

**LOS ANGELES COUNTY MUSEUM OF  
NATURAL HISTORY FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

**LOS ANGELES COUNTY MUSEUM OF  
NATURAL HISTORY FOUNDATION**

FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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WE ARE AN INDEPENDENT MEMBER OF  
THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK

**AUDIT  
AND  
ASSURANCE**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Los Angeles County Museum of  
Natural History Foundation

### **Opinion**

We have audited the financial statements of Los Angeles County Museum of Natural History Foundation (the Foundation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 the Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility 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.

To the Board of Trustees  
Los Angeles County Museum of  
Natural History Foundation

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 Foundation'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 Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Report on Summarized Comparative Information**

The financial statements of the Foundation as of and for the year ended June 30, 2023 were audited by other auditors who expressed an unmodified audit opinion on those audited financial statements in their report dated March 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Green Hasson & Janks LLP*

December 18, 2024  
Los Angeles, California

# LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

June 30, 2024

With Summarized Totals at June 30, 2023

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 63,341,125	\$ 95,993,090
Accounts Receivable	817,757	564,233
Grants and Contributions Receivable (Net)	9,095,503	8,566,203
Prepaid Expenses and Other Assets	388,747	551,618
Right-of-Use Assets	18,828,127	17,793,564
Investments	202,445,186	192,160,476
Leasehold Improvements, Exhibits and Equipment (Net)	159,936,431	113,723,362
Collections	-	-
<b>TOTAL ASSETS</b>	<u>\$ 454,852,876</u>	<u>\$ 429,352,546</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Liabilities	\$ 19,490,185	\$ 15,233,418
Lease Liabilities	20,027,067	18,625,673
Loan Payable (Net)	16,844,621	10,492,729
Bonds Payable (Net)	128,179,953	128,395,913
<b>TOTAL LIABILITIES</b>	184,541,826	172,747,733
<b>NET ASSETS:</b>		
Without Donor Restrictions:	156,979,009	153,551,023
With Donor Restrictions	113,332,041	103,053,790
<b>TOTAL NET ASSETS</b>	<u>270,311,050</u>	<u>256,604,813</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 454,852,876</u>	<u>\$ 429,352,546</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b><i>OPERATING ACTIVITIES:</i></b>				
<b>REVENUE AND SUPPORT:</b>				
Government Grants	\$ 2,578,104	\$ 6,046,502	\$ 8,624,606	\$ 29,853,818
Support from County of Los Angeles	22,530,000	-	22,530,000	21,809,679
Museum Admissions	9,510,150	-	9,510,150	8,966,371
Contributions	3,251,899	5,764,012	9,015,911	7,238,672
Museum Use and Services	4,301,421	187,537	4,488,958	4,576,011
Membership Dues	2,330,807	2,500	2,333,307	2,508,710
Other	45,467	450,506	495,973	1,372,812
<b>TOTAL REVENUE AND SUPPORT</b>	<b>44,547,848</b>	<b>12,451,057</b>	<b>56,998,905</b>	<b>76,326,073</b>
<b>RELEASES AND APPROPRIATIONS</b>				
Net Assets Released from Donor Restrictions	3,013,703	(3,013,703)	-	-
Appropriation of Endowment Assets	10,203,253	8,414	10,211,667	8,312,203
<b>TOTAL RELEASES AND APPROPRIATIONS</b>	<b>13,216,956</b>	<b>(3,005,289)</b>	<b>10,211,667</b>	<b>8,312,203</b>
<b>EXPENSES:</b>				
Program Services	46,086,405	-	46,086,405	43,797,744
Support Services	17,786,459	-	17,786,459	15,229,299
<b>TOTAL EXPENSES</b>	<b>63,872,864</b>	<b>-</b>	<b>63,872,864</b>	<b>59,027,043</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(6,108,060)</b>	<b>9,445,768</b>	<b>3,337,708</b>	<b>25,611,233</b>
<b><i>NON-OPERATING ACTIVITIES</i></b>				
Investment Return (Net)	23,420,272	1,188,341	24,608,613	21,575,025
Interest and Related Fees	(4,028,417)	-	(4,028,417)	(4,053,478)
Appropriation of Endowment Assets	(9,855,809)	(355,858)	(10,211,667)	(8,312,203)
<b>CHANGE IN NET ASSETS</b>	<b>3,427,986</b>	<b>10,278,251</b>	<b>13,706,237</b>	<b>34,820,577</b>
Net Assets - Beginning of Year	153,551,023	103,053,790	256,604,813	221,784,236
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 156,979,009</b>	<b>\$ 113,332,041</b>	<b>\$ 270,311,050</b>	<b>\$ 256,604,813</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024							2023 Total
	Program Services			Support Services		Total Support Services	Total	
	Education and Exhibits	Research and Collections	Total Program Services	General and Administrative	Fundraising			
Salaries and Wages	\$ 15,942,307	\$ 11,708,321	\$ 27,650,628	\$ 2,854,217	\$ 3,984,456	\$ 6,838,673	\$ 34,489,301	\$ 30,496,352
Professional Fees	1,706,735	816,986	2,523,721	710,582	937,719	1,648,301	4,172,022	3,915,904
Museum Use and Services	1,409,072	1,318,138	2,727,210	1,938,368	317,951	2,256,319	4,983,529	4,981,902
Occupancy	318,187	1,958,651	2,276,838	31,363	68,058	99,421	2,376,259	1,611,127
Insurance and Other	355,294	639,452	994,746	296,497	94,407	390,904	1,385,650	1,345,732
Advertising and Promotion	875,224	31,875	907,099	17,235	483,000	500,235	1,407,334	1,225,546
Repairs and Maintenance	946,460	529,373	1,475,833	636,448	122,533	758,981	2,234,814	2,072,365
Depreciation	2,537,084	1,312,739	3,849,823	3,589,334	2,643	3,591,977	7,441,800	8,073,933
Other	2,093,887	1,586,620	3,680,507	1,015,751	685,897	1,701,648	5,382,155	5,304,182
<b>TOTAL 2024 FUNCTIONAL EXPENSES</b>	<u>\$ 26,184,250</u>	<u>\$ 19,902,155</u>	<u>\$ 46,086,405</u>	<u>\$ 11,089,795</u>	<u>\$ 6,696,664</u>	<u>\$ 17,786,459</u>	<u>\$ 63,872,864</u>	
<b>TOTAL 2023 FUNCTIONAL EXPENSES</b>	<u>\$ 24,652,247</u>	<u>\$ 19,145,497</u>	<u>\$ 43,797,744</u>	<u>\$ 8,110,493</u>	<u>\$ 7,118,806</u>	<u>\$ 15,229,299</u>		<u>\$ 59,027,043</u>

