

**Columbia Museum of Art Commission
and Columbia Museum of Art**

**Independent Auditor's Report on
Combined Audited Financial Statements
and
Supplementary Information**

as of and for the years ended June 30, 2022 and 2021



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Independent Auditor's Report

Board of Trustees, Columbia Museum of Art
Columbia Museum of Art Commission
Columbia, South Carolina

Opinion

We have audited the accompanying combined financial statements of the Columbia Museum of Art Commission and the Columbia Museum of Art (collectively, the "Museum"), which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined 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 June 30, 2022 and 2021, 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. 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 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.

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 generally accepted 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, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information on pages 29-36 is presented for purposes of additional analysis and is not a required part of the combined 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.

Scott and Company LLC

Columbia, South Carolina
October 3, 2022

Columbia Museum of Art Commission and Columbia Museum of Art
Combined Statements of Financial Position
June 30,

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,982,985	\$ 1,410,815
Investments, at fair value (Note 3)	3,437,796	6,975,770
Accounts and programs receivable	326,402	106,642
Prepaid expenses	144,795	168,060
Total current assets	<u>5,891,978</u>	<u>8,661,287</u>
Other assets		
Investments, at fair value (Note 3)	16,976,429	8,167,908
Property and equipment, net (Note 6)	11,262,462	11,729,135
Art collection (Note 8)	—	—
Total assets	<u>\$ 34,130,869</u>	<u>\$ 28,558,330</u>
Liabilities and net assets		
Current liabilities		
Line of credit (Note 9)	\$ -	\$ 266,672
Paycheck Protection Program note (Note 10)	-	450,600
Accounts payable and accrued expenses	147,006	154,845
Deferred revenue	175,005	205,971
Accrued payroll liabilities	210,809	120,090
Total current liabilities	<u>532,820</u>	<u>1,198,178</u>
Total liabilities	<u>532,820</u>	<u>1,198,178</u>
Net assets		
Without donor restrictions (Note 12)	12,199,357	13,118,766
With donor restrictions (Note 12)	21,398,692	14,241,386
Total net assets	<u>33,598,049</u>	<u>27,360,152</u>
Total liabilities and net assets	<u>\$ 34,130,869</u>	<u>\$ 28,558,330</u>

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

Columbia Museum of Art Commission and Columbia Museum of Art
Combined Statements of Activities
for the years ended June 30,

	2022	2021
Changes in net assets without donor restrictions:		
Revenues and gains:		
Government appropriations (Note 14)	\$ 1,489,205	\$ 1,316,649
Contributions	1,018,975	903,268
In-kind contributions	96,435	82,488
Grants	511,770	425,898
Memberships	495,348	466,604
Admissions	334,790	256,872
Tuition/registration	76,022	48,495
Museum store sales, net of discounts	3,825	76,267
Rental income	213,148	42,013
Advertising income	1,850	-
Exhibition income	70,000	540
Other income	-	13,850
Total revenues and gains without donor restrictions	4,311,368	3,632,944
Net assets released from restrictions	13,521	95,490
Total revenue, gains, and other support without donor restrictions	4,324,889	3,728,434
Expenses:		
Program services:		
Curatorial, conservation and exhibitions	1,008,299	879,191
Education and public programs	540,136	481,654
Museum shop - cost of goods sold and operations	-	129,255
External affairs	619,610	522,972
Printing, publications, and promotions	386,207	263,835
Total program services	2,554,252	2,276,907
Management/general	1,806,320	1,561,234
Fundraising	815,312	558,198
Total expenses	5,175,884	4,396,339
Operating loss	(850,995)	(667,905)
Other income, gains, (expenses and losses):		
PPP loan forgiveness	450,600	441,700
Investment income	121,946	50,560
Interest income (expense)	2,707	(22,099)
Interest expense	(170)	(6,853)
Investment (losses) gains return, net	(630,747)	983,874
Art acquisitions	(12,750)	(50,520)
(Decrease) increase in net assets without donor restrictions	(919,409)	728,757
Changes in net assets with donor restrictions (purpose restricted):		
Contributions	21,950	310,969
Memberships	1,687	1,435
Investment income	282,878	26,387
Investment (losses) gains return, net	(2,848,097)	2,699,181
Net assets released from restrictions	(13,521)	(95,490)
(Decrease) increase in net assets (purpose restricted)	(2,555,103)	2,942,482
Changes in net assets (perpetual in nature):		
Contributions and transfers	9,738,632	75,000
Investment income	6,173	2,517
Investment (losses) gains return, net	(32,396)	49,009
Increase in net assets (perpetual in nature)	9,712,409	126,526
Change in net assets	6,237,897	3,797,765
Net assets, beginning of year	27,360,152	23,562,387
Net assets, end of year	\$ 33,598,049	\$ 27,360,152

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

Columbia Museum of Art
Combined Statement of Functional Expenses
year ended June 30, 2022

	Program Services				Supporting Services		Total
	<u>Curatorial,</u> <u>conservation</u> <u>and</u> <u>exhibitions</u>	<u>Education and</u> <u>public</u> <u>programs</u>	<u>External</u> <u>Affairs</u>	<u>Printing,</u> <u>publications,</u> <u>and</u> <u>promotions</u>	<u>Management</u> <u>& General</u>	<u>Fundraising</u>	
Expenses							
Salaries and benefits	\$ 380,891	\$ 271,475	\$ 533,541	\$ -	\$ 819,721	\$ 369,162	\$ 2,374,790
Depreciation	147,874	30,595	30,595	-	270,250	30,595	509,909
Promotions	-	-	-	386,207	-	39,076	425,283
Support & cultivation	-	-	-	-	-	325,288	325,288
Occupancy, telephone, utilities	61,774	14,648	16,694	-	111,823	14,788	219,727
Program services	-	194,806	-	-	-	-	194,806
Security	-	-	-	-	164,471	-	164,471
Building maintenance	47,308	9,788	9,788	-	86,459	9,788	163,131
Repairs & maintenance	41,841	8,657	8,657	-	76,467	8,657	144,279
Participation fees	126,410	-	-	-	-	-	126,410
Exhibit supplies	119,918	-	-	-	-	-	119,918
Insurance	33,066	3,706	3,706	-	32,734	3,706	76,918
Professional fees and contract services	8,510	-	-	-	59,400	-	67,910
Housekeeping	-	-	-	-	66,307	-	66,307
Postage/shipping	40,015	820	11,636	-	845	2,961	56,277
Other expenses	48	549	4,329	-	28,553	4,049	37,528
Transaction fees	-	-	-	-	35,723	-	35,723
Professional development	368	2,548	664	-	13,847	6,846	24,273
Office supplies	32	-	-	-	19,998	-	20,030
Payroll expenses	-	-	-	-	19,493	-	19,493
Travel	244	2,544	-	-	229	396	3,413
	<u>\$ 1,008,299</u>	<u>\$ 540,136</u>	<u>\$ 619,610</u>	<u>\$ 386,207</u>	<u>\$ 1,806,320</u>	<u>\$ 815,312</u>	<u>\$ 5,175,884</u>

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

Columbia Museum of Art
Combined Statement of Functional Expenses
year ended June 30, 2021

