CONTEMPORARY ART MUSEUM ST. LOUIS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021

Contemporary Art Museum St. Louis

CONTENTS

Independent Auditors' Report

To the Board of Directors of
Contemporary Art Museum St. Louis
St. Louis, Missouri

We have audited the accompanying financial statements of Contemporary Art Museum St. Louis (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Contemporary Art Museum St. Louis as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Contemporary Art Museum St. Louis 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 Contemporary Art Museum St. Louis' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Contemporary Art Museum St. Louis' 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 Contemporary Art Museum St. Louis' 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.

Schmersahl Treloar & Co., PC

St. Louis, Missouri
September 15, 2022

FINANCIAL STATEMENTS

Contemporary Art Museum St. Louis

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30, 2022	June 30, 2021
CASH AND CASH EQUIVALENTS	$ 1,245,715	$ 1,369,523
INVESTMENTS	12,121,759	13,921,457
PLEDGES RECEIVABLE		
Operating	467,800	347,117
Endowment fund	556,364	935,551
Total Pledges Receivable, Net	1,024,164	1,282,668
EMPLOYEE RETENTION CREDIT GRANT RECEIVABLE	307,539	-
PROPERTY AND EQUIPMENT, NET	5,499,742	5,709,331
OTHER ASSETS	136,800	55,829
Total Assets	$ 20,335,719	$ 22,338,808

LIABILITIES AND NET ASSETS

	2022	2021
LIABILITIES		
Accounts payable and accrued expenses	$ 230,557	$ 298,030
Note payable	-	100,000
Total Liabilities	230,557	398,030
NET ASSETS		
Without donor restrictions		
Net investment in property and equipment	5,499,742	5,709,331
Board designated endowment	3,897,953	6,304,036
Board designated roof	471,250	-
Available for general use	486,443	(1,617,254)
Total Net Assets Without Donor Restrictions	10,355,388	10,396,113
With donor restrictions		
Perpetual in nature	8,114,753	8,119,241
Purpose restrictions	890,459	2,099,460
Time-restricted for future periods	744,562	1,325,964
Total Net Assets With Donor Restrictions	9,749,774	11,544,665
Total Net Assets	20,105,162	21,940,778
Total Liabilities and Net Assets	$ 20,335,719	$ 22,338,808

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Individual contributions	$ 535,427	$ 150,034	$ 685,461
Corporate/foundation/special contributions	255,010	414,500	669,510
Government grants	244,274	-	244,274
Paycheck Protection Program grant	100,000	-	100,000
Employee Retention Credit grant	433,925	-	433,925
Investment loss, net of fees	(511,658)	(1,113,399)	(1,625,057)
Program related income	22,498	-	22,498
Café and other income, net of cost of sales and other expenditures of $19,604	91,433	-	91,433
Special events, net of cost of direct benefits to donors of $94,915	310,305	-	310,305
Net assets released from restrictions:			
Draw for unrestricted operations	440,000	(440,000)	-
Create: The CAMpaign	390,505	(390,505)	-
Exhibits, program, and time	415,521	(415,521)	-
Total Revenues	2,727,240	(1,794,891)	932,349
EXPENSES			
Program services	2,192,581	-	2,192,581
Supporting services	136,965	-	136,965
Fundraising	438,419	-	438,419
Total Expenses	2,767,965	-	2,767,965
CHANGE IN NET ASSETS	(40,725)	(1,794,891)	(1,835,616)
NET ASSETS, Beginning of year	10,396,113	11,544,665	21,940,778
NET ASSETS, End of year	$ 10,355,388	$ 9,749,774	$ 20,105,162

Contemporary Art Museum St. Louis
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Individual contributions	$ 327,878	$ 332,429	$ 660,307
Corporate/foundation/special contributions	177,913	407,000	584,913
Government grants	134,707	-	134,707
Paycheck Protection Program grant	210,270	-	210,270
Investment gain, net of fees	911,990	2,210,408	3,122,398
Program related income	21,405	-	21,405
Café and other income, net of cost of sales and other expenditures of $25,348	32,986	-	32,986
Special events, net of cost of direct benefits to donors of $31,117	199,486	-	199,486
In-kind donations	11,060	-	11,060
Net assets released from restrictions:			
Draw for unrestricted operations	476,000	(476,000)	-
Create: The CAMpaign	709,720	(709,720)	-
Exhibits, program, and time	781,218	(781,218)	-
Total Revenues	3,994,633	982,899	4,977,532
EXPENSES			
Program services	2,103,492	-	2,103,492
Supporting services	159,662	-	159,662
Fundraising	355,961	-	355,961
Total Expenses	2,619,115	-	2,619,115
CHANGE IN NET ASSETS	1,375,518	982,899	2,358,417
NET ASSETS, Beginning of year	9,020,595	10,561,766	19,582,361
NET ASSETS, End of year	$ 10,396,113	$ 11,544,665	$ 21,940,778