The Accompanying Notes are an Integral Part of These Financial Statements

# LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 13,706,237	\$ 34,820,577
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	7,441,800	8,073,933
Net Realized and Unrealized Gain on Investments	(18,974,410)	(17,550,932)
Amortization of Bond Issuance Costs	43,823	43,823
Amortization of Bond Premium	(259,783)	(259,783)
(Increase) Decrease in:		
Accounts Receivable	(253,524)	15,395
Grants and Contributions Receivable	(529,300)	6,556,965
Prepaid Expenses and Other Assets	162,871	(93,358)
Right-of-Use Assets	(1,034,563)	824,701
Increase in:		
Accounts Payable and Accrued Liabilities	(1,187,495)	1,322,158
Lease Liabilities	1,401,394	(237,728)
	<b>517,050</b>	<b>33,515,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Leasehold Improvements, Exhibits and Equipment	(48,210,607)	(19,462,895)
Purchases of Investments	(179,471,111)	(66,996,845)
Proceeds from Sales of Investments	188,160,811	71,451,674
	<b>(39,520,907)</b>	<b>(15,008,066)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Note Payable	6,351,892	10,492,729
	<b>(32,651,965)</b>	<b>29,000,414</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents - Beginning of Year	95,993,090	66,992,676
	<b>\$ 63,341,125</b>	<b>\$ 95,993,090</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest Paid (Including Capitalized Interest of \$487,772)	<b>\$ 4,734,180</b>	<b>\$ 4,352,230</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</b>		
Accounts Payable for Leasehold Improvements, Exhibits and Equipment	<b>\$ 5,444,262</b>	<b>\$ 5,691,022</b>

