



OKLAHOMA CITY MUSEUM OF ART, INC.
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023
WITH
INDEPENDENT AUDITOR'S REPORT



CONTENTS

Independent Auditor's Report	1
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows.....	5
Notes to Consolidated Financial Statements.....	6



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma City Museum of Art, Inc.

Opinion

We have audited the consolidated financial statements of Oklahoma City Museum of Art, Inc. and its subsidiaries (collectively, the Museum), which comprise the consolidated statement of financial position as of June 30, 2024, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of June 30, 2024, and the results of their operations and their 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Museum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 issued or 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 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 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 Summarized Comparative Information

We have previously audited the 2023 financial statements of the Museum, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Hogan Taylor LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma
December 19, 2024

OKLAHOMA CITY MUSEUM OF ART, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 2,203,276	\$ 1,070,301
Grants and accounts receivable, net	1,184,984	2,320,965
Inventory, net	306,624	609,210
Prepaid expenses	194,946	210,880
Investments	22,831,068	21,520,746
Beneficial interest in assets held by others	5,690,434	5,137,189
Property and equipment, net	15,415,728	15,948,646
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Total assets	\$ 47,827,060	\$ 46,817,937
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Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 224,171	\$ 332,635
Accrued liabilities	524,840	432,074
Notes payable	273,949	475,813
	<hr/>	<hr/>
Total liabilities	1,022,960	1,240,522
Net assets:		
Without donor restrictions:		
Undesignated	1,041,035	1,106,373
Board designated	10,617,393	9,497,144
Invested in property and equipment	15,415,728	15,948,646
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Total net assets without donor restrictions	27,074,156	26,552,163
With donor restrictions	19,729,944	19,025,252
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Total net assets	46,804,100	45,577,415
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Total liabilities and net assets	\$ 47,827,060	\$ 46,817,937
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OKLAHOMA CITY MUSEUM OF ART, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended June 30, 2024

(with summarized totals for year ended June 30, 2023)

	2024			2023 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues, Gains and Other Support				
Contributions	\$ 2,250,924	\$ 714,598	\$ 2,965,522	\$ 3,520,989
Disaster relief funds	25,000	-	25,000	139,195
Fundraising events	224,620	255,800	480,420	553,112
Memberships	615,001	-	615,001	605,773
Admissions	685,477	-	685,477	452,082
Museum store sales	461,753	-	461,753	467,150
Museum of Art Cafe, Inc. sales	43,907	-	43,907	36,947
Museum Parking, LLC fees	239,004	-	239,004	226,850
In-kind donations	62,683	-	62,683	45,806
Miscellaneous	112,112	-	112,112	74,817
Net investment return	1,880,331	1,464,885	3,345,216	2,519,834
Net assets released from restrictions	1,730,591	(1,730,591)	-	-
Total revenues, gains and other support	8,331,403	704,692	9,036,095	8,642,555
Expenses				
Program services	5,412,556	-	5,412,556	5,541,625
Fundraising	682,014	-	682,014	670,809
Management and general	1,316,967	-	1,316,967	1,133,373
Other	397,873	-	397,873	392,519
Total expenses	7,809,410	-	7,809,410	7,738,326
Changes in net assets	521,993	704,692	1,226,685	904,229
Net assets, beginning of year	26,552,163	19,025,252	45,577,415	44,673,186
Net assets, end of year	\$ 27,074,156	\$ 19,729,944	\$ 46,804,100	\$ 45,577,415

OKLAHOMA CITY MUSEUM OF ART, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Changes in net assets	\$ 1,226,685	\$ 904,229
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	672,241	665,787
Loss (gain) on disposal of property and equipment	33,747	(5,539)
Net gains on investments	(2,680,947)	(2,015,322)
Changes in operating assets and liabilities:		
Grants and accounts receivable	1,135,981	893,789
Inventory	302,586	(75,938)
Prepaid expenses	15,934	(54,297)
Accounts payable	(108,464)	75,261
Accrued liabilities	92,766	(184,589)
Net cash provided by operating activities	690,529	203,381
Cash Flows from Investing Activities		
Purchases of property and equipment	(173,070)	(217,560)
Proceeds from sales of equipment	-	7,500
Purchases of investments	(8,335,960)	(7,625,321)
Proceeds from sales of investments	9,153,340	8,143,383
Net cash provided by investing activities	644,310	308,002
Cash Flows from Financing Activities		
Principal payments on note payable	(201,864)	(198,813)
Net change in cash and cash equivalents	1,132,975	312,570
Cash and cash equivalents, beginning of year	1,070,301	757,731
Cash and cash equivalents, end of year	\$ 2,203,276	\$ 1,070,301
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 6,019	\$ 9,069