	Program Services					Supporting Services		Total
	<u>Curatorial.</u> <u>conservation</u> <u>and</u> <u>exhibitions</u>	<u>Education and</u> <u>public</u> <u>programs</u>	<u>Museum shop -</u> <u>cost of goods sold</u> <u>and operations</u>	<u>External</u> <u>Affairs</u>	<u>Printing,</u> <u>publications,</u> <u>and</u> <u>promotions</u>	<u>Management</u> <u>& General</u>	<u>Fundraising</u>	
Expenses								
Salaries and benefits	\$ 296,564	\$ 280,052	\$ 29,501	\$ 442,063	\$ -	\$ 705,976	\$ 306,432	\$ 2,060,588
Depreciation	148,387	30,701	5,117	30,701	-	266,074	30,701	511,681
Promotions	-	-	-	-	263,835	-	11,358	275,193
Occupancy, telephone, utilities	61,426	15,270	2,580	16,550	-	110,146	16,937	222,909
Support & cultivation	-	-	-	-	-	-	165,403	165,403
Building maintenance	42,929	8,882	1,480	8,882	-	76,977	8,882	148,032
Security	-	-	-	-	-	136,302	-	136,302
Repairs & maintenance	39,171	8,104	1,351	8,104	-	70,240	8,104	135,074
Program services	-	134,051	-	-	-	-	-	134,051
Participation fees	117,862	-	-	-	-	-	-	117,862
Postage/shipping	64,297	561	2,358	7,540	-	760	3,603	79,119
Cost of goods sold	-	-	76,360	-	-	-	-	76,360
Insurance	31,889	3,463	577	3,463	-	30,015	3,463	72,870
Professional fees and contract services	25,003	-	-	-	-	32,700	-	57,703
Housekeeping	-	-	-	-	-	54,856	-	54,856
Exhibit supplies	51,037	-	-	-	-	-	-	51,037
Transaction fees	-	-	-	-	-	27,834	-	27,834
Payroll expenses	-	-	-	-	-	19,340	-	19,340
Other expenses	29	66	1,948	5,405	-	9,710	952	18,110
Office supplies	-	-	7,663	-	-	8,634	-	16,297
Professional development	369	504	320	264	-	11,461	2,304	15,222
Travel	228	-	-	-	-	209	59	496
	<u>\$ 879,191</u>	<u>\$ 481,654</u>	<u>\$ 129,255</u>	<u>\$ 522,972</u>	<u>\$ 263,835</u>	<u>\$ 1,561,234</u>	<u>\$ 558,198</u>	<u>\$ 4,396,339</u>

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

Columbia Museum of Art Commission and Columbia Museum of Art
Combined Statements of Cash Flows
for the years ended June 30,

	<u>2022</u>	<u>2021</u>
Operating activities:	\$ 6,237,897	\$ 3,797,765
Change in net assets		
Less: contributions restricted for endowment and capital expansion	(9,701,132)	(425,000)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	509,909	511,681
Net realized and unrealized losses (gains) on investments	3,511,240	(3,732,064)
Gain on Paycheck Protection Program note forgiveness	(450,600)	(441,700)
Change in assets and liabilities:		
Accounts and program receivable	(219,760)	140,017
Inventory, net	-	51,864
Prepaid expenses	23,265	(22,506)
Accounts payable and accrued expenses	(7,839)	(90,163)
Deferred revenue	(30,966)	48,222
Accrued payroll liabilities	90,719	(17,343)
Net cash used in operating activities	(37,267)	(179,227)
 Investing activities:		
Purchase of investments	(11,816,357)	(5,177,389)
Reinvestment of earnings, principally dividends and interest, net of investment fees	(191,728)	(79,464)
Sales and maturities of investments	3,226,298	4,854,287
Purchase of property and equipment	(43,236)	(72,306)
Net cash used in investing activities	(8,825,023)	(474,872)
 Financing activities:		
Payments on line of credit, net	(266,672)	(266,664)
Borrowings on Paycheck Protection Program notes	-	450,600
Proceeds from contributions restricted for:		
Investment in endowment	9,701,132	75,000
Investment in capital expansion	-	350,000
Net cash provided by financing activities	9,434,460	608,936
 Increase (decrease) in cash and cash equivalents	572,170	(45,163)
Cash and cash equivalents:		
Beginning of year	1,410,815	1,455,978
End of year	<u><u>\$ 1,982,985</u></u>	<u><u>\$ 1,410,815</u></u>

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

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – The Columbia Museum of Art Commission (the “Commission”) was created by the South Carolina State Legislature in 1949. The purpose of the Commission is to procure historical and artistic objects and to operate and maintain museum and art centers to display objects acquired. The Commission consists of seven members. The Mayor of the City of Columbia and the President of the Columbia Art Association serve ex-officio as members of the Commission. The other five members serve for terms of five years.

The Commission appointed the Columbia Museum of Art (the “CMA”) for the purpose of operating a public art exhibition known as the Columbia Museum of Art, subject to various operating terms. The CMA is a non-profit corporation organized in 1930 under the laws of the State of South Carolina.

Financial Statement Presentation – The accompanying financial statements combine the assets, liabilities, net assets, and activities of the Commission and the CMA (collectively, the “Museum”). The financial statements have been combined due to the financial interrelationship and common control of the Commission and the CMA, and thus all transactions between the Commission and the CMA have been eliminated on the combined statements of financial position and combined statements of activities. The Museum uses the accrual method of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Since the main operating entity, the CMA, is a non-profit entity, the combined financial statement format of the Museum adheres to the presentation of a not-for-profit entity.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. The Association is required to report information regarding its financial position and activities according to the following net asset classifications:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Museum. The Museum’s board of directors has discretionary control over these resources.
- *With donor restrictions* – Net assets subject to stipulations imposed by donors and grantors that will be satisfied by actions of the Museum or by the passage of time.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimate affecting these combined financial statements is the fair value of investments. Actual results could differ from those estimates.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Concentrations of Risk – The Museum maintains its cash in bank deposit accounts at high-quality financial institutions and generally limits its exposure to credit risk from balances on deposit with the financial institutions in excess of the Federal Deposit Insurance Corporation (“FDIC”) insured limit. At times, such deposits may be in excess of FDIC insured limits. Cash on deposit in excess of FDIC insured limits totaled approximately \$24,000 at June 30, 2022.

The Museum derives a substantial portion of its unrestricted operating revenue from appropriations from the City of Columbia, South Carolina, and Richland County, South Carolina. These two donors accounted for approximately 35% and 36% of unrestricted operating revenue for each of the years ended June 30, 2022 and 2021, respectively.

Cash and Cash Equivalents – For purposes of the combined statements of cash flows, the Museum considers all highly liquid investments purchased by the Museum with an original maturity of three months or less to be cash equivalents.

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Investments classified as short-term are available for operations in the next fiscal year. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in earned revenue unless the income or loss is restricted by donor or law. Investment earnings are reported net of related expenses, such as custodial, commission, and investment advisory fees.

Unconditional Promises to Give – Unconditional promises to give, which are expected to be collected within one year, are recorded at net realizable value. Unconditional promises to give, which are expected to be collected in future years, are recorded at the present value of their estimated future cash flows. The discounts on future amounts are computed using the risk-free interest rate applicable to the years in which receipt is expected. Amortization of the discounts is included as contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management is not aware of any uncollectible amounts, and accordingly, there is no provision for uncollectible amounts in these combined financial statements.

Property and Equipment – Property and equipment are recorded at cost and include items purchased with a value greater than \$500 with a useful life of more than one year. Donated assets are recorded at fair value as of the date of donation. There were no donated capital assets for the years ending June 30, 2022 and 2021. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounting records, and any resulting gain or loss is included in total revenues, gains, and support. The cost of maintenance and repairs is expensed as incurred and significant renewals and betterments are capitalized.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as contributions without donor restrictions at their estimated fair values at the date of donation, unless explicit donor stipulations specify how the donated assets must be used.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. In the absence of explicit donor stipulations regarding how long the contributed assets must be maintained, gifts of long-lived assets are recorded as contributions without donor restrictions.

Revenue Recognition – In accordance with Financials Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*, (“ASC 606”), the Museum recognizes revenue when control of the promised goods or services is transferred to the Museum’s outside parties in an amount that reflects the consideration the Museum expects to be entitled to in exchange for those goods or services. ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure understanding as to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Museum has identified membership, admissions, and auxiliary activities as revenue categories subject to the adoption of ASC 606. The Commission’s revenues are from investment sources, and ASC 606 exempts investment income from application of the new standard. Investment income and other Commission revenue are recognized as revenue in the year they are earned. Other categories of revenue that are exempt are government appropriations, grants, Commission contributions, advertising income, and PPP loan forgiveness.

Memberships - The Museum offers membership of various categories that typically last for a term of one year. Membership payments received from Museum members are considered equivalent to contributions without donor restrictions and are recognized as revenue when received. The Museum divides fees from these memberships between contributions and exchange transactions and recognizes revenue for the contribution upon sale. The exchange portion is also recognized upon sale since fees are non-refundable and used to fund the Museum’s mission and access to programs. As a result of ASC 606, there were reclassifications from membership to admissions in the amount of approximately \$44,000 and \$24,000 for the years ended June 30, 2022 and 2021, respectively.