The Accompanying Notes are an Integral Part of These Financial Statements



# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 1 - ORGANIZATION

The Los Angeles County Museum of Natural History Foundation (the Foundation), a California not-for-profit corporation, was incorporated in 1965 for the purpose of providing financial and other support to the Los Angeles County Museum of Natural History (the Museum). The County of Los Angeles (the County), through its Department of Museum of Natural History (the Department), in partnership with the Foundation, owns, operates and maintains the Museum. The mission of the Museum is to inspire wonder, discovery and responsibility for our natural and cultural worlds. This is accomplished through permanent and traveling exhibits, public programming, and educational and research programs.

The Foundation supports and assists in the maintenance and development of the Museum's educational, scientific and cultural programs and services, and in the expansion of its collections.

A Board of Governors appointed by the County's Board of Supervisors is the governing body of the Department. To better coordinate and facilitate management of the Museum and its operations, members of the Board of Governors also serve on the Foundation's Board of Trustees, and the Director of the Department also serves as the President of the Foundation.

The County reimburses the Foundation for certain services it provides for the Museum, and the amount of the reimbursement is reflected as part of the Foundation's revenue and support in the accompanying statement of activities and changes in net assets. In addition, the County provides funds directly to providers of services to the Museum, which are not included in the accompanying statement of activities.

The Foundation and the County, through the Department, currently share responsibility for the following family of museums:

#### Natural History Museum of Los Angeles County

In 1913, the Natural History Museum was the first cultural institution open to the public in Los Angeles. Located within Exposition Park, it has become a national leader in collections, research, exhibitions and education. It is one of the preeminent natural and cultural museums in the United States, with millions of specimens and artifacts in its collections covering 4.5 billion years of Earth and human history.

#### The La Brea Tar Pits and Museum

Established in 1977, the La Brea Tar Pits and Museum is recognized for having the largest and most diverse assemblage of extinct Ice Age plants and animals in the world, consisting of more than 600 species. During the summer, the public can observe paleontological fieldwork. The excavated fossils are cleaned, repaired and identified in a paleontology laboratory inside the Museum, which can be viewed by the public.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 1 - ORGANIZATION (continued)

#### William S. Hart Museum

The William S. Hart Museum was the home of William S. Hart, an American silent Western film star, which he bequeathed on his death to the County of Los Angeles. It contains the original furnishings, a collection of Western art, and memorabilia of early Hollywood and Native American artifacts. The William S. Hart Museum is situated in Hart Park in Newhall, California and also contains historic buildings and offers hiking trails, picnic areas and camping.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board has designated, from net assets without donor restrictions, an endowment to provide financial stability to support the Foundation's long-term strategic goals..
- **Net Assets With Donor Restrictions.** Net assets subject to donor-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 resources 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.

#### (b) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers all short-term, highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(c) ACCOUNTS RECEIVABLE**

Accounts receivable are recorded when billed or accrued and represent claims against or commitments of third parties that will be settled in cash. The carrying value of receivables represents their estimated net realizable value. The Foundation closely monitors accounts receivable and estimates the allowance for credit losses when lifetime credit losses are expected by management. The estimation of the allowance is based on an analysis of historical loss experience and management's assessment of current conditions and reasonable and supportable expectation of future conditions. The Foundation assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances do not share similar risk characteristics with the pools. The expense associated with the allowance for expected credit losses is recognized in other expenses on the statement of functional expenses. At June 30, 2024, the Foundation evaluated the collectability of its accounts receivable and determined that no allowance for credit losses was necessary.

#### **(d) GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions, which may include unconditional promises to give, are recognized as revenue in the period received or pledged. Conditional promises to give - those with a measurable performance or other barrier and a right of return - are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Amounts expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows discounted at an appropriate market interest rate at the time of the contribution. The Foundation has established a general reserve considered to be adequate but not excessive in relation to the outstanding grants and contributions receivable balance.

