

**DEETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2024 AND 2023**

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
DeEtte Holden Cummer Museum Foundation, Inc.  
dba The Cummer Museum of Art & Gardens  
Jacksonville, Florida

### **Opinion**

We have audited the accompanying financial statements of DeEtte Holden Cummer Museum Foundation, Inc. dba The Cummer Museum of Art & Gardens (the "Museum"), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of September 30, 2024 and 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Museum and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 the Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 the Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern for a reasonable period of time.

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

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of the source and status of funds received from the City of Jacksonville, Florida, as required by Section 215.97 of Florida Statutes, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, on our consideration of the Museum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control over financial reporting and compliance.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

New York, New York  
January 14, 2025

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 673,903	\$ 308,772
Contributions receivable, current portion	277,199	636,410
Other receivables	124	465
Prepaid exhibition costs	65,976	253,300
Inventory	159,671	174,021
Other prepaid expenses	<u>135,370</u>	<u>70,399</u>
Total current assets	1,312,243	1,443,367
Contributions receivable, net of current portion	48,495	837,369
Investments	51,592,822	44,872,718
Beneficial interest in remainder trust	555,695	538,566
Property and equipment, net	11,784,306	12,318,683
Collections (Note 2)	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 65,293,561</u>	<u>\$ 60,010,703</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 368,740	\$ 460,930
Accrued salaries and benefits	157,426	167,691
Deferred revenue	<u>215,551</u>	<u>233,327</u>
Total current liabilities	<u>741,717</u>	<u>861,948</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions:		
Operating	1,081,589	1,565,326
Invested in property and equipment	<u>11,784,306</u>	<u>12,318,683</u>
Total net assets without donor restrictions	12,865,895	13,884,009
With donor restrictions	<u>51,685,949</u>	<u>45,264,746</u>
Total net assets	<u>64,551,844</u>	<u>59,148,755</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 65,293,561</u>	<u>\$ 60,010,703</u>

The accompanying notes are an integral part of these financial statements.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES (LOSSES), GAINS AND OTHER SUPPORT:				
Contributions		\$ 1,272,625	\$ 1,075,867	\$ 2,348,492
Government grants		797,620	-	797,620
School tours and outreach		53,952	-	53,952
Admissions		577,235	-	577,235
Memberships		265,139	-	265,139
Special events revenue	\$ 286,321		-	
Direct cost of special events	<u>(107,070)</u>	179,251	-	179,251
Contributions in-kind		17,196	-	17,196
Museum shop revenue	451,417		-	
Cost of sales	<u>(468,017)</u>	(16,600)	-	(16,600)
Facility rental		157,224	-	157,224
Other income		39,920	-	39,920
Investment return	9,269,542			
Management fees	<u>(123,087)</u>	-	9,146,455	9,146,455
Change in value of split-interest agreements		-	17,129	17,129
Loss on pledge receivable		-	(651,127)	(651,127)
Net assets released from restrictions		<u>3,167,121</u>	<u>(3,167,121)</u>	<u>-</u>
Total operating revenues (losses), gains and other support		<u>6,510,683</u>	<u>6,421,203</u>	<u>12,931,886</u>
OPERATING EXPENSES:				
Program services:				
Exhibition, curatorial activities, and conservation		3,900,670	-	3,900,670
Education		749,760	-	749,760
Events		<u>444,391</u>	<u>-</u>	<u>444,391</u>
Total program services		<u>5,094,821</u>	<u>-</u>	<u>5,094,821</u>
Supporting services:				
Management and general		1,086,441	-	1,086,441
Membership and development		<u>773,810</u>	<u>-</u>	<u>773,810</u>
Total supporting services		<u>1,860,251</u>	<u>-</u>	<u>1,860,251</u>
Total operating expenses		<u>6,955,072</u>	<u>-</u>	<u>6,955,072</u>
CHANGE IN NET ASSETS FROM OPERATIONS		(444,389)	6,421,203	5,976,814
NON-OPERATING EXPENSES:				
Collection items purchased		<u>(573,725)</u>	<u>-</u>	<u>(573,725)</u>
CHANGE IN NET ASSETS		(1,018,114)	6,421,203	5,403,089
NET ASSETS, BEGINNING OF YEAR		<u>13,884,009</u>	<u>45,264,746</u>	<u>59,148,755</u>
NET ASSETS, END OF YEAR		<u>\$ 12,865,895</u>	<u>\$ 51,685,949</u>	<u>\$ 64,551,844</u>

The accompanying notes are an integral part of these financial statements.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES (LOSSES), GAINS AND OTHER SUPPORT:				
Contributions		\$ 2,113,830	\$ 1,863,607	\$ 3,977,437
Government grants		669,909	-	669,909
School tours and outreach		55,186	-	55,186
Admissions		525,351	-	525,351
Memberships		217,228	-	217,228
Special events revenue	\$ 228,434			
Direct cost of special events	<u>(150,161)</u>	78,273	-	78,273
Contributions in-kind		84,713	-	84,713
Museum shop revenue	465,385			
Cost of sales	<u>(471,709)</u>	(6,324)	-	(6,324)
Facility rental		140,105	-	140,105
Other income		55,274	-	55,274
Investment return	4,996,278			
Management fees	<u>(124,535)</u>	29,178	4,842,565	4,871,743
Change in value of split-interest agreements		-	45,436	45,436
Net assets released from restrictions		<u>2,689,789</u>	<u>(2,689,789)</u>	<u>-</u>
 Total operating revenues (losses), gains and other support		<u>6,652,512</u>	<u>4,061,819</u>	<u>10,714,331</u>
OPERATING EXPENSES:				
Program services:				
Exhibition, curatorial activities, and conservation		3,935,811	-	3,935,811
Education		832,631	-	832,631
Events		<u>445,166</u>	<u>-</u>	<u>445,166</u>
 Total program services		<u>5,213,608</u>	<u>-</u>	<u>5,213,608</u>
Supporting services:				
Management and general		1,216,912	-	1,216,912
Membership and development		<u>681,346</u>	<u>-</u>	<u>681,346</u>
 Total supporting services		<u>1,898,258</u>	<u>-</u>	<u>1,898,258</u>
 Total operating expenses		<u>7,111,866</u>	<u>-</u>	<u>7,111,866</u>
 CHANGE IN NET ASSETS FROM OPERATIONS		(459,354)	4,061,819	3,602,465
NON-OPERATING EXPENSES:				
Collection items purchased		<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
 CHANGE IN NET ASSETS		(539,354)	4,061,819	3,522,465
 NET ASSETS, BEGINNING OF YEAR		<u>14,423,363</u>	<u>41,202,927</u>	<u>55,626,290</u>
 NET ASSETS, END OF YEAR		<u>\$ 13,884,009</u>	<u>\$ 45,264,746</u>	<u>\$ 59,148,755</u>