Admissions - Admissions revenues are recognized at the time the services are provided and the revenues are earned. All revenues associated with advance ticket sales and fees received for future fiscal years are reported as deferred revenues until earned.

Auxiliary - Revenue from auxiliary activities includes retail sales, educational programs, facility rental, and traveling exhibitions, and program events. The Museum recognizes this revenue as performance obligations are satisfied, and the non-refundable portions of the contract are recorded as revenue upon receipt.

Sponsorship – Sponsorship revenues involve various forms of contributions and fundraising for Museum events. Sponsorship revenues are derived from individuals and businesses in the form of cash or value in-kind in exchange for acknowledgement and advertising. Revenues are recognized when the event is conducted. The Museum’s performance obligations are satisfied at a point in time and the contractual considerations for a given year are recognized once those performance obligations are fulfilled.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions and Support - Contributions, including cash, in-kind contributions, and unconditional promises to give are recorded as revenue in the period in which they are received. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Grants - Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as a contribution.

Accounts and Programs Receivable – The Museum accounts for its accounts and programs receivable at their net realizable values. Payment terms for receivables are based upon the agreements due under normal trade terms. The Museum considers the accounts and programs receivable to be fully collectable. Accordingly, no allowance for doubtful accounts is required.

Deferred Revenue – Deferred revenue consists of prepaid rental revenue and sponsorship revenue for exhibitions. The Museum recognizes the revenue upon completion of the rental or the exhibition.

Economic factors – The Museum is impacted by overall economic conditions, as there are fewer hospitality dollars from local governments during poor economic conditions, as well as admission from visitors using their disposable income to visit.

Art Collection – The Museum holds more than 7,000 art objects covering all periods of history from ancient through modern. The value of art objects purchased by the Museum or donated to the Museum is not included within its combined statements of financial position as they are held for public education and exhibition, are protected and preserved, and the proceeds from the sale of collection items are used to acquire other items for the collection.

Accounting Practice for Trust-Owned Collections - The Museum's collection includes objects that are available to the public or held for that purpose. It acquires its collections by purchase or by donation. The Museum's *Collections Management Policy* includes guidance on the documentation, preservation, care, and management of the collections and procedures related to the accession and deaccession of collection items.

In conformity with the practice generally followed by the Museum, no value is assigned to the collections in the consolidated statements of financial position. The objects and furnishings, owned by the Museum with the intent of retention are not reported in the accompanying combined statements of financial position. Purchases of collection items are recognized as reductions in net assets without donor restrictions in the period of acquisition. Per the *Collections Management Policy* and following professional standards and guidelines, proceeds from deaccessions of collection items are designated for the replenishment or care of other objects within the Museum collection. Expenditures for restoration, stabilization, reconstruction, and development are charged to expense as incurred.

Accrued Vacation – The Museum allows employees to accrue vacation leave during their employment. The liability recorded at year-end is based upon time earned at approved year-end salary levels, not to exceed 10 days.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Contributions – All contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

In-Kind Contributions – The Museum recognizes revenue for donated services if they: (a) create or enhance non-financial assets or require specialized skills, (b) are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donation. The amount of non-capitalized goods and services that were recognized as revenue was approximately \$96,000 and \$82,000 for the years ending June 30, 2022 and 2021, respectively. A substantial number of unpaid volunteers have made significant contributions of their time to develop the Museum's programs, principally in membership development and educational programs. The value of this contributed time is not reflected in these combined financial statements since it does not meet the revenue recognition criteria described above.

Paycheck Protection Program Notes – The Museum received federal assistance from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Museum used the proceeds of the loans for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The Museum had accounted for the PPP loans as a financial liability in accordance with FASB ASC Topic 470, Debt. The first loan was forgiven and recorded as grant revenue in fiscal year 2021. The second loan was forgiven in April 2022 and recorded as grant revenue in fiscal year 2022. See Note 10 for additional details.

Advertising, Marketing, and Promotion Costs – The Museum expenses all advertising, marketing, and promotion costs as incurred. Total advertising, marketing, and promotion costs were approximately \$386,000 and \$264,000 for the years ended June 30, 2022 and 2021, respectively.

Income Tax Status – The Commission is a non-taxable governmental agency created by the South Carolina State Legislature. The CMA is exempt from federal and state income taxes as provided under the Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been recorded. Additionally, the CMA is not considered to be a private foundation as defined by Section 509(a) of the Internal Revenue Code. Management is not aware of any transactions or events that would disqualify its tax-exempt status.

The Museum files income tax returns in the U.S. federal jurisdiction and in the State of South Carolina. With few exceptions, the Museum is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2019.

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Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis. Salaries and related expenses are allocated based on employee direct time spent on program or support activities or the best estimate of time spent. The Museum allocated insurance, utilities, building maintenance and repairs, and depreciation to program and support services reported in the accompanying combined statements of activities on a square foot basis. Expenses, other than salaries and related expense, which are not directly identifiable by program or support services, are allocated based on the best estimates of management.

Recently Implemented Accounting Standards – In 2019, the FASB issued 2019-03, *Not-for-Profit Entities (Topic 958): Updating the definition of Collections*. This ASU specifically addresses the use of proceeds from sales of collections and related disclosures. Collections include groupings of art, historical treasures or similar assets that are: held for the public; preserved and protected; and, when sold, the proceeds are reserved for specified uses. Under the clarified definition, proceeds from the sale of collection items can be used either to acquire new items or directly care for existing items already in possession. ASU 2019-03 further requires an entity to disclose: if collection sale proceeds can in fact be used to acquire new items and/or for the direct care of existing collections; and, if using those proceeds for direct care is allowed, the entity's definition of "direct care." The ASU has implemented the ASU for the year-ended June 30, 2022. See prior discussion in Note 1 for additional disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit has received. Adoption of this standard for the year-ended June 30, 2022 did not have a significant impact on these financial statements, with the exception of increased disclosure. The Museum has updated disclosures as necessary. There was a reclassification of prior year presentation due to implementation of the ASU. Contributions and expenses on the Combined Statements of Activities have been reclassified to represent the in-kind contributions for fiscal year 2021. The amount of in-kind contributions and expenses for 2022 and 2021 were approximately \$96,000 and \$82,000, respectively. See Note 18 for additional disclosures on In-Kind Contributions.

Recently Issued Accounting Pronouncements Not Yet Adopted – The FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for non-public business entities for fiscal years beginning after December 15, 2021, which is the year ended June 30, 2023 for the Museum. The Museum is currently evaluating the impact of the pending adoption of ASU 2016-02.

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Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements Not Yet Adopted (continued)

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedients and exceptions for applying US GAAP to contracts and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued as a result of reference rate reform. The ASU can be adopted any time between March 12, 2020 through December 31, 2022. Management has evaluated the ASU and does not anticipate any major impact on their disclosures.

Note 2. Revenue Recognition

The following table shows the Museum's revenue disaggregated between revenue categories:

Years ended December 31,	<u>2022</u>	<u>2021</u>
Memberships	\$ 497,035	\$ 468,039
Admissions	334,790	256,872
Auxiliary	<u>362,995</u>	<u>167,315</u>
Total revenue from contracts with customers	<u>1,194,820</u>	<u>892,226</u>
Contributions	10,779,557	1,289,237
In-kind contributions	96,435	82,488
Total other income	<u>2,595,252</u>	<u>2,332,462</u>
Total operating revenues	<u><u>\$ 14,666,064</u></u>	<u><u>\$ 4,596,413</u></u>

The Museum's revenues from contracts with customers were all recognized at a point in time according to the timing of transfer of services.

