CONTEMPORARY ART MUSEUM ST. LOUIS

FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

Contemporary Art Museum St. Louis

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SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

Independent Auditors' Report

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

Opinion

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, 2024 and 2023, 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, 2024 and 2023, 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.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Without Donor Restriction – Statements of Activities, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Schmersahl Treloar & Co.

St. Louis, Missouri
September 12, 2024

FINANCIAL STATEMENTS

Contemporary Art Museum St. Louis
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30, 2024	June 30, 2023
CASH AND CASH EQUIVALENTS	$ 708,430	$ 756,779
INVESTMENTS	14,372,599	13,232,102
PLEDGES RECEIVABLE		
Operating	664,379	457,849
Endowment fund	5,578	126,881
Permanently restricted endowment	8,140,052	8,107,822
Total Pledges Receivable, Net	8,810,009	8,692,552
EMPLOYEE RETENTION CREDIT GRANT RECEIVABLE	71,841	71,841
PROPERTY AND EQUIPMENT, NET	5,440,487	5,723,248
OTHER ASSETS	149,153	85,367
Total Assets	$ 29,552,519	$ 28,561,889

LIABILITIES AND NET ASSETS

	June 30, 2024	June 30, 2023
LIABILITIES		
Accounts payable and accrued expenses	$ 163,121	$ 120,908
Total Liabilities	163,121	120,908
NET ASSETS		
Without donor restrictions		
Net investment in property and equipment	5,440,487	5,723,248
Board designated endowment	5,647,651	4,649,197
Available for general use	433,142	444,561
Total Net Assets Without Donor Restrictions	11,521,280	10,817,006
With donor restrictions		
Perpetual in nature	16,254,805	16,222,575
Purpose restrictions	1,537,735	1,089,519
Time-restricted for future periods	75,578	311,881
Total Net Assets With Donor Restrictions	17,868,118	17,623,975
Total Net Assets	29,389,398	28,440,981
Total Liabilities and Net Assets	$ 29,552,519	$ 28,561,889

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Individual contributions	$ 1,029,681	$ 77,380	$ 1,107,061	$ 632,456	$ 8,287,146	$ 8,919,602
Corporate/foundation/special contributions	417,500	330,000	747,500	242,078	288,000	530,078
Government grants	319,817	-	319,817	260,620	47,023	307,643
Investment gain, net of fees	585,190	1,081,065	1,666,255	385,758	768,183	1,153,941
Rental and other income	86,803	-	86,803	127,704	-	127,704
Special events, net of cost of direct benefits to donors of $156,414 and $215,654, respectively	528,888	-	528,888	261,874	-	261,874
Art auctions	4,117	-	4,117	251,600	-	251,600
Net assets released from restrictions:						
Draw for unrestricted operations	570,000	(570,000)	-	530,000	(530,000)	-
Create: The CAMpaign	121,779	(121,779)	-	434,651	(434,651)	-
Exhibits, program, and time	552,523	(552,523)	-	551,500	(551,500)	-
Total Revenues	4,216,298	244,143	4,460,441	3,678,241	7,874,201	11,552,442
EXPENSES						
Program services	2,614,566	-	2,614,566	2,406,138	-	2,406,138
Supporting services	255,520	-	255,520	217,631	-	217,631
Fundraising	641,938	-	641,938	592,854	-	592,854
Total Expenses	3,512,024	-	3,512,024	3,216,623	-	3,216,623
CHANGE IN NET ASSETS	704,274	244,143	948,417	461,618	7,874,201	8,335,819
NET ASSETS, Beginning of year	10,817,006	17,623,975	28,440,981	10,355,388	9,749,774	20,105,162
NET ASSETS, End of year	$ 11,521,280	$ 17,868,118	$ 29,389,398	$ 10,817,006	$ 17,623,975	$ 28,440,981

