

**ORLANDO MUSEUM OF ART, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE**  
**YEAR ENDED JUNE 30, 2022)**



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**ORLANDO MUSEUM OF ART, INC.  
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(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Orlando Museum of Art, Inc.  
Orlando, Florida

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

#### ***Opinion***

We have audited the accompanying financial statements of Orlando Museum of Art, Inc. (OMA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Orlando Museum of Art, Inc., as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

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

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 Orlando Museum of Art, Inc.'s ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Orlando Museum of Art, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orlando Museum of Art, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

**Report on Summarized Comparative Information**

We have previously audited Orlando Museum of Art, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**CliftonLarsonAllen LLP**

Orlando, Florida  
March 6, 2024

**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 405,644	\$ 429,386
Promises to Give and Other Receivables	95,395	219,417
Museum Shop Inventory	42,387	49,361
Prepaid and Other Assets	120,190	59,016
Total Current Assets	663,616	757,180
<b>ENDOWMENT ASSETS</b>		
Cash and Cash Equivalents Designated or Restricted for Endowment	274,865	364,339
Investments Designated or Restricted for Endowment	3,733,169	4,179,469
Total Endowment Assets	4,008,034	4,543,808
<b>BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS</b>	2,133,711	2,102,008
<b>PROPERTY AND EQUIPMENT, NET</b>	6,607,147	6,996,319
Total Assets	\$ 13,412,508	\$ 14,399,315
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 504,863	\$ 221,090
Line of Credit	200,000	-
Current Portion of Note Payable	34,290	-
Deferred Revenue	184,911	250,089
Total Current Liabilities	924,064	471,179
<b>LONG-TERM LIABILITIES</b>		
Long-Term Portion of Note Payable	155,524	-
Total Long-Term Liabilities	155,524	-
Total Liabilities	1,079,588	471,179
<b>NET ASSETS</b>		
Without Donor Restrictions	4,288,173	5,740,667
With Donor Restrictions	8,044,747	8,187,469
Total Net Assets	12,332,920	13,928,136
Total Liabilities and Net Assets	\$ 13,412,508	\$ 14,399,315

See accompanying Notes to Financial Statements.

**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			Year Ended June 30, 2023	Year Ended June 30, 2022
<b>SUPPORT AND REVENUE</b>				
Support:				
Contributions	\$ 191,425	\$ 95,264	\$ 286,689	\$ 492,528
Bequests	-	-	-	209,809
Contributed Nonfinancial Assets	95,879	-	95,879	113,169
Grants - Government and Others	272,578	100,500	373,078	315,784
Shuttered Venue Operators Grant	-	-	-	490,014
United Arts General Allocation	159,050	-	159,050	159,400
United Arts Matching and Designated Contributions	265,807	-	265,807	233,048
Change in Beneficial Interest in Assets Held by Others	-	31,703	31,703	(250,294)
Total Support	<u>984,739</u>	<u>227,467</u>	<u>1,212,206</u>	<u>1,763,458</u>
Revenue:				
Special Events Revenue	936,994	-	936,994	872,598
Special Events - Contributed Nonfinancial Assets	240,040	-	240,040	301,958
Education Fees	348,135	-	348,135	320,902
Investment Gain (Loss), Net	224,993	22,404	247,397	(682,282)
Museum Shop Sales	208,856	-	208,856	382,853
Rental Fees	387,898	-	387,898	312,022
Program Revenue	70,149	-	70,149	142,220
Membership Dues	202,328	-	202,328	206,834
Exhibition Admissions	308,028	-	308,028	439,637
Government Grants - Paycheck Protection Program Loan Forgiveness	-	-	-	246,492
Other Revenue	6,375	-	6,375	3,391
Total Revenue	<u>2,933,796</u>	<u>22,404</u>	<u>2,956,200</u>	<u>2,546,625</u>
Net Assets Released from Restrictions	<u>279,593</u>	<u>(279,593)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	4,198,128	(29,722)	4,168,406	4,310,083

See accompanying Notes to Financial Statements.