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services	Supporting Services	Fund-raising	Other Costs	Total
OPERATING EXPENSES					
Salaries and payroll taxes	$1,034,526	$ 101,486	$ 290,040	$ -	$1,426,052
Contract services	226,504	7,904	51,990	-	286,398
Medical insurance	91,836	10,872	31,027	-	133,735
Facilities	124,725	1,285	3,854	-	129,864
Postage and shipping	109,587	97	2,390	-	112,074
Special events - fundraising	-	-	-	94,915	94,915
Insurance	56,906	432	1,297	-	58,635
Equipment and equipment rentals	47,952	2,515	7,201	-	57,668
Supplies	45,959	613	7,939	-	54,511
Information technology	20,853	859	17,145	-	38,857
Printing	30,568	88	3,863	-	34,519
Bank charges/payroll service	18,852	2,232	6,369	-	27,453
Travel	23,961	72	272	-	24,305
Miscellaneous	17,254	691	2,493	-	20,438
Café and other	-	-	-	19,604	19,604
Advertising	16,383	266	1,178	-	17,827
Telephone	16,235	169	507	-	16,911
Food, beverage, and hospitality	12,173	284	1,895	-	14,352
Exhibition fees and awards	11,631	-	-	-	11,631
Bad debt expense	-	4,115	-	-	4,115
Total Operating Expenses	1,905,905	133,980	429,460	114,519	2,583,864
NON-OPERATING EXPENSES					
Depreciation	286,676	2,985	8,959	-	298,620
	2,192,581	136,965	438,419	114,519	2,882,484
Less expenses included with revenues on the Statement of Activities					
Other Costs	-	-	-	(114,519)	(114,519)
TOTAL EXPENSES	$2,192,581	$ 136,965	$ 438,419	$ -	$2,767,965

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services	Supporting Services	Fund-raising	Other Costs	Total
OPERATING EXPENSES					
Salaries and payroll taxes	$1,026,575	$ 95,325	$ 269,250	$ -	$1,391,150
Contract services	167,119	2,644	7,476	-	177,239
Medical insurance	98,024	10,521	29,711	-	138,256
Facilities	97,874	1,001	3,014	-	101,889
Postage and shipping	114,917	55	2,055	-	117,027
Special events - fundraising	-	-	-	31,117	31,117
Insurance	50,351	466	1,399	-	52,216
Equipment and equipment rentals	19,877	1,033	2,916	-	23,826
Supplies	44,499	294	1,197	-	45,990
Information technology	16,918	668	16,586	-	34,172
Printing	44,176	57	2,166	-	46,399
Bank charges/payroll service	16,987	1,823	5,149	-	23,959
Travel	4,828	-	-	-	4,828
Miscellaneous	12,788	376	1,678	-	14,842
Café and other	-	-	-	25,348	25,348
Advertising	17,271	261	1,138	-	18,670
Telephone	16,570	173	518	-	17,261
Food, beverage, and hospitality	5,372	125	3,124	-	8,621
Exhibition fees and awards	63,600	-	-	-	63,600
Bad debt expense	-	41,979	-	-	41,979
In-kind services	11,060	-	-	-	11,060
Total Operating Expenses	1,828,806	156,801	347,377	56,465	2,389,449
NON-OPERATING EXPENSES					
Depreciation	274,686	2,861	8,584	-	286,131
	2,103,492	159,662	355,961	56,465	2,675,580
Less expenses included with revenues on the Statement of Activities					
Other Costs	-	-	-	(56,465)	(56,465)
TOTAL EXPENSES	$2,103,492	$ 159,662	$ 355,961	$ -	$2,619,115