#### **(e) LEASES**

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease 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 lease expense on a straight-line basis over the lease term.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(f) INVESTMENTS**

The Foundation's investments, which consist of public and private equities, fixed income securities, mutual funds and alternative investments, are reflected on the statement of financial position at fair value. Sales and purchases of securities are recorded on trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return (net) in the statement of activities and represent the change in the difference between the cost and current market quotations of investments held at the end of the fiscal year.

The Foundation's equity investments and fixed income securities are generally publicly traded on national securities exchanges and have readily available quoted market values. The Foundation's investments in alternative investments are carried at estimated fair value. Management established fair value of these nonmarketable investments based on valuations provided by investment advisors and custodians. The Foundation believes that the net asset value (NAV) of these nonmarketable investments is a reasonable estimate of fair value. Because of the inherent uncertainty of valuation of nonmarketable investments, the estimated fair value may differ significantly from the values that would have been used had a ready market for such investments existed.

#### **(g) LEASEHOLD IMPROVEMENTS, EXHIBITS AND EQUIPMENT**

The County owns all of the Museum buildings. The County owns the land on which the La Brea Tar Pits and Museum is located and the land on which the William S. Hart Museum is located. The State owns the land on which the Natural History Museum in Exposition Park is located. Under a ground lease, the County has leased the land from the State of California for a 75-year period, which expires in 2081. The County and the Foundation have entered into a funding agreement that extends to 2081 and the Foundation is occupying the buildings and land under this agreement. The fair value of the use of the buildings is not estimable and, therefore, not recorded in the accompanying financial statements.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) LEASEHOLD IMPROVEMENTS, EXHIBITS AND EQUIPMENT (continued)

Leasehold improvements, exhibits and equipment over \$25,000 are carried at cost, if purchased, or at fair value on the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	10 to 30 Years
Exhibits	2 to 15 years
Equipment	5 Years

#### (h) LONG-LIVED ASSETS

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2024.

#### (i) COLLECTIONS

In conformity with the practice followed by many museums, collection items purchased by or donated to the Foundation are not capitalized in the statement of financial position. The Foundation's collections are made up of objects that are held for exhibition, research and various other program activities. Each of the items is catalogued, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. Purchased collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired. Contributed collection items are excluded from the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in net assets with donor restrictions. Deaccession proceeds are required by Foundation policy to be applied to the acquisition of collection items and for the direct care of the collection. Direct care includes expenditures that provide a direct benefit to the collection by enhancing its life, usefulness, or quality and excludes expenditures for routine maintenance of the collection.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(j) REVENUES AND SUPPORT**

Contributed revenue includes contributions, membership dues and government grants. Annual memberships are recognized as revenue when such income is received. Memberships, which are nonrefundable and nonreciprocal in nature, directly support the Foundation's mission and the benefits to members are available immediately upon joining. Government grant revenues determined to be contributions are recognized when their conditions are met either by expenditures being incurred or benchmarks being met. All grants are nonreciprocal in nature with the primary beneficiary being the general public.

Revenue from contracts with customers includes admissions and museum use and service revenue. Admissions, which are nonrefundable in nature, comprise an exchange element that is satisfied immediately upon the time of entrance. Contract performance obligations are satisfied and the revenue is recognized when the income is received. As all revenue is recognized immediately, there is no deferral of revenues. There are no significant associated contract receivables, assets, or contract liabilities for revenue from contracts with customers as of June 30, 2024 or 2023.

As discussed in Note 1, the County and the Foundation have entered into a funding agreement that extends to June 30, 2081. Under the terms of the funding agreement, the County provided \$26,566,100 to the Foundation for the year ended June 30, 2024. These funds were used to operate and generally administer the Museum and maintain and preserve the Museum and all structures and facilities in good repair and working order. Of this amount, \$22,530,000 was received directly by the Foundation as reimbursements for certain Foundation services and is included in the accompanying statement of activities and changes in net assets as support from the County. The remaining amount of \$4,036,100 was provided directly by the County to other providers of services to the Museum and are not reflected in the accompanying financial statements.

