



FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2015

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## Independent Auditors' Report

**Board of Directors**  
**Minnetrista Cultural Foundation, Inc.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Minnetrista Cultural Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnetrista Cultural Foundation, Inc. as of December 31, 2015, 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.

## Report on Summarized Comparative Information

We have previously audited the Minnetrista Cultural Foundation, Inc.'s December 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 11, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Estep Burkey Simmons, LLC*

Muncie, Indiana  
March 16, 2016

## Minnetrista Cultural Foundation, Inc.

## STATEMENT OF FINANCIAL POSITION

December 31, 2015

(With comparative totals at December 31, 2014)

	ASSETS	
	2015	2014
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 395,697	\$ 220,276
Cash - savings	651,636	703,944
Cash and cash equivalents - endowment	429,821	226,999
Accounts receivable	8,481	16,712
Pledges receivable, current portion	65,429	90,147
Inventories	82,943	80,203
Prepaid expenses	104,815	116,860
Other assets	-	240,266
	1,738,822	1,695,407
<b>PROPERTY, BUILDING AND EQUIPMENT,</b> net of depreciation	7,056,487	7,185,931
<b>HISTORICAL PROPERTY AND EQUIPMENT</b>	3,102,358	3,102,358
<b>COLLECTIONS</b>	2,547,050	2,538,550
<b>PLEDGES RECEIVABLE,</b> net of current portion	10,000	34,813
<b>INVESTMENTS</b>	4,057,412	4,009,233
<b>TOTAL ASSETS</b>	\$ 18,512,129	\$ 18,566,292
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 50,192	\$ 50,281
Accrued sales tax and payroll withholdings	2,572	1,931
Accrued employees' compensation	61,380	57,481
Custodial funds	3,940	3,940
	118,084	113,633
<b>NET ASSETS</b>		
Unrestricted	14,674,827	15,073,149
Temporarily restricted	1,040,549	784,922
Permanently restricted	2,678,669	2,594,588
	18,394,045	18,452,659
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 18,512,129	\$ 18,566,292

The accompanying notes are an integral part of this statement.

Minnetrista Cultural Foundation, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015  
(With comparative totals at December 31, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Support and revenue					
Admissions	\$ 50,358			\$ 50,358	\$ 60,014
Programs	82,705			82,705	73,691
Membership dues	25,335			25,335	23,960
Gifts and grants	3,595,654		\$ 84,081	3,679,735	3,679,295
In-kind contributions	54,143			54,143	78,957
Retail operations	193,232			193,232	199,912
Catering and leasing	227,132			227,132	217,229
Investment return	63,722	\$ 7,941		71,663	64,147
Realized gains on sale of coin collection		193,636		193,636	
Realized gains on investments	169,289	12,339		181,628	260,818
Unrealized losses on investments	(287,994)	(36,625)		(324,619)	(65,262)
Other revenue	203			203	2,628
	<u>4,173,779</u>	<u>177,291</u>	<u>84,081</u>	<u>4,435,151</u>	<u>4,595,389</u>
Total public support					
Expenses					
Programs					
Collections	245,154			245,154	278,433
Programs and Signature Events	577,205			577,205	567,014
Exhibits	244,837			244,837	207,725
Horticulture	195,956			195,956	209,524
Supporting services					
Administration	875,683			875,683	877,132
Marketing	431,430			431,430	491,755
Development	184,444			184,444	184,401
Facilities and Grounds	960,262			960,262	947,655
Cost of sales and expenses					
Retail Operations	215,479			215,479	231,314
Catering and Leasing	273,802			273,802	286,061
Depreciation expense	528,013			528,013	547,890
	<u>4,732,265</u>	<u>                    </u>	<u>                    </u>	<u>4,732,265</u>	<u>4,828,904</u>
Change in net assets before capital additions	(558,486)	177,291	84,081	(297,114)	(233,515)