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENTS OF CASH FLOWS

	Years Ended June 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	($ 1,835,616)	$ 2,358,417
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	298,620	286,131
Contributions restricted for non-operating additions and endowment	(1,971)	(86,405)
Net realized and unrealized losses (gains) on investments	2,116,392	(2,796,128)
Bad debt expense	4,115	41,979
Paycheck Protection Program grant	(100,000)	(38,000)
Donated securities	(176,484)	(117,490)
Proceeds from sale of donated securities	176,484	117,490
(Increase) decrease in assets:		
Operating pledges receivable	(128,817)	70,484
Other assets	(388,510)	60,393
Decrease (increase) in liabilities:		
Accounts payable and accrued expenses	(67,473)	136,240
Net Change in Cash from Operating Activities	(103,260)	33,111
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,303,905)	(2,126,444)
Proceeds from sale of investments	987,211	520,430
Purchases of property and equipment	(89,031)	(64,301)
Net Change in Cash from Investing Activities	(405,725)	(1,670,315)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for non-operating additions and endowment	385,177	710,392
Net proceeds from note payable	-	100,000
Net Change in Cash from Financing Activities	385,177	810,392
NET CHANGE IN CASH AND CASH EQUIVALENTS	(123,808)	(826,812)
CASH AND CASH EQUIVALENTS, Beginning of year	1,369,523	2,196,335
CASH AND CASH EQUIVALENTS, End of year	$ 1,245,715	$ 1,369,523

See accompanying notes to financial statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Contemporary Art Museum St. Louis (CAM), a non-collecting institution, is internationally recognized for exhibitions of the most provocative, insightful, and relevant contemporary art being made today. CAM presented exhibitions of prescient and seminal work by emerging and established artists, working with varied media including painting, sculpture, photography, printmaking, textiles, installation, and video. In FY22, CAM featured exhibitions by Kathy Butterfly, Shara Hughes, and Farah Al Qasimi in the fall/winter season, followed by Alia Farid, Martine Gutierrez, and Gala Porras-Kim in the spring/summer. Alongside its exhibitions, CAM produces scholarly catalogs; an illustrated, full color book including texts and interpretive essays for the international group exhibition Stories of Resistance, published in FY22. With limited on-site capacity due to COVID, the Museum served 19,147 visitors in person and 242,429 visitors online.

In conjunction with its exhibitions, CAM delivers art education to people of all ages by presenting a diverse line-up of public programs that include artist and curator lectures, art-inspired dinners; film screenings; and unique workshops for families with young children. CAM's public programs were held onsite and online throughout FY22, including artist talks, panel discussions, a Feast Your Eyes dinner with a celebrated local chef, and hands-on art instruction with preschoolers, teens, and seniors. In FY22, CAM hosted 157 programs and tours, of which 99% were free.

Finally, CAM remains dedicated to fostering creativity and increasing access to the arts for the young people of St. Louis through free arts education initiatives. These include pre-professional training in New Art in the Neighborhood (at 27 years, CAM's longest running education program); an opportunity to organize an exhibition from start to finish in Teen Museum Studies; advanced studio art training with an emphasis on collaboration for middle schoolers in the LEAP Middle School Initiative; and in-school and off-site community engagement activities under the ArtReach program. CAM is proud of the meaningful ways its programs make a difference to St. Louis youth, and each season presents the work of young artists in the Education Galleries. In FY22, works were shown by students participating in New Art in the Neighborhood, and LEAP Middle School Initiative, as well as Collective Impact exhibitions, the result of a new partnership between CAM and Creative Reaction Lab, which trains young artists and designers of color. Teen Museum Studies presented an exhibition by the local artist Summer Brooks, whose work challenges harmful beauty standards for African American women. All youth programs continued uninterrupted in FY22, though many classroom activities were conducted via digital format. In FY22, the Museum served 1,313 youth from the greater St. Louis area.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Method of Accounting

The financial statements of CAM are presented using the accrual method of accounting.

Cash and Cash Equivalents

CAM considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. CAM maintains cash deposits in bank accounts which at times may exceed the insured limits of up to $250,000 by the Federal Deposit Insurance Corporation (FDIC insured). At June 30, 2022, its uninsured deposits totaled $885,467. CAM has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

Revenue Recognition

CAM recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions and Pledges
Contributions and pledges are recognized when a donor makes a promise to give to CAM that is, in substance, unconditional. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions are recognized at the time a signed pledge is received and are discounted at 3% per year for 2022 and 2% per year for 2021, if payable beyond one year. Restricted amounts which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions.