The accompanying notes are an integral part of these financial statements.



DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Services				Supporting Services				
	Exhibition, Curatorial, and Conservation	Education	Events	Total	Management and General	Membership and Development	Total	Direct Cost of Special Events	Total
Compensation and related expenses:									
Wages and salaries	\$ 1,074,286	\$ 352,510	\$ 186,559	\$ 1,613,355	\$ 636,835	\$ 434,326	\$ 1,071,161	\$ -	\$ 2,684,516
Benefits	108,501	35,603	18,842	162,946	63,453	43,866	107,319	-	270,265
Temporary staffing services	-	-	-	-	19,664	59,067	78,731	-	78,731
Payroll taxes	84,367	27,684	14,651	126,702	49,339	34,109	83,448	-	210,150
Total compensation and related expenses	1,267,154	415,797	220,052	1,903,003	769,291	571,368	1,340,659	-	3,243,662
Exhibition costs	816,464	-	-	816,464	-	-	-	-	816,464
Curatorial and conservation	899	-	-	899	-	-	-	-	899
Advertising and promotion	108,333	26,355	27,795	162,483	286	35,804	36,090	-	198,573
Licenses, taxes, and fees	36,666	2,822	6,436	45,924	4,602	41,763	46,365	-	92,289
Information technology	61,032	26,702	19,073	106,807	30,516	15,258	45,774	2,954	155,535
Insurance	124,642	8,089	2,971	135,702	13,610	678	14,288	-	149,990
Maintenance and repairs	180,354	10,544	4,861	195,759	15,027	1,436	16,463	-	212,222
Museum shop cost of goods sold	468,017	-	-	468,017	-	-	-	-	468,017
Professional development	14,498	2,900	2,175	19,573	19,532	1,450	20,982	-	40,555
Professional services	203,642	80,855	85,743	370,240	97,725	62,252	159,977	76,423	606,640
Security	166,142	19,445	7,143	192,730	17,719	1,631	19,350	-	212,080
Supplies	55,467	10,426	5,679	71,572	5,934	218	6,152	15,141	92,865
Telephone and utilities	222,868	29,629	11,031	263,528	30,091	5,701	35,792	6,779	306,099
Other	11,670	8,159	17,802	37,631	7,640	28,238	35,878	1,010	74,519
In-kind materials and services	4,299	2,407	4,986	11,692	5,159	344	5,503	4,763	21,958
Depreciation	626,540	105,630	28,644	760,814	69,309	7,669	76,978	-	837,792
Total expenses	4,368,687	749,760	444,391	5,562,838	1,086,441	773,810	1,860,251	107,070	7,530,159
Less: Direct cost of special events deducted from revenue on the statement of activities	-	-	-	-	-	-	-	(107,070)	(107,070)
Less: Cost of sales netted against museum shop income	(468,017)	-	-	(468,017)	-	-	-	-	(468,017)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 3,900,670</u>	<u>\$ 749,760</u>	<u>\$ 444,391</u>	<u>\$ 5,094,821</u>	<u>\$ 1,086,441</u>	<u>\$ 773,810</u>	<u>\$ 1,860,251</u>	<u>\$ -</u>	<u>\$ 6,955,072</u>