**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			Year Ended June 30, 2023	Year Ended June 30, 2022
<b>EXPENSES</b>				
Program Services:				
Exhibition	\$ 1,997,714	\$ -	\$ 1,997,714	\$ 2,097,380
Education	776,205	-	776,205	723,300
Member Programs	386,831	-	386,831	361,034
Museum Shop	274,095	-	274,095	354,024
Rental Program	224,784	-	224,784	198,820
Total Program Services	3,659,629	-	3,659,629	3,734,558
Special Events Operating Expenses	343,072	-	343,072	337,689
Supporting Services:				
Management and General	1,279,488	-	1,279,488	933,599
Fundraising	368,433	-	368,433	427,325
Total Supporting Services	1,647,921	-	1,647,921	1,360,924
Total Expenses	5,650,622	-	5,650,622	5,433,171
<b>CHANGE IN NET ASSETS BEFORE CHANGES RELATED TO COLLECTION ITEMS NOT CAPITALIZED</b>	(1,452,494)	(29,722)	(1,482,216)	(1,123,088)
Net Assets Released from Restrictions for Collection Items Purchased	113,000	(113,000)	-	-
Collection Items Purchased	(113,000)	-	(113,000)	(26,645)
<b>CHANGE IN NET ASSETS</b>	(1,452,494)	(142,722)	(1,595,216)	(1,149,733)
Net Assets - Beginning of Year	5,740,667	8,187,469	13,928,136	15,077,869
<b>NET ASSETS - END OF YEAR</b>	\$ 4,288,173	\$ 8,044,747	\$ 12,332,920	\$ 13,928,136

See accompanying Notes to Financial Statements.

**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	Program Expenses					Total Program
	Exhibition	Education	Member Programs	Museum Shop	Rental Program	
Salaries	\$ 458,416	\$ 228,736	\$ 121,047	\$ 79,724	\$ 74,544	\$ 962,467
Employee Benefits	25,646	19,947	5,699	11,398	5,699	68,389
Payroll Taxes	35,466	17,243	9,265	6,028	5,701	73,703
Total Salaries and Related Expenses	<u>519,528</u>	<u>265,926</u>	<u>136,011</u>	<u>97,150</u>	<u>85,944</u>	<u>1,104,559</u>
Activity Expenses	224,381	15,471	195,705	137,539	9,725	582,821
Events and Receptions	-	-	-	-	-	-
Contract Services	73,874	88,626	-	-	-	162,500
Insurance	59,916	-	-	-	-	59,916
Legal and Professional	-	-	-	-	-	-
Postage and Printing	5,482	3,239	2,584	74	-	11,379
Repair and Maintenance	8,667	-	-	1,649	-	10,316
Security	205,391	39,390	8,441	8,441	19,695	281,358
Supplies and Materials	74,122	43,527	898	2,633	-	121,180
Taxes, Licenses, and Fees	-	-	-	-	-	-
Telephone	3,518	3,518	3,518	3,518	3,518	17,590
Travel/Transportation/Meetings/Training	25,534	3,688	-	-	-	29,222
Miscellaneous Expenses	5,807	414	7,392	351	-	13,964
Subtotal	<u>686,692</u>	<u>197,873</u>	<u>218,538</u>	<u>154,205</u>	<u>32,938</u>	<u>1,290,246</u>
Total Expenses Before Allocations	1,206,220	463,799	354,549	251,355	118,882	2,394,805
Occupancy	322,519	102,754	9,921	11,229	56,606	503,029
Depreciation	245,558	78,234	7,553	8,549	31,527	371,421
Contributed Gifts and Services - Special Events	-	-	-	-	-	-
Contributed Gifts and Services - Other	-	95,879	-	-	-	95,879
Marketing and Promotions	223,417	35,539	14,808	2,962	17,769	294,495
Total Expenses	<u>\$ 1,997,714</u>	<u>\$ 776,205</u>	<u>\$ 386,831</u>	<u>\$ 274,095</u>	<u>\$ 224,784</u>	<u>\$ 3,659,629</u>

See accompanying Notes to Financial Statements.



