Museum of the Bible

Financial Report
December 31, 2023

Contents

RSM US LLP

Independent Auditor's Report

Audit Committee
Museum of the Bible

Opinion
We have audited the financial statements of Museum of the Bible (the Museum), which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of December 31, 2023 and 2022, and the changes its net assets and its cash flows for years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum's ability to continue as a going concern within one year after the date that the financial statements are 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.

RSM US LLP

Oklahoma City, Oklahoma
June 27, 2024

Museum of the Bible

Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	**$ 8,751,039**	$ 16,547,716
Investments	**61,774,366**	41,155,377
Accounts receivable	**540,398**	575,088
Contributions receivable, net	**2,422,948**	3,838,426
Inventory	**631,534**	901,743
Prepaid expenses, deposits and other assets	**3,405,042**	1,849,562
Restoration and loans, net	**107,178**	179,606
Right-of-use assets—operating	**440,529**	521,193
Right-of-use assets—financing, net	**689,403**	884,057
Property and equipment, net	**368,623,498**	386,458,252
Total assets	**$ 447,385,935**	$ 452,911,020
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 2,369,292**	$ 2,585,090
Lease liabilities—operating	**440,529**	521,193
Lease liabilities—financing	**711,901**	891,695
Accrued liabilities	**4,652,256**	5,309,973
Total liabilities	**8,173,978**	9,307,951
Net assets:		
Without donor restrictions	**432,437,148**	437,900,975
With donor restrictions	**6,774,809**	5,702,094
Total net assets	**439,211,957**	443,603,069
Total liabilities and net assets	**$ 447,385,935**	$ 452,911,020

See notes to financial statements.

Museum of the Bible

Statements of Activities
Years Ended December 31, 2023 and 2022

	2023	2022
Net assets without donor restrictions:		
Operating revenues and other support:		
Contributions	**$ 41,134,582**	$ 49,357,191
Nonfinancial contributions	**1,690,805**	1,917,061
Admissions	**8,939,157**	5,644,429
Gift shop sales	**3,436,278**	2,496,632
Net investment income (loss)	**8,382,930**	(7,442,104)
Other income	**3,083,795**	2,149,887
Other gains and (losses), net	**(2,934,663)**	(4,166,481)
Net assets released from restriction	**5,465,298**	5,343,842
Total operating revenues and other support	**69,198,182**	55,300,457
Operating expense:		
Payroll and related benefits	**16,263,418**	16,807,806
Contract services	**10,392,465**	11,346,037
Sponsorships	**205,950**	6,950
Awards and grants	**411,000**	366,000
Advertising	**6,520,255**	3,749,391
Technology	**3,469,267**	3,693,531
Operations	**5,960,853**	5,293,562
Nonemployee and program-related travel	**697,070**	844,044
Depreciation and amortization	**19,446,779**	20,670,607
General and administrative	**9,538,620**	8,951,583
Cost of goods sold	**1,307,579**	958,919
Development	**375,353**	438,519
Total operating expense	**74,588,609**	73,126,949
Change in net assets without donor restrictions before acquistion of collection	**(5,390,427)**	(17,826,492)
Collection acquisition	**(73,400)**	-
Change in net assets without donor restrictions	**(5,463,827)**	(17,826,492)
Net assets with donor restrictions:		
Contributions, net	**6,379,825**	4,820,443
Net investment income (loss)	**158,188**	(231,587)
Net assets released from restriction	**(5,465,298)**	(5,343,842)
Change in net assets with donor restrictions	**1,072,715**	(754,986)
Change in net assets	**(4,391,112)**	(18,581,478)
Net assets at beginning of year	**443,603,069**	462,184,547
Net assets at end of year	**$ 439,211,957**	$ 443,603,069

See notes to financial statements.