Contract assets and contract liabilities from contracts with customers consisted of the following at June 30,:

	<u>2022</u>	<u>2021</u>
Contract assets:		
Auxiliary receivables	\$ 3,250	\$ 2,945
Total contract assets	<u>3,250</u>	<u>2,945</u>
Total other receivables	<u>323,152</u>	<u>103,697</u>
Total accounts receivables	<u><u>\$ 326,402</u></u>	<u><u>\$ 106,642</u></u>
Contract liabilities:		
Deferred facility rentals	\$ 43,175	\$ 47,668
Deferred exhibition revenue	50,500	46,000
Deferred admission	<u>1,540</u>	<u>2,689</u>
Total contract liabilities	<u>95,215</u>	<u>96,357</u>
Total other deferred revenues	<u>79,790</u>	<u>109,614</u>
Total deferred revenues	<u><u>\$ 175,005</u></u>	<u><u>\$ 205,971</u></u>

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Note 3. Fair Value Measurements

The Museum follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, for financial assets and liabilities measured on a recurring and non-recurring basis. ASC 820 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. ASC 820 establishes a framework for measuring fair value and expands disclosure about fair value measurements.

ASC 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; or

Level 3: prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

All the Museum’s investments in mutual funds are considered to be equity securities with a readily determinable fair value and are stated at fair value with realized and unrealized gains and losses reported in net income. They are also considered to be Level 1 inputs as defined in ASC 820. The fair value of these investments is based on quoted market prices in active markets for identical assets that the Museum has the ability to access on the measurement date.

Investments at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	\$ 13,957,605	\$ —	\$ —	\$ 13,957,605
Fixed income funds	5,969,774	—	—	5,969,774
Tangible assets	486,846	—	—	486,846
Total assets at fair value	<u>\$ 20,414,225</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,414,225</u>

Investments at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	\$ 11,060,542	\$ —	\$ —	\$ 11,060,542
Fixed income funds	3,398,853	—	—	3,398,853
Hedge funds	684,283	—	—	684,283
Total assets at fair value	<u>\$ 15,143,678</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,143,678</u>

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Note 4. Investments

At June 30, investments consisted of the following:

	2022			2021		
	Cost	Fair Value	Unrealized Appreciation	Cost	Fair Value	Unrealized Appreciation
Investments	\$20,265,810	\$20,414,225	\$ 148,415	\$11,151,603	\$15,143,678	\$ 3,992,075
Less long-term investments	(16,976,428)	(16,976,428)	—	(8,167,908)	(8,167,908)	—
Short-term investments	\$ 3,289,382	\$ 3,437,797	\$ 148,415	\$ 2,983,695	\$ 6,975,770	\$ 3,992,075

Note 5. Unconditional Promises to Give

Pledges receivable, including irrevocable charitable remainder trusts with pledged values were \$0 for each of the years ended June 30, 2022 and 2021. The Museum has been named as beneficiary in several wills, life insurance policies, and revocable charitable remainder trusts. These amounts do not meet the criteria for recognition and, therefore, have not been reflected in these statements. During the year ended June 30, 2022, the Museum was the beneficiary of a large bequest of an endowment for art acquisitions of approximately \$9,600,000.

Note 6. Property and Equipment

Property and equipment consisted of the following at June 30:

	2022	2021
Leasehold improvements	\$ 18,303,399	\$ 18,303,399
Furniture, fixtures, and equipment	2,308,326	2,265,090
Land improvements	522	522
Software	220,402	220,402
Automobiles	18,026	18,026
	20,850,675	20,807,439
Less: accumulated depreciation	(9,588,213)	(9,078,304)
Property and equipment, net	\$ 11,262,462	\$ 11,729,135

Depreciation expense for the years ending June 30, 2022 and 2021 was approximately \$510,000 and \$512,000, respectively.

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Note 7. Liquidity and Availability of Resources

The Museum's financial assets available within one year of the combined statements of financial position date for general expenditures are as follows:

Financial assets at year-end:			June 30, 2022 Total
	Commission	CMA	
Cash and cash equivalents	\$ 268,497	\$ 1,714,488	\$ 1,982,985
Investments, at fair value	5,332,130	15,082,095	20,414,225
Accounts receivable	—	326,402	326,402
Total financial assets	5,600,627	17,122,985	22,723,612
Less amounts not available to be used within one year:			
Portion of endowment funds not available for operations within one year:	(1,894,334)	(15,082,095)	(16,976,429)
Liquidity resources: Bank lines of credit	—	500,000	500,000
Financial assets available to meet general expenditures over the next twelve months	\$ 3,706,293	\$ 2,540,890	\$ 6,247,183

As part of the Museum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 8. Art Collection

During the years ended June 30, 2022 and 2021, the Museum's purchases of art objects amounted to approximately \$13,000 and \$51,000, respectively. There were 76 and 19 items acquired by gift for the years ended June 30, 2022 and 2021, respectively. The significant increase is also related to the large bequest discussed previously in Note 5. There were no pieces de-accessed during each of the years ended June 30, 2022 and 2021. De-accessed items not transferred to other public institutions have been sent to other Museums or to an auction house for sale at a future date.

Note 9. Financing Arrangements

During 2016, the Museum opened a \$250,000 line of credit with a financial institution to be used for operational purposes. In December 2018, the Museum increased their line of credit to \$500,000. The line of credit is unsecured, and interest accrues at one percent plus the prime rate as set by the financial institution (5.00 and 4.50 percent at June 30, 2022 and 2021, respectively). The line of credit matures on December 25, 2022. As of June 30, 2022 and 2021, the Museum owed approximately \$0 and had approximately \$500,000 available to be borrowed under the line of credit.

In July 2018, the Museum opened a \$1,000,000 line of credit with a financial institution to be used for their building fund. The line of credit was unsecured, and interest accrued at four percent as set by the financial institution. As of June 30, 2021, the Museum owed approximately \$267,000, and had approximately \$733,000, available to be borrowed under the line of credit. The line of credit was set to mature on July 25, 2022; however, the Museum paid off the balance due and closed the line of credit in August 2021.

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Note 10. CARES Act

On April 30, 2020, the Museum received a loan in the amount of \$441,700 under the Paycheck Protection Program (“PPP”). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The loan, which was in the form of a note dated April 30, 2020 was issued by First Citizens Bank & Trust Company. The Museum used the proceeds for purposes consistent with the PPP. The loan was forgiven during the year ended June 30, 2021, and the balance was recognized in income.

On January 27, 2021, the Museum received a second-round loan in the amount of \$450,600 under the PPP. The loan, which was in the form of a note dated January 27, 2021 was issued by First Citizens Bank & Trust Company. The Museum used the proceeds for purposes consistent with the PPP. The loan was forgiven during the year ended June 30, 2022, and the balance was recognized in income.

Note 11. Endowment

The Commission’s endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Commission to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Commission to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Commission is subject to the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Commission appropriates amounts for expenditure and any purpose restrictions have been met. The Commission has interpreted the law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Commission classifies as donor restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in donor restricted net assets (perpetual in nature) is classified as with donor restrictions purpose restricted net assets until those amounts are appropriated for expenditure by the Commission in a manner consistent with the standard of prudence prescribed by UPMIFA. The Commission has interpreted UPMIFA to permit spending from underwater (unrealized loss position) funds in accordance with prudent measures required under the law. The fund is not currently underwater. In accordance with UPMIFA, the Commission considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Commission and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Commission; and
- (7) The investment policies of the Commission.

Columbia Museum of Art Commission
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Note 11. Endowment (continued)

Spending Policy – The Commission’s policy is to distribute 4% of the average of trailing three years’ market value. The Commission performs an annual review of its spending policy to determine whether changes are advisable.

Investment Policy – The endowment funds of the Commission consist of funds whose use is limited to some specified purpose (acquisition or conservation – with donor restricted funds) and funds that may be used by the Commission for any purpose specified (without donor restricted funds). Both donor restricted and without donor restricted funds are co-mingled for purposes of investment. The income and realized and unrealized gains from the endowment are allocated among each of the funds in an equitable manner. Equitable refers to a percentage determined by dividing the fair market value of the equity securities held in the endowment by the total fair market value of the assets in the endowment at a particular time. The Commission’s investment is a balanced return where the objective focuses on capital appreciation with a secondary focus on current income through a higher allocation to equities than fixed income, and where appropriate, other asset classes.