**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	Special Events Expenses	Supporting Services		Total Supporting	Total	
		Management and General	Fundraising		Year Ended June 30, 2023	Year Ended June 30, 2022
Salaries	\$ 912	\$ 331,525	\$ 132,002	\$ 463,527	\$ 1,426,906	\$ 1,614,645
Employee Benefits	-	39,894	17,097	56,991	125,380	129,324
Payroll Taxes	69	24,567	9,160	33,727	107,499	115,616
Total Salaries and Related Expenses	981	395,986	158,259	554,245	1,659,785	1,859,585
Activity Expenses	-	-	-	-	582,821	682,684
Events and Receptions	232,006	-	1,340	1,340	233,346	219,391
Contract Services	-	-	17,291	17,291	179,791	214,113
Insurance	-	20,025	-	20,025	79,941	167,778
Legal and Professional	-	739,761	-	739,761	739,761	157,856
Postage and Printing	-	3,957	1,556	5,513	16,892	54,620
Repair and Maintenance	-	17,232	-	17,232	27,548	29,778
Security	-	-	-	-	281,358	244,843
Supplies and Materials	-	14,091	2,844	16,935	138,115	148,694
Taxes, Licenses, and Fees	-	10,477	26,095	36,572	36,572	5,360
Telephone	-	3,518	3,518	7,036	24,626	16,100
Travel/Transportation/Meetings/Training	-	9,463	3,627	13,090	42,312	96,070
Miscellaneous Expenses	-	30,029	3,512	33,541	47,505	63,522
Subtotal	232,006	848,553	59,783	908,336	2,430,588	2,100,809
Total Expenses Before Allocations	232,987	1,244,539	218,042	1,462,581	4,090,373	3,960,394
Occupancy	-	19,842	9,921	29,763	532,792	444,048
Depreciation	-	15,107	7,553	22,660	394,081	402,803
Contributed Gifts and Services - Special Events	78,387	-	132,917	132,917	211,304	301,958
Contributed Gifts and Services - Other	28,736	-	-	-	124,615	113,169
Marketing and Promotions	2,962	-	-	-	297,457	210,799
Total Expenses	\$ 343,072	\$ 1,279,488	\$ 368,433	\$ 1,647,921	\$ 5,650,622	\$ 5,433,171

See accompanying Notes to Financial Statements.

**ORLANDO MUSEUM OF ART, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (1,595,216)	\$ (1,149,733)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	394,081	402,803
Realized and Unrealized (Gains) Losses on Investments	(104,969)	744,680
Contributions Received for Endowment	(1,000)	(4,500)
Forgiveness of Debt for Paycheck Protection Program Loan	-	(246,491)
Decrease (Increase) in Beneficial Interest in Assets Held by Others	(31,703)	250,294
Contributions Received for Art Collections Purchases	113,000	26,645
Change in Operating Assets and Liabilities:		
Promises to Give and Other Receivables	124,022	(121,934)
Museum Shop Inventory	6,974	(12,817)
Prepaid and Other Assets	(61,174)	(18,125)
Accounts Payable and Accrued Expenses	283,773	136,901
Deferred Revenue	(65,178)	49,956
Net Cash Provided (Used) by Operating Activities	(937,390)	57,679
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments Matured, Called, and Sold	2,655,760	5,150,413
Investments Purchased	(2,104,491)	(4,902,003)
Acquisition of Property and Equipment	(4,909)	(32,227)
Art Collection Purchases	(113,000)	(26,645)
Net Cash Provided by Investing Activities	433,360	189,538
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Received for Permanent Endowment	1,000	4,500
Payments on Line of Credit	(50,000)	-
Payments on Long-Term Debt	(5,186)	-
Proceeds from Line of Credit	245,000	-
Proceeds from Long-Term Debt	200,000	-
Net Cash Provided by Financing Activities	390,814	4,500
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(113,216)	251,717
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	793,725	542,008
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 680,509	\$ 793,725
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 14,015	\$ 361

See accompanying Notes to Financial Statements.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 ORGANIZATION**

In the mid-1920s, a group of art enthusiasts, collectors, and artists came together for the express purpose of encouraging and promoting art and its appreciation throughout Central Florida. The Orlando Museum of Art, Inc. (OMA) was founded in 1924 as the Orlando Art Association and incorporated in 1926 as a nonprofit corporation. Today, the institution serves an estimated population of three million residents in Central Florida and visitors from around the world.

OMA's Mission is to inspire creativity, passion, and intellectual curiosity by connecting people with art and new ideas.

OMA's Vision is to be a creative change agent for education and the center for artistic engagement as well as a place for civic, cultural, and economic development.

OMA's Purpose is to interpret and present the most compelling art for the public to experience, and to positively affect people's lives with innovative and inspiring education programs that will endure as a cultural legacy in Central Florida.

To meet these objectives, OMA has dedicated itself to collecting, preserving, and interpreting notable works of art; to presenting exhibitions of local, regional, national, and international significance; to developing first-rate educational programs; and to developing creative and inclusive programs that reach every segment of its diverse audience.