Museum of the Bible

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ (4,391,112)**	$ (18,581,478)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Noncash contributions	**-**	(291,755)
Depreciation and amortization	**19,252,125**	20,595,993
Bad debt expense	**347,731**	-
Loss on disposal of property and equipment	**3,003,738**	4,166,481
Discount on contribution receivable	**36,820**	13,125
Obsolete inventory	**(1,807)**	(20,954)
Investment (gains) losses	**(6,911,270)**	8,559,072
Noncash right-of-use assets financing	**194,654**	74,615
Noncash prepaid	**11,000**	-
Noncash construction in process	**-**	2,211,146
Change in operating assets and liabilities:		
Accounts receivable	**(313,041)**	179,545
Contributions receivable	**1,378,658**	1,375,857
Inventory	**272,016**	340,525
Prepaid expenses, deposits and other assets	**(1,634,894)**	(627,477)
Accounts payable	**(1,101)**	75,621
Accrued liabilities	**(657,717)**	(1,889,182)
Net cash provided by operating activities	**10,585,800**	16,181,134
Cash flows from investing activities:		
Purchase of marketable securities	**(17,938,890)**	(9,827,107)
Sales of marketable securities	**4,231,171**	3,796,557
Purchases of property and equipment	**(4,494,964)**	(2,004,131)
Net cash used in investing activities	**(18,202,683)**	(8,034,681)
Cash flows from financing activities:		
Right-of-use finance lease principal payments	**(179,794)**	(67,555)
Borrowings on short-term debt	**3,864,167**	235,387
Payments on short-term debt	**(3,864,167)**	(235,387)
Net cash used in financing activities	**(179,794)**	(67,555)
Net change in cash and cash equivalents	**(7,796,677)**	8,078,898
Cash and cash equivalents:		
Beginning	**16,547,716**	8,468,818
Ending	**$ 8,751,039**	$ 16,547,716
Supplemental data:		
Capital asset additions financed via accruals	**$ 178,000**	$ 31,717
Prepaid additions financed via accrued liabilities	**$ 137,398**	$ 68,984
Nonfinancial contributions recorded as both revenue and expense	**$ 1,690,805**	$ 1,917,061
Interest paid	**$ 2,047**	$ 40

See notes to financial statements.

Note 1. Significant Accounting Policies

Nature of operations: Museum of the Bible (the Museum) is a publicly supported nonprofit organization headquartered in Oklahoma City, Oklahoma. The Museum is an innovative, global, educational institution whose purpose is to invite all people to engage with transformative power of the Bible. The Museum has domestic and international traveling exhibits and, in 2017, the Museum opened its 430,000-square-foot nonprofit museum in Washington D.C., located three blocks from the Capitol. The Museum supports scholarships and academic research activities through its Scholars Initiative and through development of Bible curricula for domestic and international use.

Basis of presentation: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net asset classifications: The Museum has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as enacted by the state of Oklahoma (OK UPMIFA) to require the Museum to exercise prudence in determining whether to spend from or accumulate to donor-restricted endowment funds with a view toward the permanent nature and long-term continuing viability of such funds.

Net assets, revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Museum is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions: Net assets are generally not subject to donor-imposed restrictions. These may be designated for specific purposes by the Museum's Board of Directors. As of December 31, 2023 and 2022, the Board of Directors has designated $51,592,037 and $48,150,037, respectively, as an endowment to support the operations of the Museum and recorded as accumulated earnings $9,537,019 and $1,283,964 for the years ended December 31, 2023 and 2022, respectively.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions. Certain donor-imposed restrictions are temporary in nature and may or will be met either by actions of the Museum and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The amount of net assets identified as released from restrictions includes any amounts released whether received in the current period or prior years. Other donor-imposed restrictions are perpetual in nature and require the Museum to maintain the contributed resources in perpetuity. Generally, the donors of assets with perpetual restrictions permit the Museum to use all or part of the income earned on these resources for general or specific purposes.

Cash and cash equivalents: Cash and cash equivalents include cash on hand, on deposit in demand, interest-bearing accounts and money market funds with original maturities of three months or less. At December 31, 2023 and 2022, the Museum had certain concentrations of credit risk with financial institutions in the form of uninsured cash and time deposits. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the Museum is periodically reviewed, and management believes that credit risk related to the balances is minimal.

Inventory: Inventory consists of retail items sold through the museum gift shop or online and are valued at the lower of cost or net realizable value using the average cost method.

Investments: Marketable securities are stated at fair value and consist primarily of mutual funds and debt and equity securities. Investments acquired by gift or bequest are recorded at fair value at the date donated. Thereafter, donated marketable securities are carried at fair value.

Note 1. Significant Accounting Policies (Continued)

Investments in debt and equity securities with readily determinable fair values are periodically remeasured to fair value. Fair value is determined by quoted market prices, if available, or by a reasonable estimate of fair value provided by an investment manager. The Museum has investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the Museum's financial statements. It is the policy of the Museum to liquidate as soon as practicably possible all gifts or bequests of investment securities.