Measuring performance and results – The Commission grants its investment manager(s), discretion concerning both: (1) determination of the relative proportions of equities and fixed-income securities held by the endowment fund, and (2) the selection of the particular equities and particular fixed-income securities to be held by the endowment fund. The Commission will measure the performance of the endowment and the investment manager(s) annually.

Investment, discretion, and general investment restrictions – The term “equity percentage” will refer to a percentage determined by dividing the fair market value of the equity securities held in the endowment by the total fair market value of the assets in the endowment at a particular time. The Commission believes that the strategic target is an asset mix of 64% equities, 34% fixed-income, and 3% cash over the long term. The equity percentage is not to be more than 84% of the asset mix.

Specific restrictions – Investments in private equity securities are prohibited. The investment manager is not permitted to buy individual bonds below investment grade (BBB) but is given the flexibility to use sub-advised managers with exposure or focus to non-investment grade credit. These can be in the form of mutual funds, exchange traded funds and sub-advised accounts with diversified holdings.

Commission Endowment Net Asset Composition by Type of Fund as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Donor-restricted endowment funds	\$ —	\$ 1,173,843	\$ 830,042	\$ 2,003,885
Board designated endowment funds	2,532,450	—	1,064,292	3,596,742
Total	<u>\$ 2,532,450</u>	<u>\$ 1,173,843</u>	<u>\$ 1,894,334</u>	<u>\$ 5,600,627</u>

Columbia Museum of Art Commission
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Note 11. Endowment (continued)

Commission Endowment Net Asset Composition by Type of Fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Donor-restricted endowment funds	\$ —	\$ 1,482,719	\$ 856,265	\$ 2,338,984
Board designated endowment funds	3,109,703	—	1,064,292	4,173,995
Total	<u>\$ 3,109,703</u>	<u>\$ 1,482,719</u>	<u>\$ 1,920,557</u>	<u>\$ 6,512,979</u>

Changes in Commission Endowment Net Assets for the Fiscal Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Endowment net assets, beginning of year	\$ 3,109,703	\$ 1,482,719	\$ 1,920,557	\$ 6,512,979
Investment return:				
Investment income	121,932	63,609	6,173	191,714
Interest on CMA loan	3,189	—	—	3,189
Net decrease in value	(630,748)	(328,859)	(32,396)	(992,002)
Transfers out	(71,626)	(43,626)	—	(115,253)
Endowment net assets, end of year	<u>\$ 2,532,450</u>	<u>\$ 1,173,843</u>	<u>\$ 1,894,334</u>	<u>\$ 5,600,627</u>

Changes in Commission Endowment Net Assets for the Fiscal Year Ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Endowment net assets, beginning of year	\$ 2,139,464	\$ 981,463	\$ 1,869,031	\$ 4,989,958
Investment return:				
Investment income	50,491	26,387	2,517	79,395
Interest on CMA loan	4,252	—	—	4,252
Net increase in value	983,874	514,283	49,009	1,547,166
Transfers out	(68,378)	(39,414)	—	(107,792)
Endowment net assets, end of year	<u>\$ 3,109,703</u>	<u>\$ 1,482,719</u>	<u>\$ 1,920,557</u>	<u>\$ 6,512,979</u>

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Note 11. Endowment (continued)

The following narrative is for the CMA's endowments, whereas the discussion previously has been with regards to the Commission's endowments:

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

- (1) The duration and preservation of the fund;
- (2) The purposes of the CMA and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the CMA; and
- (7) The investment policies of the CMA.

Spending Policy – The CMA's policy is to distribute 4% of the average trailing three years' market value. The CMA performs an annual review of its spending policy to determine whether changes are advisable.

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Note 11. Endowment (continued)

Investment Policy – The endowment funds of the CMA consist of funds whose use is limited to some specified purpose (acquisition or education – with donor restricted funds) and funds that may be used by the CMA for any purpose specified (without donor restrictions restricted funds). Both with donor restriction and without donor restrictions are co-mingled for purposes of investment. The income and realized and unrealized gains from the endowment are allocated among each of the funds in an equitable manner. Equitable refers to a percentage determined by dividing the fair market value of the equity securities held in the endowment by the total fair market value of the assets in the endowment at a particular time. The CMA’s investment is a balanced return where the objective focuses on capital appreciation with a secondary focus on current income through a higher allocation to equities than fixed income, and where appropriate, other asset classes.

Measuring performance and results – The CMA grants its investment manager(s), discretion concerning both: (1) determination of the relative proportions of equities and fixed-income securities held by the endowment fund, and (2) the selection of the particular equities and particular fixed-income securities to be held by the endowment fund. The CMA will measure the performance of the endowment and the investment manager(s) annually.

Investment, discretion, and general investment restrictions – The term “equity percentage” will refer to a percentage determined by dividing the fair market value of the equity securities held in the endowment by the total fair market value of the assets in the endowment at a particular time. The CMA believes that the strategic target is an asset mix of 64% equities, 34% fixed-income, and 3% cash over the long term. The equity percentage is not to be more than 84% of the asset mix.

Specific restrictions – The CMA’s policy states that accredited investor-only privately placed alternative investments will not be invested by the Investment Manager.

CMA Endowment Net Asset Composition by Type of Fund as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Donor-restricted endowment funds	\$ 67,473	\$ 625,941	\$ 15,985,984	\$ 16,679,398
Total	<u>\$ 67,473</u>	<u>\$ 625,941</u>	<u>\$ 15,985,984</u>	<u>\$ 16,679,398</u>

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Note 11. Endowment (continued)

CMA Endowment Net Asset Composition by Type of Fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Donor-restricted endowment funds	\$ 855,175	\$ 2,138,210	\$ 6,247,352	\$ 9,240,737
Total	<u>\$ 855,175</u>	<u>\$ 2,138,210</u>	<u>\$ 6,247,352</u>	<u>\$ 9,240,737</u>

Changes in CMA Endowment Net Assets for the Fiscal Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Endowment net assets, beginning of year	\$ 855,175	\$ 2,138,210	\$ 6,247,352	\$ 9,240,737
Investment return:				
Investment income	113,261	233,206	—	346,467
Net decrease in value	(823,538)	(1,695,700)	—	(2,519,238)
Contributions	—	—	9,738,632	9,738,632
Transfers in (out)	(61,116)	(66,084)	—	(127,200)
Endowment net assets, end of year	<u>\$ 83,782</u>	<u>\$ 609,632</u>	<u>\$ 15,985,984</u>	<u>\$ 16,679,398</u>

Changes in CMA Endowment Net Assets for the Fiscal Year Ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual In Nature	Total
Endowment net assets, beginning of year	\$ 136,930	\$ 678,409	\$ 6,172,352	\$ 6,987,691
Investment return:				
Investment income	37,906	74,436	—	112,342
Net increase in value	737,184	1,447,714	—	2,184,898
Contributions	—	—	75,000	75,000
Transfers in (out)	(56,845)	(62,349)	—	(119,194)
Endowment net assets, end of year	<u>\$ 855,175</u>	<u>\$ 2,138,210</u>	<u>\$ 6,247,352</u>	<u>\$ 9,240,737</u>

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Note 12. Net Asset Classifications

Without donor restricted net assets are comprised of the following at June 30:

	<u>2022</u>	<u>2021</u>
Commission:		
Operating	\$ 13,816,508	\$ 14,887,008
CMA:		
Without donor restricted net assets	(2,266,219)	(2,383,545)
Board designation for cash reserve fund	400,000	400,000
Board designation for affinity groups	<u>249,068</u>	<u>215,303</u>
Total without donor restricted net assets	<u>\$ 12,199,357</u>	<u>\$ 13,118,766</u>

With donor restricted (purpose restricted) net assets are comprised of the following at June 30:

	<u>2022</u>	<u>2021</u>
Commission:		
Acquisition endowment income	\$ 271,907	\$ 359,543
Program endowment income	901,936	1,123,176
CMA:		
Restricted for campaign and other	1,973,042	4,251,092
Restricted for art acquisitions	186,372	176,827
Restricted for education and outreach	157,560	141,488
Restricted for art conservation	26,322	20,116
Restricted for European art catalogue, volume 1	<u>1,235</u>	<u>1,235</u>
Total with donor restricted (purpose restricted) net assets	<u>\$ 3,518,374</u>	<u>\$ 6,073,477</u>