The accompanying notes are an integral part of these financial statements.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services				Supporting Services				
	Exhibition, Curatorial, and Conservation	Education	Events	Total	Management and General	Membership and Development	Total	Direct Cost of Special Events	Total
Compensation and related expenses:									
Wages and salaries	\$ 953,148	\$ 363,859	\$ 174,622	\$ 1,491,629	\$ 676,675	\$ 293,126	\$ 969,801	\$ -	\$ 2,461,430
Benefits	112,137	42,808	20,544	175,489	79,610	34,486	114,096	-	289,585
Temporary staffing services	-	-	-	-	58,470	118,548	177,018	-	177,018
Payroll taxes	73,470	28,047	13,460	114,977	52,159	22,594	74,753	-	189,730
Total compensation and related expenses	1,138,755	434,714	208,626	1,782,095	866,914	468,754	1,335,668	-	3,117,763
Exhibition costs	499,254	-	-	499,254	-	-	-	-	499,254
Curatorial and conservation	56,280	-	-	56,280	-	-	-	-	56,280
Advertising and promotion	134,401	34,843	46,608	215,852	-	78,976	78,976	-	294,828
Licenses, taxes, and fees	33,630	2,190	5,093	40,913	42,907	38,229	81,136	-	122,049
Information technology	58,608	25,641	18,315	102,564	29,304	14,652	43,956	-	146,520
Insurance	132,365	7,733	2,841	142,939	13,007	649	13,656	-	156,595
Maintenance and repairs	255,207	13,434	12,301	280,942	14,473	2,105	16,578	-	297,520
Museum shop cost of goods sold	471,709	-	-	471,709	-	-	-	-	471,709
Professional development	20,403	2,215	972	23,590	14,261	1,943	16,204	-	39,794
Professional services	437,189	115,714	62,615	615,518	51,556	47,434	98,990	79,164	793,672
Security	185,067	21,660	7,957	214,684	19,737	1,817	21,554	-	236,238
Supplies	68,342	11,558	4,164	84,064	6,777	180	6,957	27,640	118,661
Telephone and utilities	240,240	29,770	11,006	281,016	28,613	4,042	32,655	-	313,671
Other	10,362	14,453	11,128	35,943	31,664	17,066	48,730	39,361	124,034
In-kind materials and services	20,802	11,649	24,131	56,582	26,465	1,666	28,131	-	84,713
Depreciation	644,906	107,057	29,409	781,372	71,234	3,833	75,067	3,996	860,435
Total expenses	4,407,520	832,631	445,166	5,685,317	1,216,912	681,346	1,898,258	150,161	7,733,736
Less: Direct cost of special events deducted from revenue on the statement of activities	-	-	-	-	-	-	-	(150,161)	(150,161)
Less: Cost of sales netted against museum shop income	(471,709)	-	-	(471,709)	-	-	-	-	(471,709)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	<u>\$ 3,935,811</u>	<u>\$ 832,631</u>	<u>\$ 445,166</u>	<u>\$ 5,213,608</u>	<u>\$ 1,216,912</u>	<u>\$ 681,346</u>	<u>\$ 1,898,258</u>	<u>\$ -</u>	<u>\$ 7,111,866</u>

The accompanying notes are an integral part of these financial statements.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 5,403,089	\$ 3,522,465
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	837,792	860,435
Endowment contributions	(22,458)	(782,825)
Change in discount on pledges receivable	(67,386)	(73,494)
Net realized and unrealized gains on investments	(7,603,763)	(3,557,328)
Interest and dividends restricted for long-term investment	(1,542,692)	(1,304,898)
Change in split-interest agreement	(17,129)	(45,436)
Changes in assets:		
Contributions and grants receivable	968,211	(145,410)
Other receivables	341	2,598
Inventory	14,350	(30,876)
Employee Retention Credit receivable	-	658,471
Prepaid exhibition costs	187,324	58,474
Other prepaid expenses	(64,971)	22,702
Changes in liabilities:		
Accounts payable and accrued expenses	(92,190)	179,349
Accrued salaries and benefits	(10,265)	25,942
Deferred revenue	(17,776)	49,614
	<hr/>	<hr/>
Net cash used in operating activities	(2,027,523)	(560,217)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(303,415)	(300,251)
Proceeds from sale of investments	13,286,220	14,938,738
Purchase of investments	(12,402,561)	(18,793,837)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	580,244	(4,155,350)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from endowment contributions	269,718	1,032,825
Interest and dividends restricted for long-term investment	1,542,692	1,304,898
	<hr/>	<hr/>
Net cash provided by financing activities	1,812,410	2,337,723
	<hr/>	<hr/>
NET CHANGE IN CASH AND CASH EQUIVALENTS	365,131	(2,377,844)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	308,772	2,686,616
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 673,903	\$ 308,772
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The accompanying notes are an integral part of these financial statements.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 1 - Nature of Organization

The DeEttE Holden Cummer Museum Foundation, Inc., doing business as The Cummer Museum of Art and Gardens (the "Museum"), is a nonprofit organization founded in 1961 and incorporated in 1982 under the laws of the State of Florida. The Museum exists to engage and inspire individuals through the arts, gardens, and education. The Museum is the largest fine arts museum in North Florida, with a permanent collection of nearly 5,000 objects as well as loaned objects from other collections. Its historic riverfront gardens occupy 2.5 acres situated on the St. Johns River in Jacksonville, Florida. The Museum's major sources of revenue are contributions, grants, and investment income.

Note 2 - Summary of Significant Accounting Policies

Adoption of ASU No. 2016-13

On October 1, 2023, the Museum adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and all subsequently issued related amendments using the modified retrospective approach. ASU No. 2016-13 changed the methodology used to recognize impairment of the Museum's contract receivables. Under the ASU, financial assets are presented at the net amount expected to be collected, requiring immediate recognition of estimated credit losses expected to occur over the asset's remaining life. This is in contrast to previous accounting principles generally accepted in the United States of America ("U.S. GAAP"), under which credit losses were not recognized until it was probable that a loss had been incurred. The Museum performed its current expected credit loss ("CECL") calculation based on historical accounts receivable write-offs, including consideration of then-existing economic and reasonable and supportable forecasts about collectability. The adoption of this ASU did not have a significant impact on the Museum's financial statements.

Basis of Accounting

The financial statements are prepared on the accrual basis in accordance with U.S. GAAP.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the amount of revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Museum considers all liquid investments with original maturities of three months or less to be cash equivalents. Operating and deposit accounts restricted internally by the Board of Trustees (the "Board") are considered to be cash and cash equivalents on the statements of financial position and cash flows. Uninvested cash and cash equivalents held in accounts managed by professional fund advisors are included within investments.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Investments

Investment income consists of gains and losses on the sale of investments, unrealized gains and losses, and interest and dividends, net of investment fees, which are all recorded as operating activities and are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations.