Collections, restorations and loans: The Museum's collections consist of donated and purchased biblical artifacts, facsimiles and restoration costs for items held for public exhibition, education, or research in the furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for and preserved in perpetuity and, as a result, their service potential is undiminished.

In conformity with accounting policies generally followed by museums with similar collections, the value of the Museum's collections has been excluded from the statements of financial position, and gifts of artifacts are excluded from revenue in the statements of activities. Purchases of artifacts for the collection by the Museum are recorded as decreases in net assets in the statements of activities as with or without donor restrictions based on the restriction of the donor. Proceeds from the deaccession of biblical artifacts are recorded as net assets with donor restrictions and are restricted to the acquisition of other biblical artifacts.

The Museum has entered into a separate restoration and loan agreement with a third-party and long-term loan agreements with various parties for the use of artifacts as part of its exhibits. Gross capitalized costs associated with this agreement at December 31, 2023 and 2022, are $1,456,981. Accumulated amortization is $1,349,803 and $1,277,375 at December 31, 2023 and 2022, respectively.

Property and equipment: Land, buildings and improvements, museum long-term exhibits, traveling exhibits, furniture and fixtures, durable equipment and software and computer equipment are stated at cost. The Museum's capitalization policy includes purchases with a cost of $10,000 or more and an estimated useful life of greater than one year. Assets are depreciated on the straight-line method over the estimated useful lives of the respective asset. Estimated lives for purposes of depreciation are as follows:

Buildings and improvements	50 years
Museum long-term exhibits	7 to 10 years
Traveling exhibits	5 to 10 years
Furniture and fixtures	7 to 10 years
Durable equipment	5 years
Software and computer equipment	3 years

Contributions and promises to give: Contributions, including promises to give, are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. Other similar contributions may not be accompanied by a donor stipulation but are time restricted until due. An allowance is recognized for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Note 1. Significant Accounting Policies (Continued)

Contributions receivable that are no longer expected to be collected are written off to bad debt expense. Contributions to be received after one year are discounted to net present value based on the interest rate in the line of credit plus the one-month Secured-Overnight Financing Rate at the gift date. As of December 31, 2023 and 2022, the Museum has the following unconditional promises to give recorded as contributions receivable:

	2023	2022
Due in less than one year	$ 1,832,761	$ 2,776,859
Due in one to five years	671,000	1,029,200
Thereafter	-	150,000
	2,503,761	3,956,059
Less time value discount on pledge receivables (6.31%-7.30%)	(80,813)	(117,633)
Net contributions receivable	$ 2,422,948	$ 3,838,426

Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

The Museum reports gifts of long-lived assets as without donor restriction unless explicit donor stipulations specify how the donated asset must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support and are released to net assets without donor restriction once acquired long-lived assets are placed in service.

Contributions of nonfinancial assets: For the years ended December 31, 2023 and 2022, the Museum recognized $1,690,805 and $1,917,061 of nonfinancial contributions, respectively. Contributions of nonfinancial assets consists primarily of provided information technology services of $1,672,300 and $1,729,250 for the years ended December 31, 2023 and 2022, respectively (see Note 7). These contributed nonfinancial assets are recognized as both revenue and expense in the statement of activities. Expenses associated with contributed nonfinancial assets are allocated on a functional basis consistent with the allocation of resources expended on all other programs and activities.

Admissions and gift shop sales: Admission and gift shop sales revenue is recorded when earned, which is the date of sale. Inventory is relieved, and cost of sales recognized, at the time gift shop revenue is recognized.

Income tax status: The Museum is an organization exempt from federal income tax pursuant to section 501(a) of the Internal Revenue Code (the Code) as an organization described in section 501(c)(3) of the Code. Provision has been made, when material, for any taxes due on unrelated business income. Management has evaluated their tax positions and concluded they have taken no uncertain tax positions that require recognition or disclosure in the financial statements.

Advertising costs: The Museum expenses the costs of advertising as incurred. For the years ended December 31, 2023 and 2022, advertising expense totaled $6,520,255 and $3,749,391, respectively.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 1. Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of providing various programs and other activities have been summarized on a functional basis in Note 10. Costs are allocated between Museum program expenses and supporting services based on management's evaluation of the resources expended in the related activities (see Note 10). Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Museum.

Fair value measurements: The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

The following is a brief description of those three levels:

Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs that are derived principally from or corroborated by observable market data.