The amount provided under the agreement with the County will be adjusted annually by the Consumer Price Index, but no such annual adjustment shall exceed 5%. The Foundation is responsible for contributing each fiscal year towards its operations for the benefit of the Museum an amount no less than 80% of the amount provided by the County. For the year ended June 30, 2024, the Foundation provided \$44,680,572, representing 168.2% of the amounts provided by the County.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(k) INCOME TAXES**

The Foundation is a California nonprofit corporation and is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (IRC) and is also exempt from state franchise taxes.

In accordance with Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Foundation recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit based on the technical merits of the position.

During the year ended June 30, 2024, the Foundation performed an evaluation of uncertain tax positions and did not identify any matters that would require recognition in the financial statements or which may have an effect on its tax-exempt status and to date has not recorded any uncertain tax positions.

#### **(l) ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses the market or income approach. Based on this approach, the Foundation utilizes certain assumptions about the risk and/or risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Foundation is required to provide information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values and in general is defined as follows:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. For the year ended June 30, 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent with the techniques applied during the year ended June 30, 2023.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(I) ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS** (continued)

Financial instruments included in the Foundation's statement of financial position include cash and cash equivalents, accounts receivable, grants and contributions receivable, investments, accounts payable and accrued liabilities, note payable and bonds payable.

For cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the carrying amounts represent a reasonable estimate of fair values due to their short-term maturity. Grants and contributions receivable have been discounted using applicable market rates to approximate fair value. The estimated fair value of the Foundation's note payable and bonds payable approximates the carrying value of these liabilities as these bear interest commensurate with their risks. Investments are reflected at estimated fair value as described below.

The basis of fair value for the Foundation's investments differs depending on the investment type. For certain investments, market value is based on quoted market prices. These are classified within Level 1 of the valuation hierarchy. For other investments that (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company, they are valued, as a practical expedient, utilizing the net asset valuations provided by their respective investment manager or general partner.

#### **(m) CONCENTRATION OF CREDIT RISK**

Credit risk is the failure of another party to perform in accordance with contract terms. Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, grants and contributions receivable, and investments.

The Foundation maintains its cash and cash equivalents in bank deposit and other investment accounts which may, at times, exceed federally insured limits. The Foundation does not recognize a reserve for expected credit losses related to its cash equivalents as it has concluded there is no risk of non-payment.

With respect to accounts receivable and grants and contributions receivable, the Foundation routinely assesses the financial strength of its donors and contracted parties and believes that the related credit risk exposure is limited.



# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### **(n) CONCENTRATION OF CREDIT RISK** (continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position. The Foundation attempts to limit its credit risk associated with investments through diversification, by utilizing the expertise and processes of an outside investment consultant, and oversight by the Foundation's Finance Committee.

#### **(o) FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the Foundation's programs and other activities have been presented in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain indirect expenses attributable to more than one functional category or major program are allocated using a method that best measures the relative degree of benefit, such as proportionate compensation expense amounts, as well as other methods.

#### **(p) 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **(q) COMPARATIVE TOTALS**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

#### **(r) RECLASSIFICATIONS**

For comparability, certain June 30, 2023 amounts have been reclassified where appropriate, to conform to the financial statement presentation used at June 30, 2024. The reclassifications had no impact on the previously reported change in net assets.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. The Foundation implemented this ASU during the year ended June 30, 2024 with no material impact on the financial statements beyond additional disclosures.

#### (t) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 18, 2024, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred except as described in Note 13.

### NOTE 3 - GRANTS AND CONTRIBUTIONS RECEIVABLE

At June 30, 2024, the Foundation's grants and contributions receivable consist of:

Due within One Year	\$ 3,260,992
Due Between One and Five Years	841,666
Due after Five Years	<u>8,712,500</u>
<b>TOTAL</b>	12,815,158
Less: Present Value Discount (Average Rate of 2.4%)	(3,062,606)
Less: Allowance for Uncollectible Grants and Contributions Receivable	<u>(657,049)</u>
<b>TOTAL GRANTS AND CONTRIBUTIONS RECEIVABLE (NET)</b>	<u>\$ 9,095,503</u>

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 4 - INVESTMENTS

The Foundation establishes the fair value of Level 1 investments based on quoted market prices. The Foundation establishes Level 2 investments through observation of trading activity reported at net asset value or market values of similar observable or underlying assets. The Foundation establishes Level 3 investments, if any, through a documented valuation process including review of audited reports for the investment funds, verification of the fair value of marketable securities in the funds, regular review of fund manager valuation approaches, and monitoring the fund's activities. For other investments that (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company, they are valued, as a practical expedient, utilizing the net asset valuations provided by their respective investment manager or general partner.