Government Grants
A portion of CAM's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CAM has incurred expenditures in compliance with specific contacts or grant provisions.

Special Events Revenue
The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue Recognition *(Continued)*

Retail Store and Café Revenue
CAM records sales from its gift shop and café when the transaction price is agreed upon and performance obligations with its customers are satisfied. A performance obligation is a promise to transfer a distinct good to the customer.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Financial Instruments

The following methods and assumptions were used by CAM in estimating its fair value disclosure for financial instruments:

The carrying amounts of cash and cash equivalents, pledges receivable due in less than one-year, other assets, and accounts payable and accrued expenses approximate fair values due to the short-term maturities of those instruments. Investments are carried at fair market value based on quoted market prices.

In-Kind Donations

Donated assets, goods, and services are recorded at fair value on the date of the gift. Donated services are recognized as contributions in accordance with FASB ASC 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CAM.

Unpaid volunteers and professional service organizations have made significant contributions of their time in the areas of membership development, exhibitions, and administrative services. The value of this contributed time is not reflected in these financial statements because it does not meet the criteria for recognition.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property and Equipment

Purchased furniture and equipment, buildings, and building improvements are stated at cost and donated land, furniture, and equipment are stated at estimated market value at date of receipt. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which are five years for furniture, fixtures, and equipment and thirty-nine years for the building and building improvements. Expenditures for repairs and maintenance are charged to operations while renewals and betterments are capitalized.

Income Taxes

CAM qualifies as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, it is exempt from federal and state income taxes. CAM files an information return, IRS Form 990. Fiscal years 2019 and later remain subject to examination, generally three years after the returns were filed. CAM management is not aware of any pending examinations related to tax filings.

CAM follows the provisions of ASC 740-10-25 requiring disclosure of uncertain tax positions. There has been no interest or penalties recognized in the Statements of Activities or in the Statements of Financial Position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months. CAM evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures and discussions with outside experts.

Functional Expense Allocation

The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of CAM. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, insurance, telephone, and depreciation, which are allocated on an estimated square footage basis; salaries and payroll taxes, contract services, and medical insurance are allocated on personnel time and effort; and certain other expenses have been allocated among program, supporting services, and fundraising on the basis of time and effort.

Advertising

CAM expenses advertising costs as they are incurred.

Use of 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. Actual results could differ from those estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Reclassifications

Certain prior year amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in the current year. There has been no impact or change in net assets as a result of these reclassifications.

Subsequent Events

CAM has evaluated events and transactions for potential recognition or disclosure through September 15, 2022, the date the financial statements were available to be issued.

B. INVESTMENTS

The investments at June 30, 2022 are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
U.S Government Bonds	$ 434,896	$ 441,006	$ 6,110
Taxable Fixed Income	3,525,469	3,368,300	(157,169)
Real Estate Fund	385,751	399,295	13,544
Equity Mutual Funds	6,861,916	7,688,582	826,666
Municipal Bonds	230,514	224,576	(5,938)
Total Investments	$11,438,546	$12,121,759	$683,213

The investments at June 30 2021, are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation
U.S. Government Bonds	$ 402,156	$ 431,295	$ 29,139
Taxable Fixed Income	3,387,516	3,449,038	61,522
Real Estate Funds	387,880	487,712	99,832
Equity Mutual Funds	6,753,474	9,452,790	2,699,316
Municipal Bonds	100,015	100,622	607
Total Investments	$11,031,041	$13,921,457	$2,890,416

B. **INVESTMENTS** *(Continued)*

Investment return at June 30 is summarized as follows:

	2022	2021
Dividends and interest	$ 538,546	$ 370,700
Less: investment management fees	(47,211)	(44,430)
Net realized and unrealized (losses) gains	(2,116,392)	2,796,128
Total investment (loss) gain, net of fees	($1,625,057)	$3,122,398

C. **FAIR VALUE MEASUREMENTS**

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following tables set forth, by level within the fair value hierarchy, CAM's investment holdings.