Level 3: Inputs that are unobservable and significant to the overall fair value measurement.

Financial assets carried at fair value include marketable securities (see Note 4).

Leases: The Museum determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Museum also considers whether its service arrangements include the right to control the use of an asset.

The Museum made an accounting policy election under Topic 842 not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, the Museum recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes to an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Payments for terminating the lease are included in the lease payments only when it is probable they will be incurred. The Museum's leases may include a nonlease component representing additional services transferred to the Museum, such as common area maintenance for real estate. The Museum made an accounting policy election to account for each separate lease component and the nonlease components associated with that lease component as a single lease component. Nonlease components that are variable in nature are recorded in variable lease expense in the period incurred.

Note 1. Significant Accounting Policies (Continued)

Reclassifications: Certain reclassifications have been made in the December 31, 2022, financial statements to conform to the classification used at December 31, 2023. The reclassifications were between line items within the statements of activities and have no impact on the previous reported change in net assets or total net assets.

Subsequent events: The Museum has evaluated subsequent events through June 27, 2024, which is the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

Note 2. Property and Equipment

Property and equipment is summarized as follows:

	2023	2022
Land	$ 37,002,600	$ 37,002,600
Buildings and improvements	323,031,631	323,947,716
Museum long-term exhibits	107,516,079	113,693,764
Traveling exhibits	6,514,656	6,514,656
Furniture and fixtures	4,613,354	4,613,355
Durable equipment	4,756,908	4,747,969
Software and computer equipment	4,562,610	4,462,968
Construction in progress:	4,053,519	313,145
	492,051,357	495,296,173
Less accumulated depreciation	(123,427,859)	(108,837,921)
Net property and equipment	$ 368,623,498	$ 386,458,252

Depreciation expense relating to property and equipment totaled $19,179,698 and $ $20,523,565 the years ended December 31, 2023 and 2022, respectively.

Note 3. Funds Held by Others

The Museum has a Single Charity Fund Agreement (the Museum Foundation) at the National Christian Foundation, Inc. (NCF). Individuals and other organizations may contribute to the NCF and designate their contributions to benefit the Museum Foundation. All funds held in the Museum Foundation are the property of NCF. NCF retains full and unlimited control, use and distribution of the assets of the fund. Further, NCF may distribute the Museum Foundation assets in contravention of the Museum's Single Charity Fund Agreement to the extent it determines that such a restriction is unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

Due to the conditions outlined above, assets held in the Museum Foundation are not reflected as assets of the Museum in the accompanying statements of financial position. As of December 31, 2023 and 2022, the Museum Foundation held $73,126 and $1,239, respectively, designated for the benefit of the Museum.

Note 4. Fair Value Measurements

The Museum uses quoted market prices to determine the fair value of an asset or liability when available. If quoted market prices are not available, the Museum uses net asset values when available or determines fair value using valuation techniques that use market-based or independently sourced market data, such as interest rates. The Museum has no liabilities measured at fair value on a recurring or nonrecurring basis.

Assets measured at fair value on a recurring basis are classified within the fair value hierarchy as follows:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Common stock:				
Consumer discretionary	$ 1,062,198	$ -	$ -	$ 1,062,198
Consumer staples	615,698	-	-	615,698
Financials	970,680	-	-	970,680
Health care	1,265,401	-	-	1,265,401
Industrials	2,592,307	-	-	2,592,307
Information technology	1,840,240	-	-	1,840,240
Materials	158,438	-	-	158,438
Communication services	356,578	-	-	356,578
Total common stock	8,861,540	-	-	8,861,540
Mutual funds:				
Funds and pooled investments	35,289,548	-	-	35,289,548
Alternative strategies	5,902,957	-	-	5,902,957
Total mutual funds	41,192,505	-	-	41,192,505
Fixed-income:				
U.S. government securities	2,057,323	-	-	2,057,323
Agency bonds	-	4,220,646	-	4,220,646
Corporate bonds	-	4,778,786	-	4,778,786
Foreign bonds	-	663,566	-	663,566
Total fixed-income securities	2,057,323	9,662,998	-	11,720,321
Total investment value on a recurring basis	$ 52,111,368	$ 9,662,998	$ -	$ 61,774,366

Note 4. Fair Value Measurements (Continued)