With donor restricted (perpetual in nature) net assets consist of permanent endowments, whose income is designated for general or specific purposes, and are comprised of the following at June 30:

	<u>2022</u>	<u>2021</u>
Commission:		
Endowment for general purposes	\$ 1,033,739	\$ 1,033,739
Endowment for programs	403,929	403,928
Endowment for art acquisitions	456,666	482,890
CMA:		
Endowment for general purposes	2,509,749	2,411,249
Endowment for programs	1,504,856	1,467,356
Endowment for art acquisitions	<u>11,971,379</u>	<u>2,368,747</u>
Total with donor restricted (perpetual in nature) net assets	<u>\$ 17,880,318</u>	<u>\$ 8,167,909</u>

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 12. Net Asset Classifications (continued)

CMA and Commission release of restrictions of with donor restricted net assets from the combined statements of activities are comprised of the following at June 30:

	<u>2022</u>	<u>2021</u>
Capital campaign	\$ 1,854	\$ 19,748
Conservation	—	1,026
Acquisition	—	50,520
Other	11,667	24,196
Total net assets released from restrictions	<u>\$ 13,521</u>	<u>\$ 95,490</u>

Note 13. Museum Store Sales

The Museum store sold merchandise that was related to the Museum's mission statement and programs. Accordingly, the cost of sales and operating expenses were included as program expenses. For the year ended June 30, 2021, store sales revenue was approximately \$76,000 (net of discounts of \$48,294), and cost of goods sold was approximately \$119,000. The Museum closed the store permanently in fiscal year 2021.

Note 14. Government Appropriations

The Museum received various support from the City of Columbia and Richland County, consisting of the following at June 30:

	<u>2022</u>	<u>2021</u>
City of Columbia	\$ 700,000	\$ 531,710
Richland County	789,205	784,939
Total government appropriations	<u>\$ 1,489,205</u>	<u>\$ 1,316,649</u>

Note 15. Transfers and Related Party Transactions

In 2013, the Commission agreed to loan the CMA \$265,738 to replace the chillers and related HVAC system components. The loan states interest shall be accrued at 4% annually and is to be repaid in ten annual installments due and payable on December 1 of each year. In fiscal year 2018 with the Museum undergoing renovations, the Commission deferred the chiller loan installment and interest payment for one year. At June 30, 2022, the CMA owed \$21,596 in annual installments on the loan. The amounts related to this loan are reported in the supplementary information in the amounts Due from the CMA and Due to the Commission and are eliminated on the combined statements of financial position. The total amount owed on the loan at June 30, 2022 was approximately \$53,000.

During 2022 and 2021, the CMA received \$141,827 and \$134,365, respectively, of support from the Commission, the majority of which was designated to assist in paying operating expenses of the Museum. During 2022 and 2021, the CMA purchased operating capital assets on behalf of the Commission for approximately \$43,000 and \$60,000, respectively. The amounts related to these purchases are netted in the supplementary information in transfers between the Commission and the CMA and are eliminated on the combined statements of activities.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 16. Contingencies and Commitments

During the year, the Museum obtained funding under grant awards from certain governmental agencies. Under such awards, funding is subject to increases and decreases at the discretion of the awarding agencies. Expenses related to these grant awards are subject to further examination by these funding agencies. As a result of such examinations, questioned costs may be discovered for which reimbursement may be requested. No provision has been made in the accompanying financial statements for the liability, if any, that would result from any potential disallowance of expenses related to these grant awards, either in whole or in part, because the outcome of any such potential examinations cannot presently be determined. Management believes that adjustments resulting from examinations of awarding agencies, if any, would not be significant.

In March 2020, COVID-19 was recognized as a pandemic by the World Health Organization. The Museum's 2022 year end was subsequent to the initial impact of the pandemic, which continues to disrupt global markets. Since the Museum's 2022 year end, a conflict between Russia and Ukraine has further destabilized markets and routine supply-chain productions. As a result of the pandemic and the Russian-Ukraine conflict, the Museum may be impacted by significant volatility in markets, interest rates, and rising inflation. Sufficient information is not available to adequately evaluate the short-term or long-term impact to the Museum subsequent to year end; however, these continuing conditions may adversely impact the Museum's business operations and future financial condition. Management believes the Museum is taking appropriate actions to mitigate the negative impact of these continuing conditions.

Note 17. Retirement Plan

The majority of employees of the Museum are covered by a retirement plan through the South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the State Fiscal Accountability Authority, a public employee retirement system. Generally, all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

Public Employee Benefits Authority ("PEBA") Retirement Benefits maintains four independent defined benefit plans and issues its own publicly available Annual Comprehensive Financial Report ("ACFR") which includes financial statements and required supplementary information. A copy of the separately issued ACFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223. Furthermore, the Division and the four pension plans are included in the ACFR of the State of South Carolina.

The Museum's contribution to PEBA for the years ended June 30, 2022 and 2021 was approximately \$253,000 and \$211,000, respectively. These amounts represented 16.41% and 15.41% of compensation for the years ended June 30, 2022 and 2021, respectively. For each of the years ended June 30, 2022 and 2021, employees were required to contribute 9.00 percent of all compensation. Under Title 9 of the South Carolina Code of Laws, the Museum's liability under the plan is limited to the amount of contributions established by the State Fiscal Accountability Authority.

PEBA now makes separate measurements of assets and pension benefit obligations for individual employers. Accordingly, information regarding the excess, if any, applicable to the Museum of the actuarially computed value of vested benefits over the total of the applicable pension fund and any balance sheet accruals, less any pension prepayments or deferred charges, is now available. The Museum's portion of this excess was calculated by PEBA as approximately \$2,763,000 and \$3,681,000 as of June 30, 2022 and 2021, respectively.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 18. In-Kind Contributions

The Museum's combined financial statements include the following in-kind contributions revenue and support, and associated expense:

Donated goods and space: The Museum reports the fair value of donated goods and space, such as flowers, hotel rooms, and catering, meeting recognition criteria under US GAAP as public support and as expense, based on estimated fair values. The Museum did not monetize any contributed nonfinancial services and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

Public Awareness - The Museum receives free advertising through print advertising that serves as a platform to market their mission. These donated advertisements are recognized as in-kind contributions at fair value, with corresponding expense allocated to the programs benefitted, as they are delivered to the public. The valuations of these advertisements is provided by the service provider, who estimates the fair value based on the date, time, and market in which it is displayed.

Professional services - The Museum receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered.

	<u>2022</u>	<u>2021</u>
Professional services	\$ 47,610	\$ 29,400
Donated goods and space	39,650	32,088
Public awareness	9,175	21,000
Total in-kind contributions	<u>\$ 96,435</u>	<u>\$ 82,488</u>

Note 19. Operating Leasing Arrangements

The City of Columbia owns the building and property that the Museum occupies, including the adjacent plaza. The City leases to the Museum only the property that the Museum occupies under a lease purchase agreement for \$10 per year for 99 years. The Museum can purchase the property from the City for \$10 when certain events take place. The property must continue to be used for a public not-for-profit art museum under the terms of the agreement.

The Museum leases a postage machine under an operating lease for 36 months expiring August 25, 2021. The Museum renewed the lease for 60 months expiring May 11, 2026. Monthly rental payments are \$139. Lease expense was approximately \$1,700 for each of the years ended June 30, 2022 and 2021.

The Museum also leases four copiers under an operating lease for 60 months expiring June 9, 2023. Monthly rental payments are \$598. Lease expense was approximately \$7,100 for each of the years ended June 30, 2022 and 2021.

The Museum entered into a new lease for a security camera system under an operating lease for 60 months expiring February 16, 2026. Monthly rental payments are \$178. Lease expense was approximately \$2,100 and \$900 for the years ended June 30, 2022 and 2021, respectively.