The accompanying notes are an integral part of this statement.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Capital additions					
Gifts and grants - capital		230,000		230,000	230,000
Donated collections	8,500			8,500	
	8,500	230,000		238,500	230,000
Net assets released from restrictions					
Satisfaction of use restrictions	151,664	(151,664)			
<b>CHANGE IN NET ASSETS</b>	(398,322)	255,627	84,081	(58,614)	(3,515)
Net assets at beginning of year	<u>15,073,149</u>	<u>784,922</u>	<u>2,594,588</u>	<u>18,452,659</u>	<u>18,456,174</u>
Net assets at end of year	<u>\$ 14,674,827</u>	<u>\$ 1,040,549</u>	<u>\$ 2,678,669</u>	<u>\$ 18,394,045</u>	<u>\$ 18,452,659</u>

## Minnetrista Cultural Foundation, Inc.

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015  
(With comparative totals at December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets before capital additions	\$ (297,114)	\$ (233,515)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	528,013	547,890
Realized gain on sale of coin collection	(193,636)	
Realized gains on investments	(181,628)	(260,818)
Unrealized losses on investments	324,619	65,262
Contributions to permanently restricted funds	(84,081)	(79,654)
(Increase) decrease in assets:		
Accounts and pledges receivable	57,762	137,129
Inventories	(2,740)	(1,437)
Prepaid expenses	12,045	(85,480)
Increase (decrease) in liabilities:		
Accounts payable	(89)	(50,548)
Accrued sales tax and payroll withholdings	641	(335)
Accrued employees' compensation	3,899	6,177
Custodial funds		(65)
Net cash provided by operating activities	<u>167,691</u>	<u>44,606</u>
Cash flows from investing activities:		
Purchases of capital additions	(398,569)	(81,150)
Purchases of investments	(1,851,506)	(2,241,076)
Proceeds from sale of coin collection	433,902	
Proceeds from the sales of investments	1,660,336	2,156,035
Net cash used in investing activities	<u>(155,837)</u>	<u>(166,191)</u>
Cash flows from financing activities:		
Contributions to permanently restricted funds	84,081	79,654
Gifts and grants for capital additions	230,000	230,000
Net cash provided by financing activities	<u>314,081</u>	<u>309,654</u>
Net increase in cash and cash equivalents	325,935	188,069
Cash and cash equivalents at beginning of year	<u>1,151,219</u>	<u>963,150</u>
Cash and cash equivalents at end of year	<u>\$ 1,477,154</u>	<u>\$ 1,151,219</u>
<u>Supplemental Disclosures</u>		
In-kind contributions	\$ 54,143	\$ 78,957
Donated collections	\$ 8,500	

The accompanying notes are an integral part of this statement.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. Organization

Minnetrista Cultural Foundation, Inc. (Minnetrista) is East Central Indiana's premier destination for cultural experiences of all kinds. A diverse menu of museum exhibits, events, programs, and quiet garden spaces attracts over 100,000 visits each year. Minnetrista hosts many of Muncie and Delaware County's most important community meetings, celebrations, and civic events, as well as signature festivals that attract traveling visitors. Minnetrista's mission is to be a gathering place that focuses on the exploration of nature, history, gardens and art; where vibrant, audience-centered experiences honor our heritage and inspire the future of our region. Minnetrista's vision is to be the leader in discovering and celebrating the diverse and distinct strengths of East Central Indiana as a foundation for inspiring future generations.

Financial support for programs and services comes from: contributed revenue in the form of grants and donations from private and public organizations, corporations and individuals and earned revenue from admissions and fees, sales and catering events, and retail operations. Minnetrista Cultural Foundation, Inc. is an Indiana corporation chartered on May 17, 1984. It is exempt from federal income tax as a public charity described in Section 509(a)(3).

2. Financial Statement Presentation

The financial statements 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with Minnetrista's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

3. Cash and Cash Equivalents

Minnetrista maintains its cash in accounts at local financial institutions which are insured by agencies of the U.S. Government and money market accounts. For purposes of the statement of cash flows, Minnetrista considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Investments

In accordance with the Not-for-Profit Entities - Investments - Debt and Equity Securities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), investments are recorded at fair value. The changes in the difference between market value and cost are reflected in the financial statements as net unrealized gains or losses on investments. Investment income, net realized and unrealized gains or losses are classified as unrestricted, temporarily restricted or permanently restricted revenue or expenses, depending on the existence and/or nature of any donor restrictions.