OKLAHOMA CITY MUSEUM OF ART, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 1 – Organization

Oklahoma City Museum of Art, Inc. (the Museum) is located in the Donald W. Reynolds Visual Arts Center which features three floors of galleries showcasing the Museum's permanent collection and temporary exhibitions organized by the Museum, and traveling exhibitions featured from art museums throughout the United States and abroad. The Museum showcases the only comprehensive independent, foreign, and repertory film program in the region. The Museum is accredited by the American Alliance of Museums and is a member of the Association of Art Museum Directors. Its mission is to enrich lives through the visual arts.

The Museum has two subsidiaries. Museum Parking, LLC (Parking), owns parking lots near the Museum and leases the lots to a third-party operator. The Museum of Art Cafe, Inc. (the Cafe) is now operating inside the Museum Store, with a streamlined business model.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Consolidated financial statements

The consolidated financial statements include the accounts of the Museum, Parking, and the Cafe. All material intercompany transactions have been eliminated in the consolidated financial statements.

Summarized comparative financial information

The consolidated statements of activities include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the consolidated financial statements for fiscal year 2023 from which the summarized information was derived.

Net assets

Net assets, revenues, support, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Without donor restrictions* – Net assets without donor restrictions are available for use at the discretion of the Museum's Board of Trustees (Board of Trustees) and/or management for support of operations. From time to time, the Board of Trustees may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. At June 30, 2024 and 2023, net assets of \$10,617,393 and \$9,497,144, respectively, were designated to be held in reserve by the Board of Trustees (see Note 4).

- *With donor restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-imposed restrictions can be temporary in nature, such as those that will be met with the passage of time or other events specified by the donor, or perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity.

Cash and cash equivalents

The Museum considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Grants and accounts receivable

Receivables are reported at their estimated net realizable value. Receivables are evaluated on an individual basis for collectibility. Management believes the receivables at June 30, 2024 and 2023, will be collected in full, and therefore, no allowance for uncollectable receivables has been established.

Investments

Investments are stated at fair value, which is based on quoted market prices, if available, or by a reasonable estimate of fair value for fixed income securities. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, and less external investment expenses. Donated investments are initially recorded at fair value at the date of donation.

Property and equipment

Purchased assets are recorded at cost and donated assets are recorded at fair value at the date of donation. Property and equipment, with an initial value of \$5,000 or more, is capitalized and depreciated on a straight-line basis over the estimated useful lives of the respective assets, which range from two to 40 years.

Permanent art collection

The Museum's permanent art collection is made up of historically significant art, photography, works on paper, contemporary art and other art objects that are held for educational, research, and curatorial purposes. Each item is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The permanent collection forms the basis for special exhibitions on art historical topics and is used to conduct research and disseminate new scholarships to the general public. The Museum hosts special exhibitions organized by other institutions permitting a range of subject matter and works of art outside the scope of the Museum's own collection. A diversity of educational programs, ranging from tours, classes, in-gallery experiences, and lectures, are geared to visitors of all ages. The Museum is accessible to individuals with physical and sensory disabilities.

The Museum Film Program collects historic and contemporary arts of moving images. Additionally, it is one of the only cinemas in the region showing independent, foreign, and repertory programming. The Samuel Noble Theatre screens films Thursday through Sunday.

Works of art, which were acquired through purchases and contributions since the Museum's inception, are insured under the Museum's fine art insurance policy and are not capitalized and recognized as assets in the financial statements. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributions of collection items are not recognized in

the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net assets classification. The Museum's policy provides for deaccessioning works that do not fit into the collections plan or that are of poor quality or condition. Any funds made available by the sale of deaccessioned works without donor restrictions are used for acquisitions to strengthen the collection and direct care of existing collection items. The Museum defines direct care as those actions that make a physical impact upon an object that increases or restores its cultural value, thus prolonging its life and usefulness. These actions involve the conservation and preservation of all collection items held by the Museum.