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
U.S Government Bonds	$ -	$ 441,006	$ -	$ 441,006
Taxable Fixed Income	-	3,368,300	-	3,368,300
Real Estate Funds	399,295	-	-	399,295
Equity Mutual Funds	7,688,582	-	-	7,688,582
Municipal Bonds	-	224,576	-	224,576
Total	$8,087,877	$4,033,882	$ -	$12,121,759

C. FAIR VALUE MEASUREMENTS *(Continued)*

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
U.S Government Bonds	$ -	$ 431,295	$ -	$ 431,295
Taxable Fixed Income	-	3,449,038	-	3,449,038
Real Estate Funds	487,712	-	-	487,712
Equity Mutual Funds	9,452,790	-	-	9,452,790
Municipal Bonds	-	100,622	-	100,622
Total	$9,940,502	$3,980,955	$ -	$13,921,457

D. PLEDGES RECEIVABLE

Pledges receivables are due to CAM as follows at June 30:

	2022	2021
Receivable in less than one year	$ 627,043	$ 565,068
Receivable in one to five years	413,588	736,038
	1,040,631	1,301,106
Less discount at June 30, 2022 and 2021	(16,467)	(18,438)
Total Pledges Receivable, Net	$1,024,164	$1,282,668

E. PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30:

	2022	2021
Land and land improvements	$ 397,250	$ 397,250
Furniture, fixtures, and equipment	160,043	118,324
Building and building improvements	9,459,885	9,419,927
	10,017,178	9,935,501
Less: accumulated depreciation	(4,517,436)	(4,226,170)
Total Property and Equipment, Net	$ 5,499,742	$5,709,331

F. LAND

In August 2001, CAM received as a gift the land at 3750 Washington Boulevard, the site of its facility. The deed contains the following restrictions:

a. CAM must operate continuously in accordance with its present purposes.
b. The donor has a right of first refusal if CAM wishes to sell the property.

G. EMPLOYEE RETENTION CREDIT GRANT

On December 27, 2020, legislation was enacted that altered the Coronavirus Aid, Relief, and Economic Security (CARES) Act which modified and extended the Employee Retention Credit (ERTC) for six months through June 30, 2021. In August of 2021, the ERTC was extended for a third time through the American Rescue Plan of 2021 (ARP) through September 30, 2021.

To qualify for the ERTC, the employer's operations would have to be fully or partially suspended due to government order or show a decline in gross receipts in a calendar quarter in 2021 where the gross receipts of that calendar quarter are less than 80% of gross receipts in the same quarter of 2019 and for quarters in 2020, gross receipts less than 50 % of gross receipts in the same quarter of 2019.

CAM has filed amended form 941-X for the 3rd and 4th quarters of 2020 and the 1st and 2nd quarters of 2021. The credit was also claimed for 3rd quarter of 2021. The net amount of credit that CAM is claiming is $433,925, and it is recorded as revenue on the statement of activities. CAM has received $126,386 during the year ended June 30, 2022. The ERTC receivable balance outstanding at June 30, 2022 is $307,539.

Laws and regulations concerning government programs, including the Employee Retention Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Institute's claim to the ERTC, and it is not possible to determine the impact (if any) this would have upon the Institute.

H. LINE OF CREDIT - OPERATIONS

CAM has a $600,000 line of credit arrangement. Amounts outstanding under this note will bear interest at a rate per annum which is at all times equal to the daily BSBY rate plus 3.00% (4.58% at June 30, 2022). The line of credit expires December 30, 2022. No borrowings were made throughout the years ended June 30, 2022 and 2021.

I. NOTE PAYABLE

On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) became law. The Economic Aid Act provides the opportunity to obtain a forgivable "second draw" PPP loan.

CAM was granted a second draw loan in the amount of $272,270 on February 2, 2021. As of June 30, 2021, CAM believed they had spent the funds on eligible expenses based on current regulations and would be working with their lender to begin the forgiveness application process. During the year ended June 30, 2021, CAM converted $172,270 to grant income. On November 9, 2021, the Small Business Administration (SBA) approved CAM's forgiveness application, and the PPP Loan was considered to be paid in full and closed. As such, CAM converted the remaining $100,000 to grant income for the year ended June 30, 2022.

J. PAYCHECK PROTECTION PROGRAM GRANT

On April 19, 2020, CAM was granted a loan in the amount of $251,400 from PNC Bank, pursuant to the Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under certain circumstances, all or part of the loan may be forgiven and converted to a grant.