At June 30, 2024, the Foundation's investments were classified by level within the valuation hierarchy as follows:

	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
<b>INVESTMENTS:</b>					
Cash and Cash Equivalents	\$ 4,815,669	\$ -	\$ -	\$ 302,738	\$ 5,118,407
Equities and Mutual Funds	-	-	-	95,605,810	95,605,810
Corporate Bonds	-	-	-	8,297,440	8,297,440
Government Securities	21,817,376	-	-	-	21,817,376
Hedge Funds	-	-	-	23,019,374	23,019,374
Private Equity	-	-	-	48,586,779	48,586,779
<b>TOTAL INVESTMENTS</b>	<b>\$ 26,633,045</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,812,141</b>	<b>\$ 202,445,186</b>

The following table summarizes the redemption frequency and notice period for the Foundation's investments using NAV as practical expedient at June 30, 2024:

	Fair Value	Redemption Frequency	Redemption Notice Period
Equities and Mutual Funds	\$ 95,605,810		
Fixed Income	8,297,440	Monthly	15 - 30 Days
Hedge Funds	23,019,374	Monthly to Quarterly	15 -90 Days
Private Equity	48,586,779	Quarterly to Illiquid	30 Days to Illiquid
<b>TOTAL</b>	<b>\$ 175,509,403</b>	Illiquid	Illiquid

Total unfunded commitments at June 30, 2024 amounted to \$21,501,514.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 5 - LEASEHOLD IMPROVEMENTS, EXHIBITS AND EQUIPMENT

Leasehold improvements, exhibits and equipment at June 30, 2024 consist of the following:

Leasehold Improvements	\$ 121,758,519
Exhibits	54,914,566
Equipment	19,407,121
Construction in Progress	<u>96,007,779</u>
<b>TOTAL</b>	292,087,985
Less: Accumulated Depreciation	<u>(132,151,554)</u>
<b>LEASEHOLD IMPROVEMENTS, EXHIBITS AND EQUIPMENT (NET)</b>	<u><u>\$ 159,936,431</u></u>

Depreciation expense amounted to \$7,441,800 for the year ended June 30, 2024.

The estimated cost to complete the construction in progress is \$8,000,000.

### NOTE 6 - COMMITMENTS AND CONTINGENCIES

#### (a) OPERATING LEASES

The Foundation leases storage facilities and office equipment under several non-cancelable operating leases expiring at various dates through the year ending June 30, 2042.

At June 30, 2024, the Foundation recognized \$18,828,127 of ROU assets and \$20,027,067 of related lease liabilities for contracts that are classified as operating leases. Lease cost was \$1,184,080 for the year ended June 30, 2024.

The weighted-average remaining operating lease term and the weighted-average discount rate were as follows during the year ended June 30, 2024:

Weighted-Average Lease Term	13.38 years
Weighted-Average Discount Rate	4.48%

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 6 - COMMITMENTS AND CONTINGENCIES (continued)

Maturities of operating lease liabilities as of June 30, 2024, are as follows:

#### Years Ending June 30, 2024

2025	\$	1,226,698
2026		1,270,767
2027		1,316,424
2028		1,363,726
2029		1,412,732
Thereafter		<u>19,845,073</u>
Total Lease Payments		26,435,420
Less: Imputed Interest		<u>(6,408,353)</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>20,027,067</u></b>

#### (b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, the Foundation may become involved in legal proceedings. Some of these proceedings may result in judgments being assessed against the Foundation, which, from time to time, may have an impact on its change in net assets. The Foundation does not believe that these proceedings, individually or in the aggregate, are material to the accompanying financial statements.