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Common stock:				
Consumer discretionary	$ 912,324	$ -	$ -	$ 912,324
Consumer staples	381,220	-	-	381,220
Financials	774,582	-	-	774,582
Health care	998,040	-	-	998,040
Industrials	1,624,294	-	-	1,624,294
Information technology	1,105,621	-	-	1,105,621
Materials	114,269	-	-	114,269
Communication services	274,481	-	-	274,481
Total common stock	6,184,831	-	-	6,184,831
Mutual funds:				
Funds and pooled investments	22,554,795	-	-	22,554,795
Alternative strategies	4,190,442	-	-	4,190,442
Total mutual funds	26,745,237	-	-	26,745,237
Fixed-income:				
U.S. government securities	1,067,708	-	-	1,067,708
Agency bonds	-	2,915,000	-	2,915,000
Corporate bonds	-	3,763,576	-	3,763,576
Foreign bonds	-	479,025	-	479,025
Total fixed-income securities	1,067,708	7,157,601	-	8,225,309
Total investment value on a recurring basis	$ 33,997,776	$ 7,157,601	$ -	$ 41,155,377

Investment in common stock, mutual funds and U.S. government securities are based on quoted prices and are available in an active market, and as such, these securities are classified within Level 1of the hierarchy. Investments in agency bonds, corporate bonds, and foreign bonds are based on inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies, and as such, these securities are classified within Level 2 of the hierarchy. All transfers between fair value hierarchy levels are recognized by the Museum at the beginning of each reporting period. There were no transfers between levels in the current year.

Note 5. Revenue From Exchange Transactions

Revenue from contracts with customers include proceeds from museum operations, curatorial services, curriculum sales and other sources. Museum operations consist of admission ticket sales, sales of membership, sales to special exhibits, docent tours, the Museum’s Washington Revelations Flythrough ride, Lecture Series events, virtual reality theater, performance hall event sales, ballroom and other room rentals, gift shop sales and food beverage sales. Curatorial services are fees charged to various collection owners who have contracted with the Museum to care for and restore their collections. Curriculum sales are from limited sales of its Bible curricula for special projects outside of its normal curricula projects in which curricula is given away to further the Museum’s mission. Lastly, other revenue is collected from various sources and traveling exhibits as part of the Museum’s mission.

Note 5. Revenue From Exchange Transactions (Continued)

The Museum's revenues from contracts with customers included from operations in the statements of activities, are composed of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Museum operations (admissions and gift shop sales)	$ 12,375,435	$ 8,141,061
Curatorial services	1,900,400	1,859,600
Curriculum sales	8,185	47,340
Other	1,175,210	242,947
	$ 15,459,230	$ 10,290,948

Contract balances: Contract assets primarily relate to the Museum's rights to consideration for services provided but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. The Museum had no contract assets at December 31, 2023 and 2022. Contract liabilities represent amounts received from customers prior to the unconditional right of receipt. Contract liabilities are reported within the accrued liabilities line on the statement of financial position.

The following table provides information about the Museum's contract liabilities and receivables from contract with customers:

	2023	2022
Contract liabilities, beginning of year	$ 340,450	$ 172,036
Contract liabilities, end of year	341,140	340,450
Accounts receivable, beginning of year	575,088	228,402
Accounts receivable, end of year	297,225	575,088

Note 6. Loan Agreements

On August 1, 2017, the Museum entered into a $25,000,000 revolving line of credit arrangement to be used to fund operational needs as necessary and was most recently renewed on March 22, 2022. The revolving line of credit has a three-year term with a maturity date of March 22, 2025. Interest is computed on the daily outstanding principal balance of indebtedness at a rate of 1.95% over the one-month term Secured Overnight Financing Rate (7.30% and 6.30% as of December 31, 2023 and 2022, respectively). Interest is due on the same dates as the amortizing portion of the debt. Included in the most recent amendment is the Effective Revolving Credit Commitment of not less than $15,000,000 and not more than $25,000,000. An administrative and commitment fee of 0.10% on the full $25,000,000 commitment has been recognized and will be amortized over the life of the line of credit. In addition, a 0.25% fee on any unused portion of the $15,000,000 Effective Revolving Credit is calculated on a daily basis and remitted quarterly to the lender. At December 31, 2023 and 2022, there was an outstanding balance of $0 on the revolving line of credit.

The line of credit is not collateralized by assets, but assets may not be pledged on any future debt without written authorization by the lender. The line of credit has been guaranteed by a trust controlled by a third party to the satisfaction of the lender.