Revenue recognition for contributions

Contributions, including unconditional promises to give, are recognized as revenue when the donor's unconditional commitment is received. Conditional promises to give, which contain donor-imposed conditions that represent a barrier that must be overcome as well as a right of release from obligation, are recognized when the conditions on which they depend are substantially met.

The Museum reports contributions of cash and other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions that are fulfilled in the same reporting period as their receipts are recorded as increases in net assets without donor restrictions in the statements of activities.

The Museum records contributions made by donors on its behalf to other not-for-profit organizations or charitable trusts as an asset unless the donor has explicitly granted the recipient organization variance power. However, the Museum records contributions made to other not-for-profit organizations or charitable trusts as an asset regardless if variance power exists, if the Museum has designated itself as beneficiary. Variance power is defined as the unilateral power to redirect the use of the assets to another beneficiary.

Revenue recognition from exchange transactions

The Museum recognizes revenue from exchange transactions in accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. ASC 606 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition, whereby revenue is recognized when each performance obligation is satisfied.

The Museum reports the following revenue from exchange transactions in its statements of activities:

Fundraising events – The Museum conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event, "the exchange component," and the excess of the gross proceeds over the fair value of the direct donor benefit represents a contribution to the Museum. The contribution is the most significant component. The exchange component is typically recorded as revenue when received. However, any significant amounts received in advance of an event occurring are recorded as a liability and recognized in the period in which the event occurs.

Memberships – The Museum offers individual and corporate memberships to the Museum at various levels. These are for a single-year period and are incorporated as part of operating support. Each membership has both a contribution and exchange component, the levels of which are determined by the level and nature of membership based on established rates. Payments for memberships are due at the point of sale. The revenue associated with the exchange component is recognized ratably throughout the year as the performance obligation is satisfied.

Admissions – Admissions is revenue associated with tickets sold for entry to the Museum. Admissions revenue ticket prices are based upon established levels for individuals and groups. The Museum recognizes revenue for admissions at the point of sale.

Museum store sales – The Museum operates a museum store onsite, which sells mission-related items on a retail basis to customers. The performance obligation is the delivery of the items to the customer. The transaction price is established by the Museum based on retail prices suggested by suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Museum recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with the right of return. Returns are not significant and are therefore recognized in the period they occur.

Museum of Art Cafe, Inc. sales – The Museum operates a grab and go food and beverage service onsite, for the purpose of providing this amenity to patrons of the Museum and community members. The performance obligation is the delivery of the meal to the customer. The transaction price is established by the Museum and as each item is individually priced, no allocation of the transaction price is necessary. The Museum recognizes revenue as food and beverages are provided.

Other revenue – Other revenue consists primarily of revenue from private events and is recognized ratably on a monthly basis as performance obligations are satisfied.

Income tax status

The Museum is a nonprofit organization and is exempt from income taxes. However, the Museum is subject to federal income tax on any unrelated business taxable income.

Functional expense allocations

The costs of providing the Museum's various programs and supporting services have been summarized on a functional basis in the statements of activities. Most expenses can be directly attributed to specific programs or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Museum allocates salaries and wages based on actual staff positions. Administrative expenses are allocated to each area based on an estimate of usage. All remaining expenses are allocated based on actual expenses for the function.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of credit risk

Financial instruments, which potentially subject the Museum to credit risk, consist of grants and accounts receivable and investments. Investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such change could materially affect the investment balances and the amounts reported in the consolidated financial statements.