### NOTE 7 - LOAN PAYABLE

The Foundation has a loan of \$17,000,000 with a bank to assist with the design, development, construction, installation, equipping and furnishing new museum facilities known as the Commons.

Interest is payable monthly at a rate of 2.95%. Interest expense of \$487,772 was incurred and capitalized during the year ended June 30, 2024. The first principal payment is due in year 3 of the loan. The maximum loan balance permitted at each anniversary date is as follows:

<u>Date</u>	<u>Amount</u>
September 1, 2025	\$ 13,000,000
September 1, 2026	10,000,000
September 1, 2027	7,000,000
September 1, 2028	4,000,000

Thereafter, the entire unpaid principal balance of the loan, together with any accrued and unpaid interest, due on September 1, 2029.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 7 - LOAN PAYABLE (continued)

The Foundation must maintain a Modified Unrestricted Net Asset Coverage Ratio of not less than 0.90:1, measured annually as of June 30th of each fiscal year. The Foundation was in compliance with this covenant requirement as of June 30, 2024.

The Foundation incurred debt issuance costs of \$210,514 related to the loan agreement. These costs are capitalized and amortized over the term of the loan on a straight-line basis, which approximates the effective interest method.

Loan payable (net) consist of the following at June 30, 2024:

Loan Principal	\$ 17,000,000
Less: Unamortized Debt Issuance Costs	<u>(155,379)</u>
<b>LOAN PAYABLE (NET)</b>	<b><u>\$ 16,844,621</u></b>

### NOTE 8 - BONDS PAYABLE

At June 30, 2024, the Foundation had tax-exempt fixed-rate bonds outstanding totaling \$122,520,000 issued through California Infrastructure and Economic Development Bank. The bonds become due July 1, 2050, with one-half bearing interest at a rate of 3% and the other half at a rate of 4%, payable each January 1 and July 1. The Bonds are subject to optional redemption by the Issuer on or after July 1, 2030. The bonds are general unsecured obligations of the Foundation.

Interest expense related to the revenue bonds was \$4,288,200 for the year ended June 30, 2024.

At June 30, 2024, the bonds' mandatory redemption requirements are as follows:

<u>Redemption Date</u>	<u>Series 2020</u>
July 1, 2050	\$ 122,520,000

Bonds payable (net) consist of the following at June 30, 2024:

Series 2020 Bonds	\$ 122,520,000
Less: Unamortized Debt Issuance Costs	(1,148,533)
Plus: Unamortized Debt Premium	<u>6,808,486</u>
<b>BONDS PAYABLE (NET)</b>	<b><u>\$ 128,179,953</u></b>

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 9 - NET ASSETS

Net assets without donor restrictions consist of the following at June 30, 2024:

Unrestricted - Undesignated	\$ 1,124,722
Unrestricted - Board Designated	140,882,118
Investment in Leasehold Improvements, Exhibits and Equipment (Net of Related Bonds, Loan and Other Financing)	<u>14,972,169</u>
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u><u>\$ 156,979,009</u></u>

Net assets with donor restrictions consist of the following at June 30, 2024:

Time Restrictions	\$ 20,403,649
Capital Campaign	88,165,053
Education and Exhibits	1,669,907
Research and Collections	<u>3,093,432</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<u><u>\$ 113,332,041</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Capital Campaign	\$ 1,403,024
Education and Exhibits	939,206
Research and Collections	<u>671,473</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<u><u>\$ 3,013,703</u></u>

### NOTE 10 - ENDOWMENTS

The Foundation's endowment consists of various individual donor-restricted and Board-designated endowment funds. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 10 - ENDOWMENTS (continued)

As a result of this interpretation, the Foundation classifies as perpetual endowment (a) the original value of the 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 perpetual endowment is classified as time or purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the following factors are to be considered in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund,
- The purposes of the Foundation and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Foundation, and
- The investment policies of the Foundation.

