitat Planting Fund		6,105
River Project Fund	\$ 5,012	5,009
Signage Project	20,284	20,274
Art Catalog grant	8,583	8,579
Hoosier Bicentennial Celebration 2016 Fund		7,271
Remembering Ball Stores book grant	372	372
Collection Acquisitions and Maintenance Fund	745,216	689,236
Nature and art education	20,000	
Oakhurst	1,003	
Catalyst project	15,183	15,175
Bob Ross Experience	10,003	
Capital projects	408,965	427,172
	<u>1,234,621</u>	<u>1,192,148</u>
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Frances Sargent Oakhurst Fund	44,558	28,950
School Access Fund	66,430	48,492
	<u>110,988</u>	<u>77,442</u>
Subject to endowment spending policy and appropriation:		
Endowment Fund	2,917,419	2,816,694
Margaret Ball Petty and Edmund F. Petty School Access Fund	70,994	70,994
Frances Sargent Oakhurst Fund	59,053	59,053
	<u>3,047,466</u>	<u>2,946,741</u>
	<u>\$ 4,393,075</u>	<u>\$ 4,216,331</u>

**Minnetrista Cultural Foundation, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**NOTE J - NET ASSETS WITH DONOR RESTRICTIONS - Continued**

During the year ending December 31, 2021, Minnetrista's Board of Trustees voted to endow \$200,000 of funds that were donor restricted for collections, preservation, and acquisitions. This change does not impact the net asset classification on the Statement of Financial Position.

**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, 2021 and 2020:

	2021	2020
Purpose restrictions accomplished:		
Collection Acquisitions and Maintenance Fund	\$ 93,310	\$ 30,000
School access fund	2,989	5,781
Rosemary Ball Bracken Tree & Habitat Planting Fund	6,106	
Marjorie Zeigler Fund	12,958	
Bob Ross Experience	29,739	410,889
Hoosier Bicentennial Celebration 2016 Fund	7,273	
Capital projects	265,922	270,364
Total restrictions released	\$ 418,297	\$ 717,034

**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, 2021 and 2020, 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, 2021 and 2020

## NOTE L - ENDOWMENT FUNDS - Continued

Endowment net assets composition by type of fund as of December 31, 2021 and 2020 were as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,873,785		\$ 2,873,785
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 3,047,466	3,047,466
Accumulated investment gains		110,988	110,988
	<u>\$ 2,873,785</u>	<u>\$ 3,158,454</u>	<u>\$ 6,032,239</u>
	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>

Changes in endowment net assets for the years ended December 31, 2021 and 2020, were as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grant income		\$ 100,725	\$ 100,725
Investment return, net	\$ 877,024	36,535	913,559
Total revenue and support	<u>877,024</u>	<u>137,260</u>	<u>1,014,284</u>
Appropriation of endowment assets for expenditure	181,748	2,989	184,737
Change in endowment net assets	<u>695,276</u>	<u>134,271</u>	<u>829,547</u>
Endowment net assets, beginning of year	<u>2,178,509</u>	<u>3,024,183</u>	<u>5,202,692</u>
Endowment net assets, end of year	<u>\$ 2,873,785</u>	<u>\$ 3,158,454</u>	<u>\$ 6,032,239</u>



## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

## NOTE L - ENDOWMENT FUNDS - Continued

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

## 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, 2021 and 2020:

	2021	2020
Admissions	\$ 168,765	\$ 28,065
Programs	112,692	28,526
Membership dues	36,240	15,900
Retail operations	288,892	119,299
Hospitality	112,727	45,691
	<u>\$ 719,316</u>	<u>\$ 237,481</u>

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 \$2,700,000 in operating and capital grants to Minnetrista in 2021 and 2020, respectively, and has made similar commitments for 2022.

The George and Frances Ball Foundation donated \$1,110,000 and \$1,110,000 in operating and capital grants to Minnetrista in 2021 and 2020, respectively, and has made similar operating and capital grant commitments for 2022.

The Edmund F. and Virginia B. Ball Foundation donated \$100,000 and \$100,000 in grants to Minnetrista in 2021 and 2020, respectively.

Board members made donations to Minnetrista totaling \$10,313 and \$5,750 during the years ended December 31, 2021 and 2020, respectively.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

Minnetrasta 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, 2021 and 2020 are \$6,768 and \$4,152, respectively.

**NOTE O - PAYCHECK 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.

Minnetrasta 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 had met all conditions and had recognized the entire amount as revenue. The PPP loan was forgiven on February 1, 2021.

**NOTE P - LIQUIDITY**

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 928,336	\$ 997,383
Accounts receivable	3,622	13,475
Grants receivable	<u>2,170</u>	<u>125,000</u>
	<u>\$ 934,128</u>	<u>\$ 1,135,858</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**

Minnetrasta has non-cancelable leases for office equipment expiring through December 2026. Monthly payments of \$2,781 and quarterly payments of \$450 are required as well as payment for charges over the usage limit.

The amounts charged to expense in 2021 and 2020 for all leases were \$40,256 and \$37,245, respectively.

Future minimum payments on the above leases are as follows.

Year ending December 31, 2022	\$33,378
2023	\$31,578
2024	\$31,578
2025	\$31,578
2026	\$31,578

**Minnetrasta Cultural Foundation, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**

**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.

**NOTE S - 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 \$111,829 and \$119,293 for the years ended December 31, 2021 and 2020, respectively.

**NOTE T - SUBSEQUENT EVENTS**

Minnetrasta has evaluated subsequent events through March 17, 2022, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2021, have been incorporated into these financial statements herein.