Subsequent events

Management has evaluated subsequent events through December 19, 2024, the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability of Financial Assets

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 as of June 30:

	2024	2023
Cash and cash equivalents	\$ 2,203,276	\$ 1,070,301
Grants and accounts receivable	1,184,984	2,320,965
Investments	22,831,068	21,520,746
Beneficial interest in assets held by others	5,690,434	5,137,189
Total financial assets as of year-end	31,909,762	30,049,201
Less amounts unavailable for general expenditures within one year due to:		
Board designations	(10,617,393)	(9,497,144)
Restricted by donors with purpose/time restrictions or in perpetuity	(19,729,944)	(19,025,252)
Total amounts unavailable for general expenditures	(30,347,337)	(28,522,396)
Add:		
Amounts released from restrictions subsequent to year-end and available for general expenditures in the following fiscal year	1,019,898	1,009,123
Appropriations from endowment funds for general expenditures in the following fiscal year	1,079,430	1,076,794
Total financial assets available to management for general expenditures within one year	\$ 3,661,753	\$ 3,612,722

As part of its liquidity management, the Museum has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Museum considers general expenditures to include expenditures for operations, programming, and exhibitions. Endowment funds consist of donor-restricted endowments and board-designated endowments. Income from donor-restricted endowments that is restricted for specific purposes is not available for general expenditure. The amount appropriated for general expenditures is \$506,196 and \$504,406 as of June 30, 2024 and 2023, respectively. As described in Note 4, the Museum's board-designated endowments are subject to an annual spending rate. For the years ended June 30, 2024 and 2023, this rate is 5% and \$188,728 and \$188,756, respectively, of appropriation from the board-designated endowments will be available within the next 12 months. Distributions from beneficial assets held by others for 2024 and 2023 are budgeted at \$384,506 and \$383,632, respectively. Although the Museum does not intend to spend from the board-designated endowment (other than amounts appropriated per the Board of Trustees' annual spending rate approval), these amounts could be made available if necessary.

The Museum established an operating reserve endowment in 2023. This operating reserve balance is \$3,946,209 and \$3,538,947 as of June 30, 2024 and 2023, respectively. No withdrawals are scheduled from this fund until it reaches its maximum amount as prescribed by the Operating Reserve Policy.

Note 4 – Endowment Funds

Board of Trustees' interpretation

The Board of Trustees has interpreted state law as requiring the preservation of the fair value of the gifts of the donor-restricted endowment funds unless explicit donor stipulations specify otherwise. To meet that objective, the Museum's endowment investment, management, and distribution policies require that the corpus, meaning the fair value of the original and subsequent gifts as of the gift date, be maintained in perpetuity, with the earnings available to support the Museum's ongoing operations and programs.

State law allows the Board of Trustees to appropriate or accumulate so much of an endowment fund as the Museum determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The law requires the Board of Trustees to prudently consider, if relevant, the general economic conditions, possible effect of inflation or deflation, expected total return, other resources of the institution, and the institution's Investment Policy.

Return objectives, risk parameters, strategies and spending policy

The principal goal of the Museum's investment program is to administer and invest funds received from donors in a prudent manner. The financial objective for the Museum's endowment funds is governed by guidelines specific to each separate investment portfolio. The overall financial objective is to maximize the risk-adjusted investment return while maintaining adequate levels of liquidity. The Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Risk of large losses is minimized by a diversified asset allocation. The investment allocation goal of 60% equities and 40% fixed income, with quarterly performance reviews, is expected to achieve the long-term return objectives within prudent risk constraints. Under the Investment Policy, the total return on investments is expected to exceed a benchmark consisting of the appropriate percent of the Standard & Poor's 500 Index and the Barclays Capital U.S. Government Bond Index that matches the equity and fixed income diversification of the portfolio over an average period of five consecutive years. The total return, after fees, from all unrestricted equity securities, should equal or exceed the total return on the Standard & Poor's 500 Index over a period of five consecutive fiscal years.

Under the Museum's Endowment Distribution Policy, the amount available for appropriation each year is 5% of the average market value of the endowment at the end of each of the last 12 calendar quarters, provided that the appropriation would not cause the remaining market value of the endowment fund to be less than the corpus. This policy is expected to allow for real growth in addition to building the endowments through new gifts and return on investment.