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services	Supporting Services	Fund-raising	Other Costs	Total
OPERATING EXPENSES					
Salaries and payroll taxes	$1,277,865	$ 126,822	$ 362,682	$ -	$1,767,369
Contract services	314,955	37,238	106,392	-	458,585
Facilities	164,189	1,711	5,131	-	171,031
Special events - fundraising	-	-	-	156,414	156,414
Medical insurance	91,667	10,838	30,964	-	133,469
Postage and shipping	69,885	8,263	23,607	-	101,755
Supplies	43,146	5,101	14,575	-	62,822
Information technology	40,538	4,793	13,694	-	59,025
Travel	37,613	4,446	12,707	-	54,766
Exhibition fees and awards	33,858	4,003	11,437	-	49,298
Printing	33,434	3,953	11,294	-	48,681
Insurance	46,437	484	1,451	-	48,372
Rental and other	-	-	-	45,635	45,635
Miscellaneous	30,405	3,595	10,272	-	44,272
Bank charges/payroll service	29,006	3,429	9,799	-	42,234
Food, beverage, and hospitality	23,590	2,789	7,969	-	34,348
Bad debt expense	-	31,250	-	-	31,250
Equipment and equipment rentals	16,045	1,897	5,420	-	23,362
Telephone	19,350	202	605	-	20,157
Advertising	10,548	1,247	3,563	-	15,358
Total Operating Expenses	2,282,531	252,061	631,562	202,049	3,368,203
NON-OPERATING EXPENSES					
Depreciation	332,035	3,459	10,376	-	345,870
	2,614,566	255,520	641,938	202,049	3,714,073
Less expenses included with revenues on the Statement of Activities					
Other Costs	-	-	-	(202,049)	(202,049)
TOTAL EXPENSES	$2,614,566	$ 255,520	$ 641,938	$ -	$3,512,024

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services	Supporting Services	Fund-raising	Other Costs	Total
OPERATING EXPENSES					
Salaries and payroll taxes	$1,150,934	$ 115,973	$ 331,624	$ -	$1,598,531
Contract services	344,396	40,717	116,331	-	501,444
Facilities	130,393	1,359	4,076	-	135,828
Special events - fundraising	-	-	-	215,654	215,654
Medical insurance	79,667	9,420	26,912	-	115,999
Postage and shipping	24,274	2,870	8,200	-	35,344
Supplies	23,064	2,727	7,791	-	33,582
Information technology	38,137	4,509	12,883	-	55,529
Travel	21,511	2,544	7,266	-	31,321
Exhibition fees and awards	73,831	8,729	24,940	-	107,500
Printing	22,699	2,684	7,667	-	33,050
Insurance	47,570	496	1,487	-	49,553
Rental and other	-	-	-	34,263	34,263
Miscellaneous	25,738	2,285	6,539	-	34,562
Bank charges/payroll service	17,917	2,119	6,052	-	26,088
Food, beverage, and hospitality	20,358	2,407	6,877	-	29,642
Bad debt expense	-	10,500	-	-	10,500
Equipment and equipment rentals	30,233	3,574	10,213	-	44,020
Telephone	16,202	169	506	-	16,877
Advertising	9,426	1,114	3,184	-	13,724
Total Operating Expenses	2,076,350	214,196	582,548	249,917	3,123,011
NON-OPERATING EXPENSES					
Depreciation	329,788	3,435	10,306	-	343,529
	2,406,138	217,631	592,854	249,917	3,466,540
Less expenses included with revenues on the Statement of Activities					
Other Costs	-	-	-	(249,917)	(249,917)
TOTAL EXPENSES	$2,406,138	$ 217,631	$ 592,854	$ -	$3,216,623