Columbia Museum of Art Commission
And Columbia Museum of Art
Notes to the Combined Financial Statements

Note 19. Operating Leasing Arrangements (continued)

The following is a summary of future minimum lease payments as of June 30, 2022:

2023	\$	10,800
2024		3,800
2025		3,800
2026		2,800
2027		—
	\$	<u>21,200</u>

Note 20. Subsequent Events

The Museum has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2022, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 3, 2022, the date these financial statements were available to be issued, there were no items of significance requiring disclosure.

Supplementary Information

Columbia Museum of Art Commission and Columbia Museum of Art
Combining Statement of Financial Position
June 30, 2022

	Columbia Museum of Art Commission	Columbia Art Museum	Eliminations	Combined
Assets				
Current assets				
Cash and cash equivalents	\$ 268,497	\$ 1,714,488	\$ —	\$ 1,982,985
Investments	3,437,796	—	—	3,437,796
Accounts and programs receivable	—	326,402	—	326,402
Due from the Museum	21,596	—	(21,596)	—
Prepaid expenses	—	144,795	—	144,795
Total current assets	<u>3,727,889</u>	<u>2,185,685</u>	<u>(21,596)</u>	<u>5,891,978</u>
Other assets				
Investments	1,894,334	15,082,095	—	16,976,429
Property and equipment, net	11,262,462	—	—	11,262,462
Art collection	—	—	—	—
Total other assets	<u>13,156,796</u>	<u>15,082,095</u>	<u>—</u>	<u>28,238,891</u>
Total assets	<u>\$ 16,884,685</u>	<u>\$ 17,267,780</u>	<u>\$ (21,596)</u>	<u>\$ 34,130,869</u>
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ —	\$ 147,006	\$ —	\$ 147,006
Due to the Commission	—	21,596	(21,596)	—
Deferred revenue	—	175,005	—	175,005
Accrued payroll liabilities	—	210,809	—	210,809
Total current liabilities	<u>—</u>	<u>554,416</u>	<u>(21,596)</u>	<u>532,820</u>
Total liabilities	<u>—</u>	<u>554,416</u>	<u>(21,596)</u>	<u>532,820</u>
Net assets				
Without donor restrictions:				
Operating	13,816,508	(2,266,219)	—	11,550,289
Board designated	—	649,068	—	649,068
With donor restrictions:				
Purpose restricted	1,173,843	2,344,531	—	3,518,374
Perpetual in nature	1,894,334	15,985,984	—	17,880,318
Total net assets	<u>16,884,685</u>	<u>16,713,364</u>	<u>—</u>	<u>33,598,049</u>
Total liabilities and net assets	<u>\$ 16,884,685</u>	<u>\$ 17,267,780</u>	<u>\$ (21,596)</u>	<u>\$ 34,130,869</u>

See accompanying independent auditor's report.

Columbia Museum of Art Commission and Columbia Museum of Art
Combining Statement of Activities
for the year ended June 30, 2022

	Columbia Museum of Art Commission	Columbia Museum of Art	Eliminations	Combined
Changes in net assets without donor restrictions:				
Revenues and gains:				
Government appropriations	\$ —	\$ 1,489,205	\$ —	\$ 1,489,205
Contributions	—	1,018,975	—	1,018,975
In-kind contributions	—	96,435	—	96,435
Grants	—	511,770	—	511,770
Memberships	—	495,348	—	495,348
Admissions	—	334,790	—	334,790
Tuition/registration	—	76,022	—	76,022
Museum store sales, net of discounts	—	3,825	—	3,825
Rental income	—	213,148	—	213,148
Columbia Museum of Art Commission	—	98,201	(98,201)	—
Advertising income	—	1,850	—	1,850
Exhibition income	—	70,000	—	70,000
Total revenues and gains without donor restrictions	—	4,409,569	(98,201)	4,311,368
 Net assets released from restrictions	 43,626	 13,521	 (43,626)	 13,521
Total revenue, gains, and other support without donor restrictions	43,626	4,423,090	(141,827)	4,324,889
Expenses:				
Program services:				
Curatorial, conservation and exhibitions	147,874	860,425	—	1,008,299
Education and public programs	30,595	509,541	—	540,136
External affairs	30,595	589,015	—	619,610
Printing, publications, and promotions	—	386,207	—	386,207
Total program services	209,064	2,345,188	—	2,554,252
Management/general	270,250	1,536,070	—	1,806,320
Fundraising	30,595	784,717	—	815,312
Total expenses	509,909	4,665,975	—	5,175,884
Operating loss	(466,283)	(242,885)	(141,827)	(850,995)
Other income, gains, (expenses and losses):				
PPP loan forgiveness	—	450,600	—	450,600
Investment income	121,932	14	—	121,946
Interest earned on CMA loans	3,189	—	—	3,189
Interest expense on CMA loans	—	(3,189)	—	(3,189)
Interest income	—	2,707	—	2,707
Interest expense	—	(170)	—	(170)
Investment losses, net	(630,747)	—	—	(630,747)
Art acquisitions	—	(12,750)	—	(12,750)
Total other income, (expenses and losses)	(505,626)	437,212	—	(68,414)
Change in net assets without donor restrictions, before transfers	(971,909)	194,327	(141,827)	(919,409)
Changes in net assets with donor restriction (purpose restricted):				
Contributions	—	21,950	—	21,950
Membership	—	1,687	—	1,687
Columbia Museum of Art Commission	—	43,626	(43,626)	—
Investment income	63,609	219,269	—	282,878
Investment losses, net	(328,859)	(2,519,238)	—	(2,848,097)
Net assets released from restrictions	(43,626)	(13,521)	43,626	(13,521)
Decrease in net assets with donor restriction (purpose restricted)	(308,876)	(2,246,227)	—	(2,555,103)
Changes in net assets with donor restrictions (perpetual in nature):				
Contributions and transfers	—	9,738,632	—	9,738,632
Investment income	6,173	—	—	6,173
Investment gains, net	(32,396)	—	—	(32,396)
(Decrease) increase in net assets with donor restrictions (perpetual in nature)	(26,223)	9,738,632	—	9,712,409
Change in net assets, before transfers	(1,307,008)	7,686,732	(141,827)	6,237,897
Transfers between Commission and CMA, net	(98,591)	(43,236)	141,827	—
Net change in net assets	(1,405,599)	7,643,496	—	6,237,897
Net assets, beginning of year	18,290,284	9,069,868	—	27,360,152
Net assets, end of year	\$ 16,884,685	\$ 16,713,364	\$ —	\$ 33,598,049

See accompanying independent auditor's report.

Columbia Museum of Art Commission
Statement of Activities
for the year ended June 30, 2022

Changes in net assets without donor restrictions:

Net assets released from restrictions:	
Satisfaction of art acquisition, conservation restrictions	\$ 43,626
Total revenue, gains and other support without donor restrictions	<u>43,626</u>
Expenses:	
Management/general:	
Depreciation	509,909
Operating loss	<u>(466,283)</u>
Other income:	
Investment income	121,932
Interest earned on CMA loans	3,189
Investment losses, net	<u>(630,747)</u>
Total other income	<u>(505,626)</u>
Decrease in net assets without donor restrictions	<u><u>(971,909)</u></u>

Changes in net assets with donor restrictions (purpose restricted):

Investment income	63,609
Investment losses, net	(328,859)
Net assets released from restrictions	<u>(43,626)</u>
Decrease in net assets with donor restrictions (purpose restricted)	<u><u>(308,876)</u></u>

Changes in net assets with donor restrictions (perpetual in nature):

Investment income	6,173
Investment losses, net	<u>(32,396)</u>
Decrease in net assets with donor restrictions (perpetual in nature)	<u><u>(26,223)</u></u>

Change in net assets, before transfers	(1,307,008)
Transfers between Commission and CMA, net	<u>(98,591)</u>
Net decrease in net assets	<u>(1,405,599)</u>
Net assets, beginning of year	18,290,284
Net assets, end of year	<u><u>\$ 16,884,685</u></u>

See accompanying independent auditor's report.