Note 7. Related-Party Transactions

The Museum engages in business transactions with one of its board members and/or companies they control for goods and services, at fair value, that it would otherwise purchase or provide in the ordinary course of business.

The Museum's services agreement provides for the curation of biblical artifacts on a month-to-month basis. The rate is $116,700 and $113,300 per month in 2023 and 2022, respectively.

In January 2021, the Museum outsourced much of its information technology services to a related party who provides the services at no cost to the Museum. These services have been valued at $1,672,300 and $1,729,250 for the years ended at December 31, 2023 and 2022, respectively, and recognized as both revenue and expense in the statements of activities.

A summary of the expenses (revenue/cost recovery) related to these agreements and other transactions between the Museum and its related parties are as follows (non-inclusive of information technology services noted above).

	2023	2022
Curatorial services	$ (1,397,226)	$ (1,371,193)
Office lease and other leasing expenses	361,956	361,956
Consulting	44,000	-
Other expenses	5,842	21,651
	$ (985,428)	$ (987,586)

As of December 31, 2023 and 2022, the Museum had related-party receivables of $0. As of December 31, 2023 and 2022, the Museum had related-party payables of $288 and $430, respectively.

Note 8. Commitments and Contingencies

The Museum has entered into many contracts related to its operations and continued maintenance of the facility in Washington D.C. As of December 31, 2023 and 2022, the Museum has $30,817,524 and $12,898,573, respectively, of outstanding commitments related to these activities.

The Museum occasionally becomes involved in various claims and legal disputes arising in the normal course of business. The Museum's management does not believe that the outcome of these matters will have a material adverse impact on the Museum's financial position.

Note 9. Employee Benefit Plan

The Museum maintains and offers a defined contribution retirement plan with a 401(k) feature (the Plan). Substantially all employees meeting certain age and service requirements are eligible to participate in the Plan. The Museum provides a discretionary match of 50% on an employee's contribution, up to a maximum of 6% of their annual income. The Museum contributed $283,509 and $286,779 of matching employer contributions for the years ended December 31, 2023 and 2022, respectively.

Note 10. Expenses by Functional Classification

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated based on square footage, head count and direct costs.

Expenses by functional and natural classification for the years ended December 31, 2023 and 2022, are as follows:

	December 31, 2023							
	Museum Program Expenses					Supporting Services		
	Traveling Exhibits	Museum Collections	Research	Permanent Museum	Education	Management and General	Fundraising	Total
Payroll and related benefits	$ -	$ 1,805,901	$ 27,895	$ 8,494,609	-	$ 4,220,529	$ 1,714,484	$ 16,263,418
Contract services	-	118,217	90,945	8,627,718	279,305	623,946	652,334	10,392,465
Sponsorships	-	1,900	-	203,300	-	-	750	205,950
Awards and grants	-	-	411,000	-	-	-	-	411,000
Advertising	-	-	-	6,473,046	-	52	47,157	6,520,255
Technology	-	12,414	299	98,677	-	3,355,841	2,036	3,469,267
Operations	-	28,090	1,697	5,779,587	111	57,657	93,711	5,960,853
Non-employee and program-related travel	-	18,830	18,036	166,892	42,628	39,354	411,330	697,070
Depreciation and amortization	-	80,174	31,606	18,896,435	-	438,512	52	19,446,779
General and administrative	69	82,793	2,424	3,961,049	60,523	4,900,165	531,597	9,538,620
Cost of goods sold	-	-	-	1,307,579	-	-	-	1,307,579
Development	-	-	-	5,747	-	-	369,606	375,353
	$ 69	$ 2,148,319	$ 583,902	$ 54,014,639	$ 382,567	$ 13,636,056	$ 3,823,057	$ 74,588,609