The Museum maintains master investment accounts for its donor-restricted endowments and other gifts. Pooling endowment funds for investment purposes has many benefits, including but not limited to spreading the total risk for each endowment fund and making the risk equal for all funds invested in the master investment accounts, enhancing the investment performance relative to that of an individual fund, and reducing management fees.

Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual donor funds based on the relationship of the fair value of each fund to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Museum's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at September 30, 2024 and 2023 in accordance with FASB ASC Topic 820.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Contributions Receivable

The Museum determines whether an allowance for doubtful contributions receivable ("allowance") should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current and expected economic conditions and historical information. The allowance is adjusted based upon management's assessment of the collectability of the contributions receivable. Receivables are written off against the allowance when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Management has determined that no allowance was necessary at September 30, 2024 and 2023.

Inventory

Inventory, which consists of finished goods held for sale in connection with the Museum's gift shop operation, is valued at the lower of cost and net realizable value, with cost determined using the first in, first out ("FIFO") method and with net realizable value defined as the estimated selling prices in the ordinary course of business.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for equipment and major repairs and replacements costing over \$1,000 are capitalized. Donated property and equipment are valued at estimated fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Long-Lived Asset Impairment

The Museum evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended September 30, 2024 and 2023.

Collections

The Museum's collections are made up of paintings, prints, artifacts of historical significance, and other art objects that are held for educational, research and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. Collection items are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections. The value of the art objects in the permanent collection is not subject to reasonable estimation, and therefore, is excluded from the statements of financial position.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Collections (cont'd.)

Additions to the permanent collection are made either by gifts, bequests, or through purchases using the Museum's acquisition funds. All works of art are held for public exhibition, education, or research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to strict policies governing their use.

Deferred Revenue

Deferred revenue is a contract liability and includes membership dues, facility rental fees, and fees for school tours, classes, and other events paid in advance. Such dues and fees will be recognized as income in the period in which they are earned. Deferred revenue was \$215,551, \$233,327 and \$183,713 at September 30, 2024, September 30, 2023 and October 1, 2022, respectively.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and are not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Revenue Recognition

As referenced in Note 15, revenue from licensing, rental and other fees, museum shop and admissions, educational programs, and special events revenues are recognized as the Museum satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration the Museum expects to receive in exchange for providing goods or services. The Museum determines the transaction price based on standard charges for goods and services provided.

Contributions

Contributions are provided to the Museum either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Museum overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.



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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions In-Kind

The Museum records contributed professional services and contributions of nonfinancial assets as contributions in-kind. Contributed professional services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased if not provided by donation.

Contributed nonfinancial assets are recognized as revenue at their estimated fair value on the date of receipt. The in-kind support reflected in the accompanying financial statements is included in contribution revenue and is offset by like amounts included in expenses.

Contributions in-kind included in the statements of activities for the years ended September 30, 2024 and 2023, are comprised of the following:

Non-financial contributions by category	Type of contributions for beneficiaries	Valuation	2024	2023
Professional services	Outside professional services	Appraisal reports received from independent third parties	\$ 4,762	\$ 58,945
Marketing and advertising services	Outside marketing services	Appraisal reports received from independent third parties	4,112	14,862
Other	Supplies and goods	Current retail value on similar products	8,322	6,406
Materials	Furniture and Equipment	Current retail value on similar products	-	4,500
			<u>\$ 17,196</u>	<u>\$ 84,713</u>

For the years ended September 30, 2024 and 2023, contributed professional services of \$762 and \$39,371, respectively, were utilized in program services, and contributed professional services of \$4,000 and \$19,574, respectively, were utilized in supporting services. For the years ended September 30, 2024 and 2023, contributed nonfinancial assets of \$2,986 and \$17,211, respectively, were utilized in program services, and contributed nonfinancial assets of \$9,448 and \$8,557, respectively, were utilized in supporting services. In-kind contributions are not restricted. The Museum does not sell in-kind contributions and uses the contributed in-kind items for general operations.

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of the Museum's activities. Such services do not meet the criteria for recognition as a contribution as described above, and, therefore, their value is not reflected in the accompanying financial statements.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Government Grants

Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. Government grants are recognized as the Museum meets the conditions prescribed by the grant and incurs eligible expenses under the grant. As the conditions are met, the Museum simultaneously releases the government grant and reflects them as without donor restrictions. Government grant activities and outlays are subject to audited acceptance by the granting agencies and, as a result of such audits, adjustments could be required. To the extent amounts received exceed amounts spent, the Museum recognizes refundable advances from government agencies.

Taxes Collected from Customers and Remitted to Governmental Authorities

The Museum collects various taxes from customers and remits these amounts to applicable taxing authorities. The Museum's accounting policy is to exclude these taxes from revenue and cost of revenue.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising and development categories based on estimated time spent by employees, square footage and other methods.

Advertising

All costs associated with advertising and promoting the Museum are expensed in the year incurred and reported in the statements of functional expenses.

Measure of Operations

The Museum includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting activities and excludes collection items purchased and return of grant funds.

Accounting for Uncertainty in Income Taxes

The Museum is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Museum is also exempt from state income taxes on related income pursuant to Chapter 220 of the Florida Statutes. However, income from certain activities not directly related to the Museum's tax-exempt purpose is subject to taxation as unrelated business income.

The Museum has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Museum is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Museum believes it is no longer subject to income tax examinations for years prior to 2021.

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Note 2 - Summary of Significant Accounting Policies (cont'd.)

Reclassifications

Net assets with donor restrictions as reported in the 2023 financial statements were reclassified to align with donor intent to conform to the 2024 financial statement presentation. These reclassifications had no effect on the previously reported change in net assets.

Note 3 - Concentrations

The Museum maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At September 30, 2023 and 2022, and periodically throughout the years then ended, the Museum's balances exceeded these limits.