5. Accounts Receivable

Minnetrista's trade receivables have a contractual maturity of one year or less, and therefore are exempted from the disclosure requirements of FASB ASU 2010-20. Trade receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

6. Inventories

Inventories are accounted for using a perpetual inventory system and valued using the retail method, at the lower of cost or market value.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

7. Property, Building and Equipment

Property, building and equipment owned by Minnetrista are recorded at cost for items purchased and at fair market value at the date of gift for items donated. Depreciation is computed by using the straight-line method over the estimated useful class lives of the assets, which range from three to forty years.

Expenditures for maintenance, repair and minor renewals are charged to income as incurred. Additions and major renewals are capitalized. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts. Any gain or loss is credited or charged to income.

8. Historical Property and Equipment

Historical property and equipment are recorded at the fair market value as of the date of the gift. Additional improvements and expenditures are recorded at cost. No depreciation is taken on historical property and equipment.

9. Deferred Project Costs

Costs related to design and engineering for future projects are deferred until the project is completed.

10. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable to a program is presented as supporting services.

In addition, Minnetrista operates a retail shop. The direct expenses of operating this shop are segregated from program and supporting services.

11. Contributions

Contributions are recognized when the donor makes a promise to give to Minnetrista that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

12. Collections

Collections acquired by purchase or donation having a certified appraised value of \$5,000 or more are capitalized at appraised value. The capitalized basis of items sold or deaccessioned from collections is included in expenses in the period of sale to offset revenues received. No depreciation is taken on collections.

13. Contributed Services and Materials

Minnetrasta receives donated services from a variety of unpaid volunteers assisting Minnetrista in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under the Contributions topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have not been satisfied.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

14. Compensated Absences

The full-time employees are entitled to paid vacation and sick days, depending on length of service. Vacation days are earned and must be used within a calendar year. The accumulation of sick days occurs on January 1 of each year up to a maximum of 30 days. Part-time and full-time employees are entitled to personal days, which accumulate within each quarter of a year and must be used in the quarter earned.

15. Marketing Costs

Marketing costs are expensed as incurred and included in operating expenses. Marketing expenses totaled \$210,632 for the year ended December 31, 2015. Of this amount, in-kind contributions totaled \$53,444.

16. Concentration of Credit Risk

Minnetrista maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2015, Minnetrista exceeded the insured limit by \$3,189.

17. Concentration of Revenue Risk

Minnetrista received 55% and 24% of its support and revenue from the Ball Brothers Foundation and the George and Frances Ball Foundation, respectively.

18. Uncertain Tax Positions

Minnetrista follows the Income Tax topic of the FASB ASC. Minnetrista now recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Minnetrista has examined this issue and has determined there are no material contingent tax liabilities.

Minnetrista's federal and state exempt organization tax returns for 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

19. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## Minnetrista Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE B - PROPERTY, BUILDING AND EQUIPMENT

The amount of fixed assets, net of depreciation, at December 31, 2015 consists of the following.

Land and improvements	\$ 1,549,868
Buildings and improvements	14,893,839
Furniture and equipment	4,442,609
Vehicles	<u>126,380</u>
	21,012,696
Less accumulated depreciation	<u>13,956,209</u>
	<u><u>\$ 7,056,487</u></u>

## NOTE C - INVESTMENTS

Investments are stated at fair value as of December 31, 2015 and are summarized as follows.