OMA has maintained its national accredited status by the American Alliance of Museums since 1971 and is ranked by the state as one of the top major art museums in Florida for its demonstrated national leadership, program excellence, and statewide impact.

OMA has a number of support groups. According to OMA's bylaws:

The *Council of 101* (101) is a committee of the membership operating under the charter of OMA. 101 was formed in 1965 to further the cultural development and appreciation of the visual arts in the Central Florida area and to provide financial resources for OMA, which is the sole beneficiary of 101's fundraising efforts. The designated use of such resources is unrestricted operating support for the Museum's programming and operations. The accounts of 101 are included in the financial statements.

The bylaws also provide for additional committees of the membership that serve to advance OMA's mission and vision. The purpose of these committees is as follows:

The *Acquisition Trust* is instrumental in the acquisition of exceptional examples of Contemporary Art from 1945 to the present moment for the OMA permanent collection through purchase and gift.

The *Friends of American Art* is instrumental in the acquisition of exceptional examples of American Art from the 18th Century through 1945 for the OMA permanent collection through purchase and gift.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 ORGANIZATION (CONTINUED)**

The *Associates* work to expand the membership at the museum through publicity and OMA's monthly 1st Thursday's program.

The *Volunteer Council* focuses on recruiting, retaining, and rewarding OMA volunteers.

The *Ambassadors* of the OMA provide funding without restrictions for operations, exhibitions, public programs, and educational initiatives. The OMA Ambassadors help to bring the highest quality visual art experiences, and art educational opportunities, for the engagement of the Central Florida community and its visitors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of OMA have been prepared on the accrual basis of accounting.

**Cash and Cash Equivalents**

In these financial statements, cash and cash equivalents include cash and all highly liquid debt instruments available for current use with maturities of less than three months at time of purchase. Included in cash and cash equivalents are bank deposits, certain amounts of which are not insured under Federal Deposit Insurance Corporation regulations.

**Promises to Give and Other Receivables**

Pledges receivable consist of unconditional promises to give from donors, which are recognized within net assets at their fair value when unconditional promises are received.

Management expects all pledges to be received during the next 12 months; accordingly, such receivables are not discounted. Management considers all accounts and pledges receivable collectable; therefore, there is no allowance for doubtful accounts. Contributed professional support services and materials, except for artwork (see Note 10), are recorded in the accompanying financial statements at their estimated fair value at the date of receipt by OMA.

**Investments**

Investments consist of certificates of deposit, money market funds, and mutual funds. Under current accounting standards, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued in the statement of financial position at their fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Changes in the fair value of securities are reflected as investment gains or losses in the accompanying statement of activities. Money market funds and certificates of deposit are recorded at cost which approximates fair value.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Beneficial Interest in Assets Held by Others**

OMA is the beneficiary of two charitable remainder unitrusts held and administered by an independent corporate trustee. Under the terms of the trusts, OMA has the irrevocable right to receive all of the then remaining principal and income at the expiration of the trust term. The funds are to be used solely to add to OMA's permanent collection. The estimated fair value of the beneficial interest in the trusts is recognized as an asset and changes in the value are recognized as support with donor restrictions. OMA's estimate of fair value is based on fair value information provided by the trustee.

**Fair Value Measurement**

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. OMA emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value measurement standard defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

OMA has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

*Level 2* – Financial assets and liabilities are valued using inputs that are quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Museum Shop Inventory**

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out basis.

**Deferred Revenue**

Amounts received but not yet recognized as revenue are reported as deferred revenue. These amounts principally include deferred membership revenue and advanced rental deposits.

**Net Assets**

The financial statements have been prepared to focus on OMA as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are both undesignated and designated in nature. Undesignated net assets without donor restriction are those currently available for use in the day-to-day operation of OMA and those resources invested in property and equipment. From time to time, the Board of Trustees may designate certain amounts of net assets without donor restriction to be utilized/invested to meet specific objectives of OMA.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed 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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the donors of these assets that are maintained in perpetuity permit OMA to use all or part of the income earned on related investments for either unrestricted or specified purposes.

**Revenue Recognition**

**Contributions and Grants**

Contributions and grants are recognized as with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, OMA records the contribution and the related expense as without donor restriction. Contributions of assets other than cash are recorded at their fair estimated value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Special Events Revenue

Special events revenue results from OMA and the Council of 101's efforts to produce a wide variety of events pertaining to exhibition openings, membership programs, and large annual fundraisers. The revenue is recognized in the period that the benefits and events are held.