At September 30, 2024 and 2023, 100% and approximately 81%, respectively, of all contributions receivable were due from two donors/grantors. Approximately 36% of contributions were received from two donors/grantors for the year ended September 30, 2024 and approximately 44% of contributions were received from three donors/grantors for the year ended September 30, 2023.

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2024 and 2023.

Equities and exchange-traded funds ("ETFs") are stated at fair value based on the closing price on the active market which the individual securities are traded.

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

Alternative investments - Valued at net asset value ("NAV") as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

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Note 4 - Fair Value Measurement (cont'd.)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at September 30, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 5,730,300	\$ -	\$ -	\$ 5,730,300
Equities:				
Stocks	2,396,447	-	-	2,396,447
Exchange-traded funds	29,784,282	-	-	29,784,282
Real estate index fund	1,230,520	-	-	1,230,520
Fixed income securities:				
Corporate bonds	-	10,616,148	-	10,616,148
Exchange-traded funds	1,835,125	-	-	1,835,125
Total investments, at fair value	<u>\$ 40,976,674</u>	<u>\$ 10,616,148</u>	<u>\$ -</u>	<u>\$ 51,592,822</u>

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at September 30, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 6,490,783	\$ -	\$ -	\$ 6,490,783
Equities:				
Stocks	1,366,905	-	-	1,366,905
Exchange-traded funds	25,031,496	-	-	25,031,496
Real estate index fund	582,580	-	-	582,580
Fixed income securities:				
Corporate bonds	-	9,515,667	-	9,515,667
Exchange-traded funds	1,866,616	-	-	1,866,616
Total investments, at fair value	<u>\$ 35,338,380</u>	<u>\$ 9,515,667</u>	<u>\$ -</u>	44,854,047
Alternative investments (a)				<u>18,671</u>
Total investments				<u>\$ 44,872,718</u>

- a) In accordance with FASB ASC Subtopic 820-10, certain investments that were measured at NAV per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

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Note 4 - Fair Value Measurement (cont'd.)

The Museum's Statement of Investment Policies & Objectives recognizes the use of alternative investments as a strategy to potentially reduce the risk and/or enhance the expected return of the investment portfolio, and authorizes the use of alternative investments. The Board acknowledges that the use of alternative investments can introduce unique types of risks due to the inherent structure and characteristics of many alternative investments, which could include leverage, short sales, illiquidity, and lack of transparency and regulation. The Board limits the use of alternative investments to 10% of the total investment assets and the allocation to any individual investment manager may not exceed 5% of the total investment assets. As of September 30, 2024 and 2023, the portfolio included alternative investments totaling \$0 and \$18,671, respectively.

Note 5 - Contributions and Grants Receivable

Contributions and grants receivable consisted of the following at September 30, 2024 and 2023:

	September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 2,199	\$ 275,000	\$ 277,199
Due in one to five years	-	52,740	52,740
	2,199	327,740	329,939
Less: Unamortized discount	-	(4,245)	(4,245)
	<u>\$ 2,199</u>	<u>\$ 323,495</u>	<u>\$ 325,694</u>
	September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 3,410	\$ 633,000	\$ 636,410
Due in one to five years	-	909,000	909,000
	3,410	1,542,000	1,545,410
Less: Unamortized discount	-	(71,631)	(71,631)
	<u>\$ 3,410</u>	<u>\$ 1,470,369</u>	<u>\$ 1,473,779</u>

The discount rates used ranged from 3.88% to 6.13% at September 30, 2024 and 2023.

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Note 6 - Beneficial Interest in Trust Held by Others

The Museum is an irrevocable beneficiary of a charitable trust held and administered by independent trustees. The trust was created independently by a donor and is administered by outside agents designated by the donor. Therefore, the Museum has neither possession nor control over the assets of the trusts.

At the date notice of a beneficial interest was received, a contribution with donor restrictions was recorded in the statements of activities, and an estimate of future receipts was recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. The discount rate used as of September 30, 2024 and 2023, was 5% and 4%, respectively.

Thereafter, the Museum's beneficial interest in the trust is reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities. Upon receipt of distributions from the trust, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions.

Note 7 - Property and Equipment

Property and equipment at September 30, 2024 and 2023 consisted of the following:

	2024	2023	Estimated useful lives (years)
Land	\$ 2,742,337	\$ 2,742,337	
Ground improvements	5,002,730	4,867,483	10-20
Building and improvements	15,989,294	15,923,123	10-40
Art activity center	1,636,443	1,636,443	7-10
Furnishings and equipment	1,196,661	1,094,664	5-10
Website design	42,000	-	5-10
Construction in progress	-	42,000	
	26,609,465	26,306,050	
Accumulated depreciation	(14,825,159)	(13,987,367)	
	<u>\$ 11,784,306</u>	<u>\$ 12,318,683</u>	

Depreciation expense was \$837,792 and \$860,435 for the years ended September 30, 2024 and 2023, respectively.

Note 8 - Line of Credit

In November 2018, the Museum secured a financing agreement with The Northern Trust Company that permits multiple borrowings up to \$1.1 million. Interest is payable monthly at a rate of 1.000% or the prime rate less 2.375% (totaling 5.375% at September 30, 2024), and the balance is payable in full upon demand. As funds are borrowed, the outstanding debt will be collateralized by securities maintained in a separate brokerage account holding donor-restricted funds. There have been no borrowings; therefore, no balance is due at September 30, 2024 and 2023.