During the year ended June 30, 2020, CAM converted $213,400 to grant income. On January 15, 2021, the Small Business Administration (SBA) approved the CAM's forgiveness application, and the PPP Loan was considered to be paid in full and closed. As such, CAM converted the remaining $38,000 to grant income for the year ended June 30, 2021. Along with the $172,270 converted to grant income (Note I.) from the second PPP draw, total PPP grant income for the year ended June 30, 2021 was $210,720. The remaining $100,000 PPP note payable balance from the second PPP draw was converted to PPP grant income (Note I.) during the year ended June 30, 2022.

K. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose or periods:

	2022	2021
Subject to expenditures for specific purpose:		
Unappropriated endowment	$ 248,959	$ 1,802,460
Exhibitions, education, and outreach	641,500	297,000
	$ 890,459	$ 2,099,460
Subject to passage of time:		
Future periods	$ 188,098	$ 390,641
Create: The CAMpaign	556,464	935,323
	$ 744,562	$ 1,325,964
Perpetual in nature:		
Original donor-restricted gift amount and amount required to be maintained by donor	$8,114,753	$ 8,119,241
Total Net Assets with Donor Restrictions	$9,749,774	$11,544,665

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires, or the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of endowment contributions to be held in perpetuity, the income from which is restricted to CAM's operating expenses.

L. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors consist of the following as of June 30:

	2022	2021
Purpose Restrictions		
Exhibitions, education, and outreach	$214,500	$ 130,000
Time Restrictions Expired	201,021	651,218
Exhibits, program, and time Released from Restrictions	$415,521	$781,218
Create: The CAMpaign Released from Restrictions	$390,505	$709,720
Draw for unrestricted operations Released from Restrictions	$440,000	$476,000

M. ENDOWMENT

CAM's endowment consists of both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2006, the Uniform Law Commission (ULC) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline for states to use in enacting legislation related to the UPMIFA. In response to the ULC's act, the FASB issued Endowments of Not-for-Profit Organizations, effective for years ending after December 15, 2008, which requires substantial additional disclosures relating to endowments. Subsequent to June 30, 2009, the State of Missouri passed legislation enacting a state version of the UPMIFA.

The Board of Directors of CAM has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CAM classifies as net assets with donor restrictions – perpetual in nature (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 net assets with donor restriction – perpetual in nature is classified as net assets with donor restrictions – unappropriated endowment until those amounts are appropriated for expenditure by CAM in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, CAM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of CAM, and (7) CAM's investment policies.

M. **ENDOWMENT** *(Continued)*

Investment Return Objectives, Risk Parameters, and Strategies - CAM has adopted investment and spending policies, approved by the Board of Directors, for endowment assets, net of approved Board Designated loans to operations, which attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution in accordance with the spending policy following, while growing the funds if possible.

CAM's performance objective, over a long-term investment horizon, is to equal or exceed a comparable benchmark composed of the Russell 3000 Index, the MSCI World ex USA Index, the MSCI Emerging Markets Index (net div) and the Barclays US Aggregate Bond Index. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy - CAM has a policy of appropriating for distribution each year 4.5% of its endowment fund's average fair value of the prior 12 quarters through April 30th preceding the fiscal year in which the distribution is planned. CAM has requirements and expectations for periodic withdrawals for special projects in addition to the annual appropriation. Approval of the Finance/Investment Committee and Executive Committee is required for such withdrawals. In establishing this policy, CAM considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, some of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. CAM expects the current spending policy to allow its endowment funds to grow. This is consistent with CAM's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

M. **ENDOWMENT** *(Continued)*

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	$ -	$8,920,176	$ 8,920,176
Board designated endowment funds	3,897,953	-	3,897,953
Total Funds	$3,897,953	$8,920,176	$12,818,129

Changes in endowment net assets as of June 30, 2022 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets, beginning of year	$6,304,036	$10,857,024	$17,161,060
Contributions	30,345	7,056	37,401
Investment income	174,475	364,071	538,546
Net Depreciation	(671,091)	(1,445,301)	(2,116,392)
Investment management fees	(15,042)	(32,169)	(47,211)
Create: The CAMpaign receipts	390,505	(390,505)	-
Principal on Chiller Loan	68,618	-	68,618
Interest on Chiller Loan	6,862	-	6,862
Forgiveness of Endowment Borrowings	(1,890,755)	-	(1,890,755)
Amounts appropriated for operations	(500,000)	(440,000)	(940,000)
Endowment net assets, end of year	$3,897,953	$ 8,920,176	$12,818,129

The Board of Directors approved amounts to be borrowed from the Board Designated Endowment to be used for program operations. These borrowings have allowed CAM to expand programs to serve larger audiences and provide exhibitions that are the most provocative, insightful, and relevant contemporary art from around the world.