Education Fees

Education fees result from educational programs, tours and workshops held by OMA. Revenue from these programs is recognized over time as the benefit of the educational program is received. As of June 30, 2023, OMA recorded \$83,864 of deferred revenue related to various educational programs.

Rental Fees

Rental fees result from facility rentals at the Museum. Facility rentals are recognized when the performance obligation of providing space for the event is satisfied. As of June 30, 2023, OMA recorded \$45,889 of deferred revenue related to facility rental fees.

Membership Dues

Membership dues are on an anniversary-date basis and are recognized ratably over the membership period. There are no distinct performance obligations and the general member benefits, including membership to the Museum, are considered a bundled group of performance obligations that are delivered to members throughout the membership period. As of June 30, 2023, OMA recorded \$55,626 of deferred revenue related to museum memberships.

Exhibition Admission Fees

Admission fees are from daily attendance and group visits to OMA and are recognized at the time of visit.

**Contributed Nonfinancial Assets**

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair value at the date of donation. Contributions of donated or discounted services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Nonfinancial Assets (Continued)**

The noncash donations, included as program expenses in the accompanying financial statements, consisted of the following as of June 30:

	2023	2022	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Food and Beverages	\$ 16,677	\$ 20,839	Programs events	None	Fair value estimated on the basis of current rates for comparable products
Household Goods	-	7,860	Programs events	None	Fair value estimated on the basis of current rates for comparable products
Services	107,938	84,470	Interior design, floral design, signage for events, entertainment, marketing, and other services	None	Fair value estimated on the basis of current rates for comparable products
Services and Goods	<u>211,304</u>	<u>301,958</u>	Fundraising events		
Total	<u>\$ 335,919</u>	<u>\$ 415,127</u>			

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals' volunteer time and skills to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services.

**Functional Allocation of Expenses**

The costs of program, supporting services and special events activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain expenses, attributable to program, supporting services and special events, were allocated by management based upon an estimate of the time of the employees involved and/or a percentage of assets utilized.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Income Taxes**

OMA is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.



**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

OMA's income tax returns are subject to review and examination by federal and state authorities. OMA is not aware of any activities that would jeopardize its tax-exempt status. OMA is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

**Property and Equipment**

Property and equipment purchased or constructed by OMA is capitalized at cost if purchased or at estimated fair value if acquired by gift. OMA's policy is to capitalize property and equipment if the acquisition cost or estimated donated value exceeds \$2,000.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets, which are as follows:

Buildings and Improvements	5 to 43 Years
Furniture, Fixtures, and Equipment	3 to 7 Years

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and various expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risks**

The Organization maintains cash balances with one bank. The Organization's cash accounts at this bank are federally insured up to \$250,000 under Federal Deposit Insurance Corporation (FDIC) protection. As of June 30, 2023, balances in excess of the FDIC limit was \$18,373. Investments are not federally insured.

During fiscal year 2023, the Organization received approximately 35%, 14%, and 12% of its total support, from the United Arts of Central Florida, Orange County, and State of Florida.

**Adoption of Accounting Pronouncement**

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of Accounting Pronouncement (Continued)**

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

**Comparative Financial Statements**

These financial statements include summarized comparative prior-year information. That information is not presented by net asset class and does not contain sufficient detail to conform with accounting principles generally accepted in the United States of America (GAAP). Therefore, this information should be read in conjunction with OMA's audited financial statements for the year ended June 30, 2022.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease terms. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Subsequent Events**

In preparing these financial statements, OMA has evaluated events and transactions for potential recognition or disclosure through March 6, 2024, the date the financial statements were available to be issued.

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

OMA's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 138,977	\$ 113,061
Promises to Give and Other Receivables	95,395	219,417
Endowment Spending-Rate Distribution Appropriation	186,997	239,990
Total	<u>\$ 421,369</u>	<u>\$ 572,468</u>

OMA's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. As described in Note 12, the endowment balance has a spending rate of 5% which can be transferred to the operating fund. Income from the Acquisition Trust Endowment is restricted for specific purposes and, therefore, is not subject to the spending policy for general expenditures. Approximately \$186,997 of appropriations from the endowment funds will be available within the next 12 months. Income from donor-restricted endowments in excess of the approved spending rate is not available for general expenditure until appropriated.