	December 31, 2022							
	Museum Program Expenses					Supporting Services		
	Traveling Exhibits	Museum Collections	Research	Permanent Museum	Education	Management and General	Fundraising	Total
Payroll and related benefits	$ -	$ 2,044,559	$ 96,056	$ 8,414,208	$ -	$ 4,628,875	$ 1,624,108	$ 16,807,806
Contract services	-	172,694	159,750	8,022,494	316,759	496,055	2,178,285	11,346,037
Sponsorships	-	-	-	6,500	-	-	450	6,950
Awards and grants	-	-	366,000	-	-	-	-	366,000
Advertising	-	2,370	-	3,679,891	-	1,691	65,439	3,749,391
Technology	-	15,940	-	91,717	-	3,580,120	5,754	3,693,531
Operations	-	41,097	3,096	5,119,038	105	58,958	71,268	5,293,562
Non-employee and program-related travel	-	35,028	9,066	221,946	32,969	26,919	518,116	844,044
Depreciation and amortization	399	81,861	725	20,078,185	-	508,025	1,412	20,670,607
General and administrative	570	125,959	2,967	3,682,476	3,476	4,631,985	504,150	8,951,583
Cost of goods sold	-	-	-	958,919	-	-	-	958,919
Development	-	82	-	53,510	70	5,231	379,626	438,519
	$ 969	$ 2,519,590	$ 637,660	$ 50,328,884	$ 353,379	$ 13,937,859	$ 5,348,608	$ 73,126,949

Note 11. Concentrations

For the years ended December 31, 2023 and 2022, the Museum received 66% and 68%, respectively, of its contributions from one donor.

Note 12. Net Assets With Donor Restrictions

The Museum's net assets with donor restrictions are composed of the following as of December 31, 2023 and 2022:

	2023	2022
Net assets with donor restrictions:		
Purposes or time restrictions:		
Permanent museum	$ 2,924,597	$ 947,735
Traveling exhibits	-	5,014
Research	283,977	300,727
Education	474,620	601,070
Time restricted	1,906,761	2,820,882
Accumulated earnings on donor-restricted endowment	184,854	26,666
	5,774,809	4,702,094
Perpetual in nature:		
Scholarship endowment	1,000,000	1,000,000
	$ 6,774,809	$ 5,702,094

Note 13. Endowments

The Museum has established one donor-restricted endowment fund and one fund designated by the Board of Directors to function as an endowment.

Interpretation of relevant law: The Museum is subject to OK UPMIFA and classifies funds which are donor-restricted in perpetuity and the related accumulated and unappropriated earnings, including any underwater amounts, as net assets with donor restrictions until appropriated for expenditure by the Board of Directors. The Museum's donor-restricted endowment funds are also subject to purpose restrictions that must be met before reclassifying such amounts to net assets without donor restrictions. The Board of Directors has interpreted OK UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor specifically stipulates the contrary. As a result of this interpretation, the Museum considers a fund to be underwater if the fair value of the fund is less than the sum of: (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Museum has interpreted OK UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with OK UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Museum and the donor restricted endowment fund, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Museum and (7) the investment policies of the Museum.

Note 13. Endowments (Continued)

Endowment net asset composition by type of fund as of December 31, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 61,129,056	$ -	$ 61,129,056
Donor-restricted endowment funds	-	1,184,854	1,184,854
Total endowment funds	$ 61,129,056	$ 1,184,854	$ 62,313,910

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 49,434,001	$ 1,026,666	$ 50,460,667
Board designations	3,442,000	-	3,442,000
Investment gains	8,253,055	158,188	8,411,243
Endowment net assets, end of year	$ 61,129,056	$ 1,184,854	$ 62,313,910

Endowment net asset composition by type of fund as of December 31, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 49,434,001	$ -	$ 49,434,001
Donor-restricted endowment funds	-	1,026,666	1,026,666
Total endowment funds	$ 49,434,001	$ 1,026,666	$ 50,460,667

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 42,717,734	$ 1,258,253	$ 43,975,987
Board designations	14,200,000	-	14,200,000
Investment losses	(7,483,733)	(231,587)	(7,715,320)
Endowment net assets, end of year	$ 49,434,001	$ 1,026,666	$ 50,460,667

Return objective and risk parameters: The Museum has adopted investment and spending policies for endowment assets that provide for growth and a predictable stream of funding to operations, programs and other specified purposes supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies employed for achieving objectives: Under its investment policy, as approved by the Board of Directors, the assets of the endowment are invested in accordance with the following objectives: to generate a real return from the Museum's investments that will provide a sustainable funding source for the Museum while preserving the portfolio's purchasing power over the long term; to maximize the real rate of return on investments within a prudent level of risk; and to look at investment returns over a long-term horizon while also recognizing the need for annual endowment spending.