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Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions at September 30, 2024 and 2023 are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Purpose and time restricted:		
Subject to expenditure for specified purpose or event:		
Art and art acquisitions	\$ 2,485,867	\$ 2,747,211
Education	142,534	56,962
Exhibitions	15,000	25,511
Garden projects and programs	93,427	76,436
Major campus repairs and equipment replacements	109,034	185,980
Professional development	-	4,506
Staff compensation	530,248	-
Strategic/campus planning	442,525	190,862
Other	93,095	138,721
Promises to give, the proceeds from which have been restricted by donors for:		
Passage of time and purpose	-	225,000
Passage of time	70,765	768,127
Total purpose and time restricted	<u>3,982,495</u>	<u>4,419,316</u>
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Art and art acquisitions	12,410	22,454
Museum floral decor	102,887	85,377
Other	17,647	14,169
	<u>132,944</u>	<u>122,000</u>
Subject to endowment spending policy:		
Education	4,264,963	3,591,820
Exhibitions	1,754,688	1,478,146
Gardens	4,158,838	3,274,427
Library	42,941	36,524
Music	2,234,421	1,849,022
Professional development	347,532	291,893
Staff compensation	12,874,937	10,834,275
General use	21,083,765	18,351,515
Unconditional promises to give, net - permanently restricted to garden endowment	252,730	477,242
	<u>47,014,815</u>	<u>40,184,864</u>
Total endowments	<u>47,147,759</u>	<u>40,306,864</u>
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by others	<u>555,695</u>	<u>538,566</u>
	<u>\$ 51,685,949</u>	<u>\$ 45,264,746</u>

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Note 9 - Net Assets with Donor Restrictions (cont'd.)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2024	2023
Satisfaction of purpose restrictions:		
Education	\$ -	\$ 7,500
Exhibitions	27,578	75,000
Gardens	140,148	79,457
Capital expenditures	89,952	63,598
Professional development	40,916	30,494
Staff compensation	70,845	-
Strategic/campus planning	127,244	271,435
Communications	91,903	-
Facility assessment	-	175,630
Other	10,000	6,263
Satisfaction of time restrictions	117,000	183,000
Restricted-purpose spending-rate distributions:		
Art and art acquisitions	573,726	80,000
Education	191,197	187,244
Exhibitions	79,411	77,768
Gardens	149,330	146,389
Professional development	14,712	14,016
Staff compensation	568,300	465,535
Library	1,925	1,900
Music	55,530	52,816
Public programs	119,036	101,936
General use	698,368	669,808
	<u>\$ 3,167,121</u>	<u>\$ 2,689,789</u>

Note 10 - Endowment Funds

The Museum's endowment consists of approximately 30 individual funds established by donors to provide annual funding for specific activities and general operations. The Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Museum retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) 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 the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA.



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Note 10 - Endowment Funds (cont'd.)

The goals of the Museum's investment policies are to: (a) provide funding for the operation and support of the Museum, (b) maintain purchasing power of the investment assets, (c) prudently manage the investment assets to provide additional funding for future operation and support, (d) pay all investment-related expenses, (e) minimize risk and preserve capital, and (f) achieve a competitive rate of return.

The investment objectives include matching or exceeding the rate of return determined by the sum of the spending policy, inflation as measured by the consumer price index, and investment-related expenses. The operating spending policy allows up to 5.0% of the average fair value of the investments for the prior 12 quarters to be withdrawn annually.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Museum has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such underwater endowments at September 30, 2024 and 2023.

Endowment net asset composition by type of fund at September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Unspent Accumulated Earnings	Original Gifts	
Donor-restricted endowment fund	\$ -	\$ 14,657,082	\$ 32,490,677	\$ 47,147,759
	<u>\$ -</u>	<u>\$ 14,657,082</u>	<u>\$ 32,490,677</u>	<u>\$ 47,147,759</u>

Endowment net asset composition by type of fund at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions		Total
		Unspent Accumulated Earnings	Original Gifts	
Donor-restricted endowment fund	\$ -	\$ 7,838,645	\$ 32,468,219	\$ 40,306,864
	<u>\$ -</u>	<u>\$ 7,838,645</u>	<u>\$ 32,468,219</u>	<u>\$ 40,306,864</u>

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Note 10 - Endowment Funds (cont'd.)

Changes in endowment net assets for the year ended September 30, 2024 are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Unspent Accumulated Earnings	Original Gifts	Total
Endowment net assets, beginning of year	\$ -	\$ 7,838,645	\$ 32,468,219	\$ 40,306,864
Investment income	-	9,022,712	-	9,022,712
Contributions	-	247,260	22,458	269,718
Appropriation of endowment assets for expenditure	-	(2,451,535)	-	(2,451,535)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 14,657,082</u>	<u>\$ 32,490,677</u>	<u>\$ 47,147,759</u>

Changes in endowment net assets for the years ended September 30, 2023 are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Unspent Accumulated Earnings	Original Gifts	Total
Endowment net assets, beginning of year	\$ -	\$ 4,862,902	\$ 32,435,394	\$ 37,298,296
Investment income	-	4,773,154	-	4,773,154
Contributions	-	-	32,825	32,825
Appropriation of endowment assets for expenditure	-	(1,797,411)	-	(1,797,411)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 7,838,645</u>	<u>\$ 32,468,219</u>	<u>\$ 40,306,864</u>

Note 11 - State of Florida Cultural Endowment

In 1987 and 1997, the Museum entered into cultural endowment program agreements with the State of Florida. The total endowment consists of a \$1,200,000 corpus, which was established with \$720,000 in local funds and \$480,000 in state matching funds. The state matching funds shall revert to the state if certain events occur. The state has a lien on the endowment that protects its investment in the event that the Museum should declare bankruptcy. Earnings from the endowment are used for various cultural program services and related expenses. Under the agreement, the Museum is required to disclose the composition of investments held in the endowment fund. A summary of the account at September 30 is as follows:

	2024	2023
Money market funds	<u>\$ 1,713,264</u>	<u>\$ 1,660,713</u>

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 12 - Government Grants

Revenue received from government grants for the years ended September 30, 2024 and 2023 consisted of the following:

	2024	2023
Cultural Council of Greater Jacksonville	\$ 694,489	\$ 456,344
State of Florida Division of Cultural Affairs	100,631	150,000
Foundation of Jacksonville	2,500	9,000
Federal Emergency Management Agency	-	54,565
	<u>\$ 797,620</u>	<u>\$ 669,909</u>

Note 13 - State of Florida Division of Cultural Affairs

The Museum received grant awards pursuant to the State of Florida Division of Cultural Affairs General Program Support Grant. The applicable grant period for utilizing the funds begins July 1 and ends June 30. The awards received and revenue recognized during the years ended September 30, 2024 and 2023 consisted of the following:

Award Period	Grand Award	Amount of Award Recognized for the years ended September 30,	
		2024	2023
June 30, 2023	\$ 150,000	\$ -	\$ 150,000
June 30, 2024	\$ 100,631	100,631	-
		<u>\$ 100,631</u>	<u>\$ 150,000</u>

The contracts administering the awards from the State of Florida Division of Cultural Affairs General Program Support Grant require matching funds of equal amounts through cash and in-kind contributions. This requirement was met for years ended September 30, 2024 and 2023.

Note 14 - National Endowment for the Humanities

In December 2015, the Museum received approval for a \$500,000 challenge grant from the National Endowment for the Humanities ("NEH"). The grant was used to support the establishment of a Humanities Program Endowment for humanities-based public programming.

NEH agreed to fund up to \$500,000 if the Museum raised matching funds of \$1,500,000 over a 7-year period ending July 31, 2022. To receive the full challenge grant award, the Museum was required to raise the qualified gifts by July 31 each year beginning in 2016 to meet set milestones. The matching funds were able to include contributions in-kind, earned income, and gifts without donor restrictions. The Museum raised \$1,293,122 of matching funds through July 31, 2022, and as a result did not fully meet the grant requirements. The Museum notified NEH that it calculated a refund liability in the amount of \$72,135 and is awaiting instructions from NEH as to how to issue the refund. The refund liability has been included in accounts payable and accrued expenses on the statements of financial position at September 30, 2024 and 2023.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 15 - Revenue from Contracts

Revenue from contracts with others is recognized over time as the Museum satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration the Museum expects to receive in exchange for providing goods or services. The Museum determines the transaction price based on standard charges for goods and services provided. The Museum recognizes contract liabilities as they relate to the Museum's obligation for goods or services to a customer when some consideration has already been received from the customer.

Membership, Rental and Other Fees

Membership, rental and other fees are recognized over time as the Museum provides the contracted services. Revenue is recognized as performance obligations are satisfied, which is ratably over the course of the contract or as milestones are achieved. Generally, the Museum bills and collects a portion of the fees from the individuals upon signing the contract.

Refunds are provided based on specifics of each contract.

Museum Shop and Admissions Revenue

Museum shop revenue is recognized as the performance obligation is satisfied at a point in time, generally when the goods are provided to customers and the Museum does not believe it is required to provide additional goods related to that sale.

Fees received in connection with the tours of exhibitions organized by the Museum are recognized as revenues when the exhibition is shown (admission). These fees are recognized at a point in time and when the Museum does not believe it is required to provide additional services related to that sale.

Educational Programs Revenue

Revenue from contracts with individuals for educational program services is reported at the amount that reflects the consideration the Museum expects to receive in exchange for providing instruction. These amounts are due from individuals who register for the event.

Revenue is recognized as performance obligations are satisfied, which is ratably over the course of the program. Generally, the Museum bills and collects the fees from the individuals upon registration for the course.

If an individual withdraws within three days of the registration date, the individual is entitled to a full refund. No refunds are awarded after the three days prior to the close of the registration period.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 15 - Revenue from Contracts (cont'd.)

Special Events Revenue

Revenue from special events includes both the amount that reflects the consideration the Museum expects to receive in exchange for the direct cost of the benefits received by the participant at the event, and a contribution component. These revenues are recognized at the point in time that the event takes place.

Transaction Price and Recognition

The Museum determines the transaction price based on standard charges for goods and services provided. Consideration amounts are not variable, and the contracts do not have significant financing components. For the years ended September 30, 2024 and 2023, the Museum recognized revenue as follows:

	2024	2023
Point in time	\$ 1,314,973	\$ 1,219,170
Over time	516,235	467,793
	<u>\$ 1,831,208</u>	<u>\$ 1,686,963</u>

The Museum has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payers (for example, customer, governmental programs and others) that have different reimbursement and payment methodologies.
- Museum's line of business that provided the service.

Accounting Policies and Practical Expedients Elected

The Museum has elected the practical expedient allowed under FASB ASC Subtopic 606-10-32-18 and does not adjust the promised amount of consideration from customers and third parties for the effects of a significant financing component due to the Museum's expectation that the period between the time the service is provided to a customer and the time the customer or a third-party payer pays for that service will be one year or less.

The Museum is also applying an accounting policy election which allows it to exclude from revenue any amounts collected from customers on behalf of third parties, such as sales taxes and other similar taxes the Museum collects concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 16 - Pension Plan

The Museum sponsors a defined contribution plan qualified under Section 403(b) of the Internal Revenue Code to enable employees to accumulate long-term savings for their retirement while benefiting from favorable tax treatment. The defined contribution plan provides eligible employees with a matching contribution up to 5% of participants' compensation. Total expenses for the years ended September 30, 2024 and 2023 were \$79,171 and \$79,117, respectively.