As part of Orlando Museum of Art'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. To help manage unanticipated liquidity needs, Orlando Museum of Art has committed a line of credit in the amount of \$200,000, which it could draw upon. Additionally, Orlando Museum of Art obtained \$200,000 loan to be paid over five years.

Additionally, Orlando Museum of Art has a quasi-endowment of \$900,000 and additional Board Designated funds of \$70,151 from its quasi-endowment that could be made available if necessary.

**NOTE 4 GRANTS – GOVERNMENT AND OTHERS**

Grants – Government and others consisted of the following at June 30, 2023:

	<u>Grant Award</u>	<u>Support Recognized</u>
State of Florida - Division of Cultural Affairs	\$ 150,000	\$ 150,000
Orange County Florida - Various Grants	175,078	175,078
Other	48,000	48,000
Total	<u>\$ 373,078</u>	<u>\$ 373,078</u>

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 SPECIAL EVENTS**

Net revenue from special events consisted of the following for the year ended June 30, 2023:

	<u>Cash</u>	<u>In-Kind</u>	<u>Total</u>
Revenue	\$ 936,994	\$ 240,040	\$ 1,177,034
Expenses:			
Operating	235,949	107,123	343,072
Fundraising	235,516	132,917	368,433
Total Expenses	<u>471,465</u>	<u>240,040</u>	<u>711,505</u>
Net Revenue	<u>\$ 465,529</u>	<u>\$ -</u>	<u>\$ 465,529</u>

**NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

Beneficial interest in assets held by others consists of two charitable remainder unitrusts (Trusts). The Trusts are administered by a third-party corporate trustee. Under the Trust agreement, OMA is the sole named beneficiary of the Trusts. Upon the expiration of the Trust term, the trustee shall distribute all of the then remaining principal and income of the Trusts for use by OMA solely to add to their permanent collection. Based on the donors' life expectancies and the use of a 2.9% discount rate, the present value of the future benefits expected to be received by OMA was estimated to be \$2,133,711 at June 30, 2023.

**NOTE 7 FAIR VALUE MEASUREMENT**

OMA uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

Assets measured at fair value on a recurring basis at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Domestic Equity	\$ 1,971,279	\$ -	\$ -	\$ 1,971,279
International Equity	320,014	-	-	320,014
Fixed Income	1,395,843	-	-	1,395,843
Beneficial Interest in Assets Held by Others	-	-	2,133,711	2,133,711
Total	<u>\$ 3,687,136</u>	<u>\$ -</u>	<u>\$ 2,133,711</u>	<u>\$ 5,820,847</u>

Money market funds and certificates of deposit in the amount of \$274,865 and \$46,033, respectively, are included in investments.

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 FAIR VALUE MEASUREMENT (CONTINUED)**

The following table represents a reconciliation of assets in which significant unobservable inputs (Level 3) were used to determine fair value for the year ended June 30, 2023:

Fair Value at June 30, 2022	\$ 2,102,008
Unrealized Gain in Beneficial Interest in Assets Held by Others	31,703
Fair Value at June 30, 2023	<u>\$ 2,133,711</u>

Fair value of beneficial interest in assets held by others was determined by computing the present value of required future distributions expected to be paid, using published life expectancy tables, a discount rate of 2.9%, and a historical rate of return of 5% as provided by the Trustee.

The following table represents significant unobservable inputs for the beneficial interest in the assets held by others:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2023	2022		
Beneficial Interest in Asset Held by Others	\$ 2,133,711	\$ 2,102,008	FMV of Trust Investments	Time Period of Trust

**NOTE 8 ART COLLECTIONS**

In conformity with industry practice, art purchased and donated is not recorded in the accompanying statement of financial position. Even though not recorded, OMA's collections represent one of its most valuable assets. Items added to OMA's permanent collections totaled \$785,600 during the years ended June 30, 2023, based on estimated fair value at the date of receipt. Of this amount, \$672,600 was acquired through donations and \$113,000 was purchased. No items were de-accessioned. All donated art was accessioned into the permanent collection. The collections are made up of artifacts of historical significance and art objects that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved, cared for, and not encumbered and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 PROPERTY AND EQUIPMENT**

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

Land and Land Improvements	\$ 2,536,638
Building and Improvements	13,482,715
Furniture, Fixtures, and Equipment	<u>2,313,335</u>
Subtotal	18,332,688
Less: Accumulated Depreciation	<u>(11,725,541)</u>
Total	<u>\$ 6,607,147</u>

OMA's land and certain improvements were donated by the City of Orlando (the City). The land was donated with the restriction that its use be exclusively by OMA in accordance with its present purposes and that the land not be sold, leased, or otherwise disposed of without the written consent of the City (see Note 18).