Endowment net asset composition by type of fund at June 30:

Endowment Fund Type	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Board designated:						
Raymond A. and Verna N. Young	\$ 2,491,584	\$ -	\$ 2,491,584	\$ 2,348,467	\$ -	\$ 2,348,467
Westheimer Family	1,485,103	-	1,485,103	1,396,483	-	1,396,483
Museum Legacy	2,694,497	-	2,694,497	2,213,247	-	2,213,247
Operating Reserve	3,946,209	-	3,946,209	3,538,947	-	3,538,947
Total board designated	10,617,393	-	10,617,393	9,497,144	-	9,497,144
Donor restricted:						
Thatcher Hoffman Smith Film	-	1,051,538	1,051,538	-	989,081	989,081
Sarkeys Foundation Arts Education	-	750,115	750,115	-	704,866	704,866
Sonic America's Drive-In Arts Education	-	378,084	378,084	-	356,158	356,158
James Meade Collections Legacy	-	199,138	199,138	-	178,571	178,571
Museum Legacy	-	5,871,264	5,871,264	-	5,871,264	5,871,264

Endowment Fund Type	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Donald W. Reynolds Visual Arts Center						
Building Maintenance	-	4,013,474	4,013,474	-	4,000,786	4,000,786
Records Family	-	460,349	460,349	-	433,164	433,164
Total donor restricted	-	12,723,962	12,723,962	-	12,533,890	12,533,890
Total funds	\$ 10,617,393	\$ 12,723,962	\$ 23,341,355	\$ 9,497,144	\$ 12,533,890	\$ 22,031,034

Changes in endowment fund net assets consists of the following for the year ended June 30:

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets, beginning of year	\$ 9,497,144	\$ 12,533,890	\$ 22,031,034	\$ 8,290,180	\$ 12,499,191	\$ 20,789,371
Investment return (loss):						
Net investment income	339,216	145,599	484,815	253,580	120,547	374,127
Contributions	-	-	-	500,000	350	500,350
Net appreciation	1,349,539	608,786	1,958,325	1,016,219	492,253	1,508,472
	1,688,755	754,385	2,443,140	1,769,799	613,150	2,382,949
Appropriation for expenditure	(568,506)	(564,313)	(1,132,819)	(562,835)	(578,451)	(1,141,286)
Endowment fund net assets, end of year	\$ 10,617,393	\$ 12,723,962	\$ 23,341,355	\$ 9,497,144	\$ 12,533,890	\$ 22,031,034

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 state law requires the Museum to retain as a fund of perpetual duration. There were no such deficiencies at June 30, 2024 or 2023.

Note 5 – Contributions to Oklahoma City Community Foundation, Inc.

A separate fund, Oklahoma City Museum of Art Affiliated Fund of The Oklahoma City Community Foundation, Inc. (the Affiliated Fund), is established at the Oklahoma City Community Foundation (OCCF). Contributions received after July 1, 1991, by OCCF, which are designated to be invested to benefit the Museum, are placed in the Affiliated Fund. Investment decisions for the Affiliated Fund are made by a five-member panel that includes three representatives appointed by OCCF and two representatives appointed by the Museum's Board of Trustees. Income earned on the donated funds is paid to the Museum on a basis determined by the five-member panel. The principal amount of the Affiliated Fund cannot be distributed without the unanimous approval of OCCF's Board of Directors. As a result, OCCF has variance power and the Museum has not recorded these funds in the financial statements, except as detailed below.

Funds held by OCCF, at fair value, on behalf of the Museum and recognized in the accompanying financial statements as beneficial interest in assets held by others are as follows at June 30:

	2024	2023
Fee-Milligan Operating Endowment	\$ 2,434,660	\$ 2,243,484
Oklahoma City Museum Art Funds	230,902	212,775
The James C. and Virginia W. Meade Acquisitions Fund for 18th and 19th Century American Art	1,656,301	1,451,271
Carolyn A. Hill Collections Endowment	1,163,708	1,043,139
James C. Meade Friends Lecture Series Endowment Fund	204,863	186,520
	<u>5,690,434</u>	<u>5,137,189</u>
Funds contributed by third parties and held by OCCF, with variance power retained by OCCF, and not recognized in the accompanying financial statements as beneficial interests in assets held by others are as follows at June 30:		
Oklahoma City Museum of Art Affiliated Fund	5,988,780	5,486,000
Pauline Morrison Ledbetter Fund	407,394	370,402
	<u>6,396,174</u>	<u>5,856,402</u>
Total funds	<u>6,396,174</u>	<u>5,856,402</u>
Total funds held by OCCF	<u>\$ 12,086,608</u>	<u>\$ 10,993,591</u>

Note 6 – Investments and Fair Value Measurements

The Museum has adopted the framework for measuring fair value in accordance with accounting standards that establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These inputs are summarized in the three broad levels listed below:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used as of June 30, 2024 and 2023.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, investments are classified within Level 1. Level 1 investments primarily include mutual funds and exchange traded funds.