Note 17 - Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash	\$ 673,903	\$ 308,772
Contributions and grants receivable	277,199	636,410
Other receivables	124	465
Endowment spending-rate distributions	847,411	817,402
Net operating cash due from restricted funds	<u>786,148</u>	<u>1,536,014</u>
Total financial assets	2,584,785	3,299,063
Less: Amounts not available to be used within one year:		
Contributions receivable restricted for the endowment	<u>252,730</u>	<u>477,242</u>
Financial assets available within one year	<u>\$ 2,332,055</u>	<u>\$ 2,821,821</u>

The Museum's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As described in Note 9, the endowment is subject to an annual spending rate of 5%.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

Note 18 - Contingencies

Paycheck Protection Program

The Small Business Administration ("SBA") may undertake a review of a Paycheck Protection Program ("PPP") loan of any size greater than \$150,000 during the six-year period following forgiveness or repayment of the loan. If selected, the review would include the loan forgiveness application, as well as whether the Museum met the eligibility requirements of the PPP and received the proper loan amount. The Museum received a PPP 1 loan in May 2020 and a PPP 2 loan in February 2021, in the amount of \$382,655 and \$431,366, respectively. The Museum received full forgiveness of the PPP 1 and PPP 2 loans in December 2020 and September 2021, respectively. The Museum is subject to an SBA review until September 2028. Whether the Museum will be selected for an SBA review, as well as the timing and outcome, is not yet known.

Employee Retention Credit

The Internal Revenue Service ("IRS") may undertake a review of the Employee Retention Credit ("ERC") for a period of three years from the date the amended return was filed. The Museum filed for refunds of \$658,471 in October 2022 for the third and fourth quarters of 2020 and the first and second quarters of 2021. The Museum received full credit in March and July 2023.

Note 19 - Subsequent Events

The Museum has evaluated all events or transactions that occurred after September 30, 2024 through January 14, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

## SUPPLEMENTARY INFORMATION





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Trustees  
DeEtte Holden Cummer Museum Foundation, Inc.  
dba The Cummer Museum of Art & Gardens  
Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of DeEtte Holden Cummer Museum Foundation, Inc. dba The Cummer Museum of Art & Gardens (the "Museum"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 14, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Museum's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Museum's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Museum's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Museum's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

New York, New York

January 14, 2025

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

There are no findings for the current year.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE SOURCE AND STATUS OF FUNDS  
RECEIVED FROM THE CITY OF JACKSONVILLE, FLORIDA  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

City of Jacksonville - Cultural Services Operating Grant:

Contract period: 10/1/23 - 9/30/24

Amount of award \$ 625,999

Amount received 10/1/23 - 9/30/24 625,999

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 625,999	\$ 625,999	\$ -
Expenditure of City funds 10/1/23 - 9/30/24:			
Administrative salaries	187,800	187,800	-
Artistic salaries	312,999	312,999	-
Administrative payroll taxes and benefits	37,560	37,560	-
Artistic payroll taxes and benefits	<u>87,640</u>	<u>87,640</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Jacksonville - Capital grant:

Contract period: 10/1/23 - 9/30/24

Amount of award \$ 68,490

Amount received 10/1/23 - 9/30/24 68,490

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 68,490	\$ 68,490	\$ -
Expenditure of capital grant 10/1/23 - 9/30/24:			
Design, engineering, architectural fees			
Equipment	21,871	21,871	-
Building supplies, materials	15,230	15,230	-
Labor and Installation	<u>31,389</u>	<u>31,389</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Jacksonville - Environmental Protection Board:

Contract period: 10/1/23 - 9/30/24

Amount of award \$ 2,500

Amount received 10/1/23 - 9/30/24 2,500

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 2,500	\$ 2,500	\$ -
Expenditure of City funds 10/1/23 - 9/30/24:			
Salaries and program support	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

DeETTE HOLDEN CUMMER MUSEUM FOUNDATION, INC.  
DBA THE CUMMER MUSEUM OF ART & GARDENS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE SOURCE AND STATUS OF FUNDS  
RECEIVED FROM THE CITY OF JACKSONVILLE, FLORIDA  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

City of Jacksonville - Cultural Services Operating Grant:

Contract period: 10/1/22 - 9/30/23

Amount of award \$ 405,289

Amount received 10/1/22 - 9/30/23 405,289

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 405,289	\$ 405,289	\$ -
Expenditure of City funds 10/1/22 - 9/30/23:			
Administrative salaries	121,586	121,586	-
Artistic salaries	202,645	202,645	-
Administrative payroll taxes and benefits	24,317	24,317	-
Artistic payroll taxes and benefits	<u>56,741</u>	<u>56,741</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Jacksonville - Capital grant:

Contract period: 10/1/22 - 9/30/23

Amount of award \$ 53,843

Amount received 10/1/22 - 9/30/23 53,843

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 53,843	\$ 51,054	\$ 2,789
Expenditure of capital grant 10/1/22 - 9/30/23:			
Design, engineering, architectural fees			
Equipment	10,640	10,640	-
Building supplies, materials	15,394	15,394	-
Labor and Installation	<u>27,809</u>	<u>25,020</u>	<u>2,789</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Jacksonville - Environmental Protection Board:

Contract period: 10/1/22 - 9/30/23

Amount of award \$ 9,000

Amount received 10/1/22 - 9/30/23 9,000

Amount remaining to be disbursed \$ -

	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Balance</u>
Cash receipts	\$ 9,000	\$ 9,000	\$ -
Expenditure of City funds 10/1/22 - 9/30/23:			
Salaries and program support	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Cash receipts in excess of cash disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.