**NOTE 10 ENDOWMENTS**

OMA follows a standard issued by the Financial Accounting Standards Board related to the classification of donor-restricted endowment funds. This standard provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). It also provides additional disclosures about an organization's endowed funds.

OMA has several donor-restricted endowment funds. The majority of these were established for the purpose of providing income to support general operations. The Board of Trustees of OMA has interpreted the State of Florida UPMIFA as requiring 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, OMA classifies as net assets with donor restrictions (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 is classified in net assets depending on the existence or absence of donor-imposed restrictions.

OMA's endowment investment policy is focused on preservation of capital and investment vehicles are selected to protect the integrity of the corpus.

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 ENDOWMENTS (CONTINUED)**

The endowment net assets and activity for fiscal year 2023 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund Balance as of June 30, 2022	\$ 1,529,329	\$ 3,014,479	\$ 4,543,808
Endowment Earnings to Board Designated Contributions	-	1,000	1,000
Transfer from Operating to Board Designated Management Fees	-	-	-
Appropriations	(17,375)	(1,348)	(18,723)
Earnings:			
Interest and Dividends	147,622	12,117	159,739
Realized and Unrealized Gain (Loss)	94,836	11,635	106,471
Endowment Fund Balance as of June 30, 2023	<u>\$ 970,151</u>	<u>\$ 3,037,883</u>	<u>\$ 4,008,034</u>
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 3,037,883	\$ 3,037,883
Board-Designated Endowment Funds	970,151	-	970,151
Total	<u>\$ 970,151</u>	<u>\$ 3,037,883</u>	<u>\$ 4,008,034</u>

**Fund Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires OMA to retain as a fund of perpetual duration. There are no fund deficiencies as of June 30, 2023.

**Investment Strategy, Return Objectives, and Risk Parameters**

OMA invested its endowment fund in a balanced portfolio of debt and equity securities with the objective of preservation of capital and long-term capital appreciation. The balanced portfolio investment return objective is to produce real returns, net of inflation, over time at a moderate level of risk to invested capital.

**Spending Policy and How Investment Objectives Relate to Spending**

A board-approved policy transfers to the operating fund up to 5% of the endowment fund balance as of the end of the prior calendar year. This percentage was determined based on the overall needs of OMA balanced with the long-term investment return objectives for a fund to be held in perpetuity.

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restriction that have been designated by OMA's governing board consisted of the following at June 30, 2023:

Designated Funds Functioning as an Endowment	\$ 900,000
Accumulated Endowment Earnings Designated by the Board	70,151
Designated as Additional Matching Funds for the State of Florida Cultural Endowment Program	-
Total	<u>\$ 970,151</u>

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2023:

Subject to Expenditure for Specified Purpose:	
Purchasing Art	\$ 151,004
Future Exhibitions	77,500
Facilities Improvements	-
Educational Programs	26,868
Other	81,143
Total	<u>336,515</u>

Subject to the Passage of Time:	
Beneficial Interests in Charitable Trusts Held by Others	2,133,711
Donations for Operating Expenses in Next Fiscal Year	-
Total	<u>2,133,711</u>

Endowments:	
Subject to Endowment Spending Policy and Appropriation:	
Earnings on Endowment Funds	17,396
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:	
Florida Cultural Endowment	2,400,000
Operating Endowment	275,587
Acquisition Trust Endowment	298,868
Scholarship Endowment	46,032
Total Endowments	<u>3,037,883</u>

Not Subject to Spending Policy or Appropriation:	
Land and Land Improvements	<u>2,536,638</u>
Total Net Assets with Donor Restrictions	<u>\$ 8,044,747</u>



**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Included in net assets with donor restriction are several donor-restricted endowment funds. OMA's endowments consist of a Florida Cultural Endowment and various other endowments for long-term use. The Florida Cultural Endowment was originally set up with two matching grants from the state of Florida, requiring OMA to raise \$360,000 for each grant and for the state of Florida to match \$240,000 for each grant, for a total of \$1,200,000. In fiscal year 2007, a third matching grant of \$240,000 was received to match additional endowment funds of \$360,000 raised by OMA. In fiscal year 2012, OMA raised an additional match of \$360,000 for the endowment fund. OMA received the fourth matching grant of \$240,000 in 2015. OMA keeps a minimum balance of the \$2,400,000 original contribution in the donor-restricted endowment account, as required by the state of Florida.