	<u>Fair Value</u>
Equities - common stock	\$ 1,624,051
Equities - mutual funds:	
Diversified emerging markets	87,119
Small growth	89,112
Small value	78,750
Mid-cap value	386,346
Large value	197,712
Foreign large growth	231,296
Foreign large blend	143,791
Exchange traded fund	<u>46,874</u>
Total equities - mutual funds	1,261,000
Fixed income - mutual funds:	
Corporate bonds	449,206
Intermediate-term bonds	61,821
Short-term bonds	58,486
US government securities	321,845
Mortgage-backed security	124,331
US treasury bond	64,971
Intermediate government	<u>91,701</u>
Total fixed income - mutual funds	<u>1,172,361</u>
Total investments, at fair value	<u><u>\$ 4,057,412</u></u>
Total investments, at historical cost	<u><u>\$ 3,234,232</u></u>

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE C - INVESTMENTS - Continued

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Investment return	\$ 63,722	\$ 7,941	\$ 71,663
Realized gains on investments	169,289	12,339	181,628
Unrealized losses on investments	<u>(287,994)</u>	<u>(36,625)</u>	<u>(324,619)</u>
	<u>\$ (54,983)</u>	<u>\$ (16,345)</u>	<u>\$ (71,328)</u>

## NOTE D - RISKS AND UNCERTAINTIES

Minnetrasta holds a variety of investments (Note C). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

## NOTE E - FAIR VALUE MEASUREMENTS

Minnetrasta follows the provisions of the Fair Value Measurements and Disclosures topic of the FASB ASC. FASB ASC-820-10-35-19 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820-10-35-37 establishes a hierarchy of inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of Minnetrista. Unobservable inputs are inputs that reflect Minnetrista's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that Minnetrista has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE E - FAIR VALUE MEASUREMENTS - Continued

The following table sets forth financial assets and liabilities measured at fair value in the Statement of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2015:

	<u>Fair Value</u>	<u>Level 1</u>
Assets:		
Investments	\$ 4,057,412	\$ 4,057,412

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

## NOTE F - PLEDGES RECEIVABLE

Pledges receivable have been adjusted to reflect the net present value of the future cash flows.

Pledges are scheduled to be collected as follows:

Year ending December 31, 2016	\$ 65,429
2017	10,000
2018	0
2019	0
2020 and thereafter	<u>0</u>
	75,429
Less current portion	<u>65,429</u>
	<u>\$ 10,000</u>

## NOTE G - IN-KIND CONTRIBUTIONS

During the year ended December 31, 2015, Minnetrista received in-kind contributed services and software from various area businesses. The amount recognized as revenue and expenses totaled \$54,143 for the year.

## NOTE H - 401(k) PROFIT-SHARING PLAN

Prior to January 1, 2003, Minnetrista had a money-purchase plan for the benefit of all eligible employees. On January 1, 2003, all assets of the plan were transferred to the 401(k) profit-sharing plan that was established in 1999 for the benefit of all eligible employees. Eligible employees consist of those who are at least twenty-one years of age and who have completed one year of service. Employees may elect to make contributions in any amount that does not exceed the limitations set forth in the plan. Minnetrista contributes 3% of each participant's compensation to the plan. Participant contributions of up to 3% of their compensation are matched 100% and 4% to 5% are matched 50% by Minnetrista. Minnetrista's contributions to the plan totaled \$103,267 for the year ended December 31, 2015.

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE I - RESTRICTIONS ON ASSETS

Minnetrasta follows the topic Donor-Restricted Endowment Fund under FASB ASC 958. FASB ASC 958 provides guidance on the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of UPMIFA. Charitable endowments are classified as permanently restricted net assets. All other Minnetrista net assets are considered unrestricted or temporarily restricted.

Temporarily restricted net assets consist of funds for which the donors have specified a use for the contributed assets.

Temporarily restricted net assets are available as follows.

Investment return on permanent net assets - released when expended	\$ 51,994
Marjorie Zeigler Fund	12,847
Rosemary Ball Bracken Tree & Habitat Planting Fund	6,054
River Project Fund	4,968
Edmund F. Ball Capital Improvement Fund	52,928
Signage Project	20,105
Art Catalog grant	8,508
Hoosier Bicentennial Celebration 2016 Fund	12,067
Oakhurst Exhibit and Programs	35,509
Nature area grant	18,186
Remembering Ball Stores book grant	1,642
Shinkle Fund for History	5,604
Collection Acquisitions and Maintenance Fund	587,378
Capital projects	222,759
	<u>222,759</u>
	<u>\$ 1,040,549</u>

Permanently restricted net assets consist of endowment fund investments to be held indefinitely.