Where quoted market prices are not available, fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows. Inputs used include broker/dealer quotes and other data which are obtained from independent pricing services. These investments are classified within Level 2 and primarily include certificates of deposit and fixed income securities.

In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. Beneficial interest in assets held by others (Beneficial Interest) is measured at fair value using Level 3 inputs. Since OCCF maintains variance power for the Beneficial Interests it holds, there is no potential market for the Beneficial Interest or similar assets. Consequently, the valuation is determined by aggregating the valuation of the underlying investments of the Beneficial Interest as reported by OCCF. These are considered to be Level 3 measurements.

This table sets forth by level, within the fair value hierarchy, assets at fair value at June 30, 2024:

	Level 1	Level 2	Level 3	Total
2024				
Mutual funds	\$ 2,510,608	\$ -	\$ -	\$ 2,510,608
Exchange traded funds	13,683,759	-	-	13,683,759
Fixed income securities	-	6,636,701	-	6,636,701
Beneficial interest in assets held by others	-	-	5,690,434	5,690,434
Total assets at fair value	<u>\$ 16,194,367</u>	<u>\$ 6,636,701</u>	<u>\$ 5,690,434</u>	<u>\$ 28,521,502</u>

This table sets forth by level, within the fair value hierarchy, assets at fair value at June 30, 2023:

	Level 1	Level 2	Level 3	Total
2023				
Certificates of deposit	\$ -	\$ 92,774	\$ -	\$ 92,774
Mutual funds	1,249,127	-	-	1,249,127
Exchange traded funds	11,876,559	-	-	11,876,559
Fixed income securities	-	8,302,286	-	8,302,286
Beneficial interest in assets held by others	-	-	5,137,189	5,137,189
Total assets at fair value	<u>\$ 13,125,686</u>	<u>\$ 8,395,060</u>	<u>\$ 5,137,189</u>	<u>\$ 26,657,935</u>

There were no purchases of investments included in Level 3 during the years ended June 30, 2024 or 2023. During the years ended June 30, 2024 and 2023, there were no transfers of financial instruments into or out of Level 3 of the fair value hierarchy.

Note 7 – Property and Equipment

Property and equipment consist of the following at June 30:

	2024	2023
Land and improvements	\$ 3,429,490	\$ 3,429,290
Buildings and improvements	22,962,198	22,898,876
Furniture and fixtures	2,389,609	2,233,906
Equipment	1,443,410	1,526,775
	<u>30,224,707</u>	<u>30,088,847</u>
Accumulated depreciation	<u>(14,808,979)</u>	<u>(14,140,201)</u>
Total	<u>\$ 15,415,728</u>	<u>\$ 15,948,646</u>

Note 8 – Notes Payable

Notes payable consist of the following at June 30:

	2024	2023
\$1,000,000 loan payable issued on October 8, 2020, for roof repair, due in monthly installments of \$17,324, including interest at 1.51%, until October 8, 2025; secured by the Museum's real and personal property.	\$ 273,949	\$ 475,813

Future maturities are as follows at June 30:

Fiscal Year	Amount
2025	\$ 205,117
2026	68,832
	<u>\$ 273,949</u>

Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2024:

Purpose	For a Specific Purpose/Time	Held in Perpetuity	Total
Art acquisition	\$ 1,190,639	\$ 1,629,373	\$ 2,820,012
Art education	377,848	750,350	1,128,198
Building maintenance	4,013,474	-	4,013,474
Film	310,802	740,736	1,051,538
Operations	152,509	6,179,104	6,331,613
Programming	1,315,547	-	1,315,547
Meade Legacy - exhibition, conservation, and scholarship	34,377	164,761	199,138
Meade Lecture Series (OCCF)	60,237	144,625	204,862
Operations (OCCF)	2,665,562	-	2,665,562
	<u>\$ 10,120,995</u>	<u>\$ 9,608,949</u>	<u>\$ 19,729,944</u>