**NOTE 13 401(K) RETIREMENT PLAN**

OMA has a 401(k) retirement plan that is available to all of its employees who meet minimum age and length of service requirements. The plan has a December 31 year-end.

OMA can make a discretionary matching contribution of up to 5% of eligible participant wages. For the 2023 plan year, OMA made matching contributions of \$5,451.

**NOTE 14 RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2023, \$66,809 was received as contributions from Board of Trustees members.

**NOTE 15 LINE OF CREDIT**

On May 18, 2015, OMA took out a line of credit with a bank for borrowings up to \$200,000, payable on demand. Interest accrues at a variable rate equal to the bank's prime rate. The loan is secured by all deposits and investments. There was a balance of \$195,000 due on the line as of June 30, 2023. Interest expense paid on the line of credit was approximately \$14,000 during the year ended June 30, 2023.

**NOTE 16 LONG-TERM DEBT**

On March 30, 2023, OMA entered into a note payable agreement with Truist Bank for \$200,000 due in monthly payments of principal and interest payments of \$4,071 at a fixed rate of interest of 7.99% with a maturity date of April 5, 2028. The note payable is collateralized by certain inventory, chattel paper, accounts, equipment, and general intangibles. The loan is secured by all deposits and investments. The balances and amount paid as of June 30, 2023 are as follows:

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 16 LONG-TERM DEBT (CONTINUED)**

<u>Description</u>	<u>Amount</u>
Truist Note Payable	\$ 200,000
Portion repaid in FY 2023	<u>(5,186)</u>
Subtotal	194,814
Less: Current Portion	(34,290)
Total	<u><u>\$ 160,524</u></u>

Maturities of long-term debt as of June 30, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 34,290
2025	37,212
2026	40,341
2027	43,733
2028	39,238
Thereafter	-
Total	<u><u>\$ 194,814</u></u>

**NOTE 17 LEASES**

**Lease Agreements - ASC 842**

The Organization leases equipment for various terms under long-term, non-cancelable lease agreements. The equipment leases expire at various dates through 2023 and 2026.

The following tables provides quantitative information concerning the Organization's leases.

Lease cost:

Finance lease cost:	
Amortization of right-of-use assets	\$ 6,981
Interest on lease liabilities	<u>230</u>
Total lease cost	<u><u>\$ 7,211</u></u>

Other information:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from financing leases	\$ 230
Financing cash flows from financing leases	\$ 8,395
Weighted-average remaining leases term - financing leases	-
Weighted-average discount rate - financing leases	7.99%
Weighted-average discount rate - operating leases	7.99%

**ORLANDO MUSEUM OF ART, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 17 LEASES (CONTINUED)**

**Lease Agreements - ASC 842 (Continued)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending August 31</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 1,170	\$ 10,174
2025	1,170	10,032
2026	1,170	10,032
2027	97	836
2028	-	-
Thereafter	-	-
Total Lease Payments	<u>3,607</u>	<u>31,074</u>
Less: Imputed Interest	<u>3,607</u>	<u>30,932</u>
Present Value of Lease Liabilities	<u>\$ -</u>	<u>\$ 142</u>

**NOTE 18 CONTRIBUTED NONFINANCIAL ASSET LEASE**

OMA owns the land on which it is situated and leases adjacent land from the City of Orlando. The land is utilized as parking in Loch Haven Park and maintained to benefit the residents of the City of Orlando. Under the terms of the lease, which expires in 2057, annual rent is \$1. The contributed value of the lease is not presented in the financial statements.

**NOTE 19 GOING CONCERN**

The Organization believes their resources owned currently and to be obtained in the future will be sufficient to fund operations as a going concern. Management's evaluation of the events and conditions and management's plan regarding these matters are that they have mitigated this substantial doubt by their cash flow plan. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**NOTE 20 RISKS AND UNCERTAINTIES**

The Organization is subject to federal audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules, and regulations, and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to grantor.

**ORLANDO MUSEUM OF ART, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 21 SUBSEQUENT EVENTS**

The Organization was notified on October 31, 2023 that they were one of the recipients of a disbursement of funds under the Kit Knotts Trust. The Organization received \$ \$1,826,795 in funds that are restricted for purchasing and maintaining the art of the Organization.