At June 30, 2024, the Foundation's endowment net asset composition by type of fund was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 140,882,118	\$ -	\$ 140,882,118
Donor Designated Endowment Funds	-	12,095,161	12,095,161
<b>TOTAL ENDOWMENT FUNDS</b>	<b>\$ 140,882,118</b>	<b>\$ 12,095,161</b>	<b>\$ 152,977,279</b>

From time to time the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations occurring after the investment of contributions required to be held in perpetuity and continued appropriations for certain programs, which were deemed prudent by the Board of Trustees. There were no deficiencies of this nature at June 30, 2024.



# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 10 - ENDOWMENTS (continued)

For the year ended June 30, 2024, the Foundation's endowment net assets changed as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance - Beginning of Year	\$ 180,858,482	\$ 11,262,678	\$ 192,121,160
Investment Return (Net)	23,406,138	1,188,341	24,594,479
Interest and Related Fees	(4,028,417)	-	(4,028,417)
Appropriations:			
Operations	(9,855,809)	(355,858)	(10,211,667)
Capital Campaign Transfer	(49,498,276)	-	(49,498,276)
<b>BALANCE - END OF YEAR</b>	<b>\$ 140,882,118</b>	<b>\$ 12,095,161</b>	<b>\$ 152,977,279</b>

Investment return related to the Foundation's endowments required to be held in perpetuity is recorded as revenue with donor restrictions unless otherwise directed by the donor's gift instrument.

The Foundation has adopted an investment and spending policy for endowment assets that attempts to provide sufficient income to sustain funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as funds functioning as endowment. Under this policy, the long-term investment objective is to attain an inflation-adjusted total return (net of investment management fees and other costs) at least equal to the contemplated spending rate and to meet the Foundation's need for short-term, medium-term and long-term funding. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a rate consistent with the Foundation's long-term objectives.

To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation with a mix of equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of appropriating for distribution each year a percentage of the prior twelve calendar quarters' trailing average of the fair market value at June 30. The allowable spending rate under the policy for the year ended June 30, 2024, was 5% to cover operations and debt service-related payments plus an additional .05% to cover campaign expenses minus 1% for special allocation as permitted by the Foundation's policy.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### NOTE 11 - EMPLOYEE BENEFIT PLAN

The Foundation offers a defined contribution plan, whereby employees elect to make voluntary contributions (up to limits set by law) to the plan through a payroll deduction. The Foundation contributes 3% of employees' eligible pay whether the employee contributes or not. Additionally, the Foundation matches 40% of employee deferrals up to a total of 5% of eligible pay. The Foundation's contributions are vested after two years of service. Contributions during the year ended June 30, 2024 were \$840,257.

### NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation's financial assets available within one year of the statement of financial position at June 30, 2024, for general expenditures are as follows:

Financial Assets at June 30, 2024:	
Cash and Cash Equivalents	\$ 63,341,125
Accounts Receivable	817,757
Grants and Contributions Receivable	
Due Within One Year	3,260,992
Investments	202,445,186
Less Amounts Unavailable for General Expenditures within One Year, Due to:	
Board Designated Endowment	(140,882,118)
Capital Campaign and Other Purpose Restricted Funds	(113,332,041)
	<u>(254,214,159)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 15,650,901</b>

The Foundation defines general expenditures as amounts to be spent on regular Foundation operations and excludes amounts internally designated for capital construction projects.

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation's cash flows have variations during the year attributable to exhibition scheduling, holiday seasons, concentrations of contributions received at calendar and fiscal year-ends and the County operating contract obligation to the Foundation being paid in full at the beginning of each fiscal year. Additionally, the Foundation has Board designated funds without donor restrictions that, while the Foundation does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary. The Foundation also has a line of credit facility that it could draw upon in times of liquidity needs.

# LOS ANGELES MUSEUM OF NATURAL HISTORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 13 - SUBSEQUENT EVENTS**

Subsequent to year end, in September 2024, the Foundation entered into a new non-cancelable operating lease for office space. The lease is expected to commence during the year ending June 30, 2025, with anticipated total costs of approximately \$3,700,000 over the 5 year lease term.

Additionally, in October 2024, the Foundation entered into a new margin line of credit facility with a bank with available financing of \$20,000,000. The new line of credit facility bears interest at SOFR (5.56% at June 30, 2024) plus 1% and is set to mature in October 2025. The new line is secured by certain investment accounts.