Net assets with donor restrictions are available for the following purposes at June 30, 2023:

Purpose	For a Specific Purpose/Time	Held in Perpetuity	Total
Art acquisition	\$ 864,688	\$ 1,629,373	\$ 2,494,061
Art education	310,674	750,350	1,061,024
Building maintenance	4,000,786	-	4,000,786
Film	248,345	740,736	989,081
Operations	125,325	6,179,104	6,304,429
Programming	1,354,523	-	1,354,523
Meade Legacy - exhibition, conservation, and scholarship	13,809	164,761	178,570
Meade Lecture Series (OCCF)	41,894	144,625	186,519
Operations (OCCF)	2,456,259	-	2,456,259
	<u>\$ 9,416,303</u>	<u>\$ 9,608,949</u>	<u>\$ 19,025,252</u>

Note 10 – Analysis of Expenses by Function and Nature

The tables below present expenses by both their nature and their function for the years ended June 30:

2024	Program Services	Fundraising	Management and General	Other	Total
Personnel	\$ 2,115,485	\$ 345,082	\$ 974,623	\$ 14,449	\$ 3,449,639
Marketing	415,710	51,773	2,955	7,026	477,464
Utilities	350,456	13,433	23,577	-	387,466
Shipping/postage	117,755	1,096	994	-	119,845
Rentals	253,519	-	-	-	253,519
In-kind (advertising and other)	5,900	51,164	-	5,619	62,683
Equipment and maintenance	153,436	20,458	30,687	1,772	206,353
Professional services	322,158	-	64,378	-	386,536
Supplies and materials	225,174	3,825	12,155	-	241,154
Contract labor	39,621	17,476	10,280	-	67,377
Travel	49,561	2,075	183	-	51,819
Dues and subscriptions	38,882	6,956	90,531	-	136,369
Receptions and events	48,209	137,316	2,133	-	187,658
Insurance	111,675	3,682	7,363	-	122,720
Museum of Art Cafe, Inc.	-	-	-	89,767	89,767
Museum Parking, LLC	-	-	-	43,514	43,514
Museum Store	470,224	-	-	211,260	681,484
Art Accessioned	40,000	-	-	-	40,000
Other	77,210	2,008	52,584	-	131,802
Depreciation and amortization	577,581	25,670	44,524	24,466	672,241
Total expenses	\$ 5,412,556	\$ 682,014	\$ 1,316,967	\$ 397,873	\$ 7,809,410

2023	Program Services	Fundraising	Management and General	Other	Total
Personnel	\$ 2,202,078	\$ 338,678	\$ 789,495	\$ 7,327	\$ 3,337,578
Marketing	322,886	39,388	1,671	1,600	365,545
Utilities	392,767	18,835	34,994	-	446,596
Shipping/postage	164,652	818	797	13	166,280
Rentals	329,513	-	-	-	329,513
In-kind (advertising and other)	1,342	40,880	-	3,584	45,806
Equipment and maintenance	171,241	22,824	34,236	4,148	232,449
Professional services	38,427	-	58,887	-	97,314
Supplies and materials	396,472	2,733	8,215	-	407,420
Contract labor	72,176	27,432	17,470	-	117,078
Travel	60,541	4,195	505	-	65,241
Dues and subscriptions	26,029	2,470	83,341	-	111,840
Receptions and events	71,509	142,584	2,067	-	216,160
Insurance	102,690	4,564	6,846	-	114,100
Museum of Art Cafe, Inc.	110	-	-	117,941	118,051
Museum Parking, LLC	-	-	-	30,339	30,339
Museum Store	339,827	-	-	152,676	492,503
Art Accessioned	250,000	-	-	-	250,000
Other	67,559	1,772	59,395	-	128,726
Depreciation and amortization	531,806	23,636	35,454	74,891	665,787
Total expenses	\$ 5,541,625	\$ 670,809	\$ 1,133,373	\$ 392,519	\$ 7,738,326