No amounts were borrowed during the years ended June 30, 2022 and 2021 from the Board Designated Endowment. During the year ended June 30, 2022, the Board determined it would be in the best interest of CAM to forgive the prior borrowings totaling $1,890,755.

M. ENDOWMENT *(Continued)*

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	$ -	$10,857,024	$10,857,024
Board designated endowment funds	6,304,036	-	6,304,036
Total Funds	$6,304,036	$10,857,024	$17,161,060

Changes in endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets, beginning of year	$4,601,203	$ 9,815,548	$14,416,751
Contributions	4,479	16,788	21,267
Investment income	105,618	265,082	370,700
Net Appreciation	818,968	1,977,160	2,796,128
Investment management fees	(12,596)	(31,834)	(44,430)
Create: The CAMpaign receipts	709,720	(709,720)	-
Principal on Chiller Loan	68,618	-	68,618
Interest on Chiller Loan	8,026	-	8,026
Amounts appropriated for operations	-	(476,000)	(476,000)
Endowment net assets, end of year	$6,304,036	$10,857,024	$17,161,060

N. IN-KIND DONATIONS

CAM received in-kind donations of stocks, goods, and a variety of professional services during 2022 and 2021. The fair market value of donated stock has been recorded as individual contributions in the statements of activities.

The fair market value of donated goods and professional services has been reflected as both revenue and expense in the accompanying statements of activities. No revenue or expense for these goods and services for the year ended June 30, 2022. Total revenue and expense for these goods and services totaled $11,060 during the year ended June 30, 2021.

O. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CAM regularly monitors liquidity required to meet its operating needs and other contractual commitments. CAM receives contributions restricted by donors, and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. CAM maintains financial assets, consisting of cash, various receivables, and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, CAM invests cash in excess of daily requirements in various investments. In addition, CAM maintains a board-designated endowment that allows for annual spending of income and appreciation generated from donor-restricted perpetual endowment funds.

CAM's financial assets available within one year of the statement of financial position date for general expenditures are as follows for June 30:

	2022	2021
Cash and cash equivalents	$ 1,245,715	$ 1,369,523
Pledges and other receivables, net	1,340,538	1,283,340
Investments	12,121,759	13,921,457
Total financial assets	14,708,012	16,574,320
Less amounts not available to be used within one year:		
Board designated for endowment, net	3,897,953	4,413,281
Donor-restricted perpetual endowment	8,114,753	8,119,241
Donor-restricted for time and purpose	1,075,423	3,032,785
Total financial assets not available to be used within one year	13,088,129	15,565,307
Financial assets available to meet cash needs for general expenditures within one year	$ 1,619,883	$ 1,009,013

O. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS *(Continued)*

As more fully described in Note H, CAM also has a committed line of credit in the amount of $600,000, which it could draw upon in the event of an unanticipated liquidity need.

In addition, although CAM does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board designated-endowment could be made available, if necessary, subject to Board approval.

P. CAFÉ AND OTHER INCOME

Other income includes rental income, beverage sales, gift shop income, and advertising revenue. These revenues are presented net of costs of goods sold and other costs including material, food, and beverage costs, allocated salaries, and licenses.

Q. Create: The CAMpaign

During the year ended June 30, 2016, CAM began the Create: The CAMpaign to increase CAM's endowment by $10 million dollars by 2020 and subsequently raised the goal to $12 million dollars. During the year ended June 30, 2021, CAM drew closer to this goal. CAM received contributions totaling $31,740 and $4,479 during the years ended June 30, 2022 and 2021, respectively. An initial contribution of $5,000,000 was received in fiscal year 2016 and restricted to the perpetual endowment by the donor. All other contributions are designated to the board designated endowment.

R. ECONOMIC UNCERTAINTY

As the spread of the COVID-19 coronavirus continues worldwide, economic uncertainties have arisen that are likely to impact CAM's financial results. While management expects this impact to be temporary, the severity and duration of the impact is uncertain at this time.