Columbia Museum of Art
Statement of Activities
for the year ended June 30, 2022

	Without Donor Restrictions		With Donor Restrictions - Purpose Restricted		With Donor Restrictions Perpetual in Nature	
	Operating	Board Designated	Other Restricted	Acquisitions and Conservation	Acquisitions & Other Restricted	Total
Contributed support and earned revenue						
Contributed support:						
Government appropriations	\$ 1,489,205	\$ —	\$ —	\$ —	\$ —	\$ 1,489,205
Contributions	952,302	66,673	6,199	15,751	9,738,632	10,779,557
In-kind contributions	96,435	—	—	—	—	96,435
Grants	511,770	—	—	—	—	511,770
Memberships	402,301	93,047	1,687	—	—	497,035
Operating transfers from the Commission	98,201	—	32,875	10,751	—	141,827
Earned revenues:						
Admissions	334,790	—	—	—	—	334,790
Tuition/registration	76,022	—	—	—	—	76,022
Museum store sales, net of discounts	3,825	—	—	—	—	3,825
Rental income	213,148	—	—	—	—	213,148
Advertising income	1,850	—	—	—	—	1,850
Exhibition income	70,000	—	—	—	—	70,000
Total contributed support and earned revenue:	4,249,849	159,720	40,761	26,502	9,738,632	14,215,464
Net assets released from restrictions	13,521	—	(11,667)	(1,854)	—	—
Total contributed support and earned revenues	4,263,370	159,720	29,094	24,648	9,738,632	14,215,464
Expenses						
Program Services:						
Curatorial, conservation and exhibitions	860,425	—	—	—	—	860,425
Education and public programs	509,541	—	—	—	—	509,541
External affairs	589,015	—	—	—	—	589,015
Printing publications and promotions	386,207	—	—	—	—	386,207
Total program service expenses	2,345,188	—	—	—	—	2,345,188
Management and general expenses: administration	1,536,070	—	—	—	—	1,536,070
Fundraising expenses	671,506	113,211	—	—	—	784,717
Total expenses	4,552,764	113,211	—	—	—	4,665,975
Other changes in net assets:						
PPP loan forgiveness	450,600	—	—	—	—	450,600
Interest income	8	6	219,269	—	—	219,283
Investment losses, net	—	—	(2,519,238)	—	—	(2,519,238)
Interest expense	(652)	—	—	—	—	(652)
Art acquisitions	—	(12,750)	—	—	—	(12,750)
Changes in net assets, before transfers	160,562	33,765	(2,270,875)	24,648	9,738,632	7,686,732
Transfers to Columbia Museum of Art Commission	(43,236)	—	—	—	—	(43,236)
Change in net assets	117,326	33,765	(2,270,875)	24,648	9,738,632	7,643,496
Net assets, beginning of year	(2,383,545)	615,303	4,558,271	32,487	6,247,352	9,069,868
Net assets, end of year	\$ (2,266,219)	\$ 649,068	\$ 2,287,396	\$ 57,135	\$ 15,985,984	\$ 16,713,364

See accompanying independent auditor's report.

Columbia Museum of Art Commission
Statement of Activities - Detailed by Net Asset Classification
for the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	With Donor Restrictions Perpetual in Nature	Total
Public support and other revenues:				
Investment income	\$ 121,932	\$ 63,609	\$ 6,173	\$ 191,714
Interest earned on CMA loans	3,189	—	—	3,189
Investment losses, net	<u>(630,747)</u>	<u>(328,859)</u>	<u>(32,396)</u>	<u>(992,002)</u>
Satisfaction of acquisition and program restrictions	<u>43,626</u>	<u>(43,626)</u>	<u>—</u>	<u>—</u>
Total public support and other revenues	(462,000)	(308,876)	(26,223)	(797,099)
Expenses:				
Depreciation	<u>509,909</u>	<u>—</u>	<u>—</u>	<u>509,909</u>
Change in net assets, before transfers	<u>(971,909)</u>	<u>(308,876)</u>	<u>(26,223)</u>	<u>(1,307,008)</u>
Transfers:				
Transfer from CMA - equipment purchases	43,236	—	—	43,236
Transfer to the CMA - other	<u>(141,827)</u>	<u>—</u>	<u>—</u>	<u>(141,827)</u>
Total transfers	<u>(98,591)</u>	<u>—</u>	<u>—</u>	<u>(98,591)</u>
Change in net assets	(1,070,500)	(308,876)	(26,223)	(1,405,599)
Net assets, beginning of year	<u>14,887,008</u>	<u>1,482,719</u>	<u>1,920,557</u>	<u>18,290,284</u>
Net assets, end of year	<u><u>\$ 13,816,508</u></u>	<u><u>\$ 1,173,843</u></u>	<u><u>\$ 1,894,334</u></u>	<u><u>\$ 16,884,685</u></u>

See accompanying independent auditor's report.

Columbia Museum of Art Commission
Statement of Activities - Net Assets Without Donor Restrictions
for the year ended June 30, 2022

	Operating	Unrestricted Endowments	Total
Public support and other revenues:			
Investment income	\$ —	\$ 121,932	\$ 121,932
Interest earned on CMA loans	3,189	—	3,189
Investment losses, net	—	(630,747)	(630,747)
	<u>—</u>	<u>—</u>	<u>—</u>
Satisfaction of acquisition and program restrictions	—	43,626	43,626
	<u>—</u>	<u>43,626</u>	<u>43,626</u>
Total public support and other revenues	3,189	(465,189)	(462,000)
	<u>3,189</u>	<u>(465,189)</u>	<u>(462,000)</u>
Expenses:			
Depreciation	509,909	—	509,909
	<u>509,909</u>	<u>—</u>	<u>509,909</u>
Change in net assets, before transfers	(506,720)	(465,189)	(971,909)
	<u>(506,720)</u>	<u>(465,189)</u>	<u>(971,909)</u>
Transfers:			
Transfer from CMA - equipment purchases	43,236	—	43,236
Transfer to the CMA - other	(141,827)	—	(141,827)
Total transfers	(98,591)	—	(98,591)
	<u>(98,591)</u>	<u>—</u>	<u>(98,591)</u>
Change in net assets	(605,311)	(465,189)	(1,070,500)
Net assets, beginning of year	10,918,057	3,968,951	14,887,008
Net assets, end of year	<u>\$ 10,312,746</u>	<u>\$ 3,503,762</u>	<u>\$ 13,816,508</u>

See accompanying independent auditor's report.

Columbia Museum of Art Commission
Statement of Activities - Net Assets With Donor Restrictions, Purpose Restricted
for the year ended June 30, 2022

	Acquisition Endowments	Program Endowments	Total
Public support and other revenues:			
Investment income	\$ 18,652	\$ 44,957	\$ 63,609
Investment losses, net	(96,743)	(232,116)	(328,859)
Net assets released from restrictions	(9,545)	(34,081)	(43,626)
Change in net assets	(87,636)	(221,240)	(308,876)
Net assets, beginning of year	359,543	1,123,176	1,482,719
Net assets, end of year	\$ 271,907	\$ 901,936	\$ 1,173,843

See accompanying independent auditor's report.

Columbia Museum of Art Commission
Analysis of Net Assets With Donor Restrictions
June 30, 2022

	Purpose Restricted	Perpetual in Nature
Operations related endowments	\$ —	\$ 1,033,739
Program related endowment funds:		
Conservation	34,024	30,553
Edward Timmons - Scholarships for Children	125,818	93,376
Baker and Baker - Concert Series	263,659	105,000
Lucy Hampton Bostick - Exhibitions	221,129	125,000
Lucy Hampton Bostick - Lecture Series	257,306	50,000
Total program related endowment funds	901,936	403,929
Acquisition related endowment funds:		
W. Bedford Moore, Jr.	12,122	13,449
Elizabeth F. Moore	9,289	10,941
Blondelle Malone	8,938	13,315
Anna Heyward Taylor	51,427	35,622
Ethel Brody	36,516	100,000
Carroll Heyward	—	183,339
R. Jenrette Decorative Arts	153,615	100,000
Total acquisition related endowment funds	271,907	456,666
Total net assets with donor restrictions	\$ 1,173,843	\$ 1,894,334

See accompanying independent auditor's report.