Endowment Fund	\$ 2,549,055
Margaret Ball Petty and Edmund F. Petty School Access Fund	70,561
Frances Sargent Oakhurst Fund	59,053
	<u>59,053</u>
	<u>\$ 2,678,669</u>

The above funds have been restricted as to use by the donors.

The Board of Directors of Minnetrista has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the maintenance of the historic dollar value for each endowed fund as defined previously by the Uniform Management of Institutional Funds Act. As a result of this interpretation, Minnetrista classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those funds are appropriated for expenditure by Minnetrista in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Minnetrista considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

## Minnetrasta Cultural Foundation, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

## NOTE I - RESTRICTIONS ON ASSETS - Continued

1. Duration and preservation of the fund
2. Purposes of Minnetrista and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of Minnetrista
7. Investment policies of Minnetrista

Endowment net assets composition by type of fund as of December 31, 2015 was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds		\$ 57,598	\$ 2,678,669	\$ 2,736,267
Board-designated endowment funds	\$ 1,122,079			1,122,079
	<u>\$ 1,122,079</u>	<u>\$ 57,598</u>	<u>\$ 2,678,669</u>	<u>\$ 3,858,346</u>

Changes in endowment net assets for the year ended December 31, 2015, were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Revenue and support			
Contributions and grant income			\$ 84,081
Investment return	\$ 61,382	\$ 2,591	
Net depreciation of investments	(135,796)	(6,475)	
Total revenue and support	(74,414)	(3,884)	84,081
Appropriation of endowment assets for expenditure	83,246	14,093	
Change in endowment net assets	(157,660)	(17,977)	84,081
Endowment net assets, beginning of year	1,279,739	75,575	2,594,588
Endowment net assets, end of year	<u>\$ 1,122,079</u>	<u>\$ 57,598</u>	<u>\$ 2,678,669</u>

## NOTE J - RELATED-PARTY TRANSACTIONS

The governing board and committees of Minnetrista include individuals affiliated with the Ball Brothers Foundation, the George and Frances Ball Foundation and the Edmund F. and Virginia B. Ball Foundation.

Ball Brothers Foundation donated \$2,570,000 in unrestricted operating and capital grants to Minnetrista in 2015 and has made similar commitments for 2016.

**Minnetrasta Cultural Foundation, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**NOTE J - RELATED-PARTY TRANSACTIONS - Continued**

The George and Frances Ball Foundation donated \$1,110,000 in unrestricted operating, capital grants, and endowment funds to Minnetrista in 2015 and has made similar unrestricted operating and capital grant commitments for 2016.

The Edmund F. and Virginia B. Ball Foundation donated \$75,000 in endowment funds to Minnetrista in 2015.

Board members made donations to Minnetrista totaling \$16,025 during the year ended December 31, 2015.

Minnetrasta offers a fifteen percent (15%) discount on all retail shop purchases to its employees, certain classes of members and certain other related parties. The dollar amount of these discounts for 2015 is \$6,344.

**NOTE K - OPERATING LEASES**

Minnetrasta has a non-cancelable lease for copier equipment expiring in April 2019. Monthly payments of \$2,685 are required as well as payment for charges over the usage limit.

The amount charged to expense in 2015 for all leases was \$39,405.

Future minimum payments on the above leases are as follows.

Year ending December 31, 2016	\$32,220
2017	32,220
2018	32,220
2019	10,740
2020	-0-

**NOTE L - COMMITMENTS AND CONTINGENCIES**

Minnetrasta is subject to laws and regulations relating to the protection of the environment. Minnetrista's policy is to accrue environmental and cleanup-related costs of a noncapital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of Minnetrista's continuing compliance efforts, management believes any future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of Minnetrista.