See accompanying notes to financial statements

Contemporary Art Museum St. Louis
STATEMENTS OF CASH FLOWS

	Years Ended June 30, 2024	Years Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 948,417	$ 8,335,819
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	345,870	343,529
Contributions restricted for non-operating additions and endowment	(44,373)	(8,113,146)
Net realized and unrealized gains on investments	(1,363,360)	(799,922)
Bad debt expense	31,250	10,500
Donated securities	(167,084)	(226,067)
Proceeds from sale of donated securities	167,084	226,067
(Increase) decrease in assets:		
Operating pledges receivable	(194,863)	(393)
Other assets	(63,786)	287,131
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	42,213	(109,649)
Net Change in Cash from Operating Activities	(298,632)	(46,131)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(647,137)	(693,321)
Proceeds from sale of investments	870,000	382,900
Purchases of property and equipment	(63,109)	(567,035)
Net Change in Cash from Investing Activities	159,754	(877,456)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for non-operating additions and endowment	90,529	434,651
Net Change in Cash from Financing Activities	90,529	434,651
NET CHANGE IN CASH AND CASH EQUIVALENTS	(48,349)	(488,936)
CASH AND CASH EQUIVALENTS, Beginning of year	756,779	1,245,715
CASH AND CASH EQUIVALENTS, End of year	$ 708,430	$ 756,779

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. In FY24, CAM celebrated its 20th anniversary and presented exhibitions of prescient and seminal work by emerging and established artists, working with varied media including painting, sculpture, printmaking, installation, and video. CAM presented the first museum exhibition of work by Dominic Chambers, a new mural and video work by Justin Favela, and a large-scale sound installation and exhibition by Hajra Waheed in the fall/winter season, and a major exhibition of artist Paul Chan in the spring/summer which included a new mural and new video work. Alongside its exhibitions, CAM produces scholarly exhibition catalogs: an illustrated, full color book including texts and interpretive essays. CAM published catalogs for Dominic Chambers and Hajra Waheed and co-published a catalog along with The Mint Museum on upcoming FY25 exhibiting artist Shinichi Sawada. The Museum partnered with Bengelina Hospitality Group to open AO&Co at CAM, a new cafe space giving CAM visitors and neighbors alike the opportunity to enjoy coffee breaks, lunch meetings, and see some art too. In FY24, CAM served 27,060 visitors in person and 241,134 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 throughout FY24 and included artist talks, panel discussions, music and dance performances, and hands-on art instruction for elementary students, teens, and seniors. In FY24, CAM hosted 158 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 29 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 FY24, works were shown by students participating in New Art in the Neighborhood, LEAP Middle School Initiative, and the ArtReach Partnership. Teen Museum Studies presented an exhibition by the local artist Ruth Reese, whose ceramic sculptures are inspired by Greco-Roman mythology and explore ideas of metamorphosis and growth as an integral part of life. In FY24, the Museum served 4,255 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.

Change in Accounting Principle

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

CAM adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

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, 2024, its uninsured deposits totaled $469,138. 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 5% per year for 2024 and 2023, 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.

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

Revenue Recognition *(Continued)*

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.

Rental and Other Income
CAM records sales from its gift shop and space rentals 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, employee retention credit grant receivable, 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.

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

Pledges Receivable

Pledges receivable are carried net of discount and allowance for credit losses. The allowance for credit losses is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. At June 30, 2024 and 2023, there was no allowance for credit losses.

Contributions of Nonfinancial Assets

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

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.

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 2021 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.

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

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.

Leases

CAM determines if an arrangement is or contains a lease at inception. Leases are included in the right-of-use ROU assets and lease liabilities on the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Variable lease costs are not included in the calculation. Operating lease expense is recognized on a straight-line basis over the lease term. CAM does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term.

Subsequent Events

CAM has evaluated events and transactions for potential recognition or disclosure through September 12, 2024, the date the financial statements were available to be issued.

B. INVESTMENTS

The investments at June 30, 2024 are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Taxable Fixed Income	$ 4,338,636	$ 4,243,956	($ 94,680)
Equity Mutual Funds	7,264,920	10,128,643	2,863,723
Total Investments	$11,603,556	$14,372,599	$2,769,043

The investments at June 30 2023, are summarized as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
U.S Government Bonds	$ 455,107	$ 447,259	($ 7,848)
Taxable Fixed Income	3,552,310	3,304,572	(247,738)
Real Estate Fund	259,081	258,222	(859)
Equity Mutual Funds	7,348,640	9,064,351	1,715,711
Municipal Bonds	162,305	157,698	(4,607)
Total Investments	$11,777,443	$13,232,102	$1,454,659

Investment return at June 30 is summarized as follows:

	2024	2023
Dividends and interest	$ 348,735	$ 397,178
Less: investment management fees	(45,840)	(43,159)
Net realized and unrealized gains	1,363,360	799,922
Total investment gain, net of fees	$1,666,255	$1,153,941

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, 2024			
	Level 1	Level 2	Level 3	Total
Taxable Fixed Income	$ -	$4,243,956	$ -	$ 4,243,956
Equity Mutual Funds	10,128,643	-	-	10,128,643
Total	$10,128,643	$4,243,956	$ -	$14,372,599

	Investments at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
U.S Government Bonds	$ -	$ 447,259	$ -	$ 447,259
Taxable Fixed Income	-	3,304,572	-	3,304,572
Real Estate Funds	258,222	-	-	258,222
Equity Mutual Funds	9,064,351	-	-	9,064,351
Municipal Bonds	-	157,698	-	157,698
Total	$9,322,573	$3,909,529	$ -	$13,232,102

D. PLEDGES RECEIVABLE

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

	2024	2023
Receivable in less than one year	$ 1,669,957	$ 1,341,873
Receivable in one to five years	4,000,000	4,255,000
Receivable in more than five years	5,000,000	5,000,000
	10,669,957	10,596,873
Less discount at June 30, 2024 and 2023	(1,859,948)	(1,904,321)
Total Pledges Receivable, Net	$ 8,810,009	$ 8,692,552

E. 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.

F. PROPERTY AND EQUIPMENT

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

	2024	2023
Land and land improvements	$ 397,250	$ 397,250
Furniture, fixtures, and equipment	295,240	270,123
Building and building improvements	9,954,833	9,916,841
	10,647,323	10,584,214
Less: accumulated depreciation	(5,206,836)	(4,860,966)
Total Property and Equipment, Net	$ 5,440,487	$ 5,723,248

G. 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% (8.41% at June 30, 2024). The line of credit expires December 30, 2024. No borrowings were made throughout the years ended June 30, 2024 and 2023.

H. 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 3^{rd} and 4^{th} quarters of 2020 and the 1^{st} and 2^{nd} quarters of 2021. The credit was also claimed for 3^{rd} 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 for the year ended June 30, 2022. CAM has received $235,698 and $126,386 during the years ended June 30, 2023 and 2022, respectively. No amounts were received during the year ended June 30, 2024. The ERTC receivable balance outstanding at June 30, 2024 and 2023 is $71,841.

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.

I. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to expenditures for specific purpose:		
Unappropriated endowment	$ 1,002,780	$ 488,663
Exhibitions, education, and outreach	534,955	600,856
	$ 1,537,735	$ 1,089,519
Subject to passage of time:		
Future periods	$ 70,000	$ 185,000
Create: The CAMpaign	5,578	126,881
	$ 75,578	$ 311,881
Perpetual in nature:		
Original donor-restricted gift amount and amount required to be maintained by donor	$16,254,805	$16,222,575
Total Net Assets with Donor Restrictions	$17,868,118	$17,623,975

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.

J. 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:

	2024	2023
Purpose Restrictions		
Exhibitions, education, and outreach	$367,523	$384,000
Time Restrictions Expired	185.000	167,500
Exhibits, program, and time Released from Restrictions	$552,523	$551,500
Create: The CAMpaign Released from Restrictions	$121,779	$434,641
Draw for unrestricted operations Released from Restrictions	$570,000	$530,000

K. 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.

K. **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.

K. **ENDOWMENT** *(Continued)*

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	$ -	$17,263,163	$17,263,163
Board designated endowment funds	5,647,651	-	5,647,651
Total Funds	$5,647,651	$17,263,163	$22,910,814

Changes in endowment net assets as of June 30, 2024 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets,			
Beginning of year	$4,649,197	$16,838,119	$21,487,316
Contributions	250,000	35,758	285,758
Investment income	122,477	226,258	348,735
Net Appreciation	478,811	884,548	1,363,359
Investment management fees	(16,098)	(29,741)	(45,839)
Create: The CAMpaign receipts	90,529	(90,529)	-
Create: The CAMpaign write-offs	-	(31,250)	(31,250)
Principal on Chiller Loan	68,618	-	68,618
Interest on Chiller Loan	4,117	-	4,117
Amounts appropriated for operations	-	(570,000)	(570,000)
Endowment net assets, end of year	$5,647,651	$17,263,163	$22,910,814

The Board of Directors, in previous years, 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.