Note 13. Endowments (Continued)

The Museum has set an objective of achieving returns on its investment portfolio that, over the long term, will achieve returns net of inflation and fees that exceed the endowment spending amount and allow for additional growth in the portfolio (currently 7%). The Museum's investment policy targets a diversified asset allocation that places a greater emphasis on equity-based securities (target range from 40% to 80%) than fixed income securities (target range of 10% to 50%) and cash equivalents (target range of 0% to 30%) to achieve its long-term objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy: The endowment's investment earnings are currently reinvested for future earnings. Distributions should provide a reasonably stable and predictable source of funds for the activities of the Museum that are supported by the endowment. Subject to OK UPMIFA (to the extent applicable), the annual distributable funds from the endowment will be no more than 4.5%. The distribution percentage rate will be defined using a three-year investment average. Until an endowment has been invested for three years, the annual average will be used after the initial 12 months. Specific gifts may be excluded from averaging and/or be subject to other distribution rules, when explicitly directed by the donor or by approval of 75% of the Board of Directors.

The Museum's policy permits spending from underwater endowment funds when deemed prudent by 75% of the Board of Directors. Distributions will be made annually, and endowments may be held for more than 12 months based on the date of the charitable gift. The Museum has no underwater endowments at December 31, 2023.

Note 14. Liquidity Management and Funds Available

The following reflects the Museum's financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when not convertible to cash within one year, donor restricted for endowment, including accumulated and unappropriated earnings, designated by the Board for endowment, include donor purpose or time restrictions which are not anticipated to be fulfilled within one year because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2023	2022
Financial assets, at year-end	$ 73,488,751	$ 62,116,607
Less those unavailable for general expenditures within one year due to:		
Contributions receivable not due in one year, net	(590,187)	(1,061,567)
Contributions receivables due in one year for restricted purposes	(196,000)	(595,177)
Funds to be used for other commitments in the next year	(18,574,311)	(7,682,004)
Board-designated endowment	(61,129,056)	(49,434,001)
Donor restricted for specific purposes and/or in perpetuity	(4,471,861)	(4,045,350)
Financial assets available to meet cash needs for general expenditures within one year	$ (11,472,664)	$ (701,492)

The Museum maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Museum invests cash in excess of weekly requirements in short-term investments (money market funds).

Note 14. Liquidity Management and Funds Available (Continued)

Further, the Museum has received an intention to give up to $24,000,000 at December 31, 2023 (funding is contingent on available liquidity of donor). Management expects these amounts to be received through December 31, 2024, as needed to fund Museum operations and cash expenditures. In addition, as outlined in Note 6, the Museum has a $25,000,000 line of credit available to address short-term cash needs.

Note 15. Leases

The Museum leases office spaces, building, and printers and copiers under operating lease agreements that have terms from one to five years. Leases include one option to renew of one to five years, generally at the Museum's sole discretion, with renewal terms that can extend the lease term. Leases also include early termination options at the Museum's sole discretion. These options to extend a lease are included in the lease terms when it is reasonably certain that the Museum will exercise that option. The Museum's leases generally do not contain any material restrictive covenants.

Operating lease expense is recognized on a straight-line basis over the lease term and totals $406,211 and $417,071 and finance lease expense totals $141,263 and $53,253 for the years ended December 31, 2023 and 2022, respectively. Operating and finance lease expense is reported within facilities and maintenance expense on the statement of activities. Short term lease expense is not significant to the Museum's financial statements.

The weighted-average remaining lease term is calculated on the basis of the remaining lease term and the lease liability balance for each lease as of the reporting date. The weighted-average discount rate is calculated on both: (a) the discount rate for the lease that was used to calculate the lease liability balance for each lease as of the reporting date and (b) the remaining balance of the lease payments for each lease as of the reporting date.

Weighted-average remaining lease term and weighted-average discount rate as of the year ended December 31, 2023 and 2022, are as follows:

	2023	2022
Weighted-average remaining lease term (years):		
Operating leases	1.08	1.92
Finance leases	3.78	5.00
Weighted-average discount rate:		
Operating leases	5.89%	4.89%
Finance leases	5.03%	5.03%

Note 15. Leases (Continued)

Future undiscounted cash flows for each of the next five years and reconciliation to the lease liabilities recognized on the statement of financial position as of December 31, 2023, are as follows:

	Operating Leases	Finance Leases
Years ending December 31,		
2024	$ 420,196	$ 204,000
2025	35,250	204,000
2026	-	204,000
2027	-	136,000
Total lease payments	455,446	748,000
Less imputed interest	(14,917)	(36,099)
Total present value of lease liabilities	$ 440,529	$ 711,901