**NOTE M - SUBSEQUENT EVENTS**

In accordance with FASB ASC Topic 855, Subsequent Events, Minnetrista has evaluated subsequent events through March 16, 2016, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2015, have been incorporated into these financial statements herein.

**SUPPLEMENTAL INFORMATION**

**Independent Auditors' Report**  
**On Supplemental Information**

**Board of Directors**  
**Minnetrista Cultural Foundation, Inc.**

We have audited the financial statements of Minnetrista Cultural Foundation, Inc. as of and for the year ended December 31, 2015, and have issued our report thereon dated March 16, 2016, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Estep Burkey Simmons, LLC*

Muncie, Indiana  
March 16, 2016

## Minnetrista Cultural Foundation, Inc.

## SCHEDULE OF FUNCTIONAL EXPENSES - PROGRAMS

For the Year Ended December 31, 2015

	<u>Collections</u>	<u>Programs &amp; Signature Events</u>	<u>Exhibits</u>	<u>Horticulture</u>
Payroll	\$ 182,486	\$ 375,019	\$ 81,920	\$ 115,643
Payroll taxes	13,672	29,401	6,240	9,244
Employee benefits	41,213	65,159	22,145	28,349
Supplies	4,442	1,210	6,511	7,930
Professional development and travel	1,636	11,170	1,908	1,221
Programs		48,584		
Dues and subscriptions	45	715		455
Repairs and maintenance				31,881
Printing and publications		3,255		
Postage	75	1,332		
Contract services			153	
Acquisitions	268			
Reference books	173			
Exhibit costs			125,308	
Special events		40,003		
Miscellaneous	1,144	1,357	652	1,233
	<u>\$ 245,154</u>	<u>\$ 577,205</u>	<u>\$ 244,837</u>	<u>\$ 195,956</u>

## Minnetrista Cultural Foundation, Inc.

## SCHEDULE OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

For the Year Ended December 31, 2015

	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Facilities &amp; Grounds</u>
Payroll	\$ 393,576	\$ 151,782	\$ 126,265	\$ 360,816
Payroll taxes	28,134	11,597	9,252	26,435
Employee benefits	78,162	39,919	31,915	101,436
Personnel expense	9,384	378		412
Uniforms				2,271
Supplies	4,711	3,438		22,649
Insurance	96,780			
Professional development and travel	15,393	732		2,826
Investment fees	20,233			
Programs	6,228			
Annual campaign expenses			1,840	
Marketing	175	209,810	647	
Dues and subscriptions	11,724	80	550	645
Telephone	25,827			
Repairs and maintenance				149,467
Information tech & office equipment maintenance	142,874	3,306		
Website & internet expense	1,714	3,034	10,328	
Postage	3,972	3,606	2,673	
Utilities				215,868
Contract services				77,437
Rebranding		3,748		
Legal and accounting	26,295			
Taxes and licenses	7,086			
Membership development			974	
Bank fees	3,415			
	<u>\$ 875,683</u>	<u>\$ 431,430</u>	<u>\$ 184,444</u>	<u>\$ 960,262</u>

## Minnetrista Cultural Foundation, Inc.

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

For the Year Ended December 31, 2015

	<u>Retail Operations</u>	<u>Catering &amp; Leasing</u>
Sales	\$ 193,232	\$ 227,132
Cost of sales and expenses		
Cost of sales	109,494	82,525
Payroll	68,786	142,508
Payroll taxes	5,470	10,950
Employee benefits	13,218	23,169
Staff meetings and employee recognition		921
Supplies	2,812	7,025
Freight	5,089	
Postage		395
Equipment maintenance	2,114	
Permits and licenses	660	578
Dues and subscriptions	315	280
Professional development and travel	1,796	2,371
Security		3,080
Bank card fees	5,725	
	<u>215,479</u>	<u>273,802</u>
Total cost of sales and expenses		
	<u>\$ (22,247)</u>	<u>\$ (46,670)</u>
<b>OPERATING LOSS</b>		