During the year ended June 30, 2024, the Board Designated Endowment loaned $300,000 for program operations. No amounts were loaned during the year ended June 30, 2023. As of June 30, 2024, the Board Designated Endowment was owed $300,000. The loan was repaid subsequent to year end.

K. **ENDOWMENT** *(Continued)*

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Donor-restricted perpetual endowment funds	$ -	$16,838,119	$16,838,119
Board designated endowment funds	4,649,197	-	4,649,197
Total Funds	$4,649,197	$16,838,119	$21,487,316

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets,			
Beginning of year	$3,897,953	$ 8,920,176	$12,818,129
Contributions	6,728	8,114,411	8,121,139
Investment income	130,468	266,711	397,179
Net Appreciation	269,810	530,111	799,921
Investment management fees	(14,520)	(28,639)	(43,159)
Create: The CAMpaign receipts	434,651	(434,651)	-
Principal on Chiller Loan	68,618	-	68,618
Interest on Chiller Loan	5,489	-	5,489
Amounts appropriated for operations	(150,000)	(530,000)	(680,000)
Endowment net assets, end of year	$4,649,197	$16,838,119	$21,487,316

L. 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:

	2024	2023
Cash and cash equivalents	$ 708,430	$ 756,779
Pledges and other receivables, net	8,910,051	8,781,794
Investments	14,372,599	13,232,102
Total financial assets	23,991,080	22,770,675
Less amounts not available to be used within one year:		
Board designated for endowment, net	5,647,651	4,649,197
Donor-restricted perpetual endowment	16,254,805	16,222,575
Donor-restricted for time and purpose	1,158,358	860,544
Total financial assets not available to be used within one year	23,060,814	21,732,316
Financial assets available to meet cash needs for general expenditures within one year	$ 930,266	$ 1,038,359

As more fully described in Note G, 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.

S U P P L E M E N T A L

I N F O R M A T I O N

Contemporary Art Museum St. Louis
WITHOUT DONOR RESTRICTION - STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Operating	Non-Operating	Total Without Donor Restriction	Operating	Non-Operating	Total Without Donor Restriction
REVENUES						
Individual contributions	$ 1,029,681	$ -	$ 1,029,681	$ 623,137	$ 9,319	$ 632,456
Corporate/foundation/special contributions	167,500	250,000	417,500	242,078	-	242,078
Government grants	319,817	-	319,817	260,620	-	260,620
Investment gain, net of fees	-	585,190	585,190	-	385,758	385,758
Rental and other income	86,803	-	86,803	127,704	-	127,704
Special events, net of cost of direct benefits to donors of $156,414 and $215,654, respectively	528,888	-	528,888	261,874	-	261,874
Art auctions	4,117	-	4,117	251,600	-	251,600
Net assets released from restrictions:						
Draw for unrestricted operations	570,000	-	570,000	680,000	(150,000)	530,000
Create: The CAMpaign	-	121,779	121,779	-	434,651	434,651
Exhibits, program, and time	552,523	-	552,523	551,500	-	551,500
Capital expenditures	-	-	-	(45,000)	45,000	-
Chiller loan repayment	(68,618)	68,618	-	(68,618)	68,618	-
Total Revenues	3,190,711	1,025,587	4,216,298	2,884,895	793,346	3,678,241
EXPENSES						
Program services	2,282,531	332,035	2,614,566	2,076,350	329,788	2,406,138
Supporting services	224,928	30,592	255,520	214,196	3,435	217,631
Fundraising	631,562	10,376	641,938	582,548	10,306	592,854
Total Expenses	3,139,021	373,003	3,512,024	2,873,094	343,529	3,216,623
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	$ 51,690	$ 652,584	$ 704,274	$ 11,801	$ 449,817	$ 461,618

See accompanying notes to financial statements