

Financial Statements

Louisville Visual Art, Inc.

May 31, 2023 and 2022

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Independent Auditors' Report

Board of Directors
Louisville Visual Art, Inc.
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements of Louisville Visual Art, Inc. (the "Organization"), which comprise the statements of financial position as of May 31, 2023 and 2022, 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 the Organization as of May 31, 2023 and 2022, 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 ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

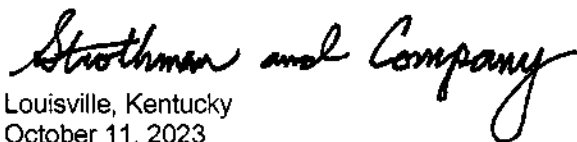
Auditors' Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Organization'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 Organization'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.


Louisville, Kentucky
October 11, 2023

Statements of Financial Position

Louisville Visual Art, Inc.

	May 31	
	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 391,255	\$ 905,058
Grants and accounts receivable	49,390	14,500
Pledges receivable, net	582,077	662,635
Property and equipment, net	1,201,665	569,675
Investments	10,000	21,456
Beneficial interest in perpetual trusts	720,925	794,986
	<u>2,955,312</u>	<u>2,968,310</u>
Total Assets	\$ 2,955,312	\$ 2,968,310
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 3,631	\$ 18,890
Accrued expenses and other	3,776	1,378
Deferred revenues	39,435	44,680
Fiscal sponsorship payable	8,667	4,426
Note payable	212,086	224,372
	<u>267,595</u>	<u>293,746</u>
Total Liabilities	267,595	293,746
Net Assets		
Without donor restrictions	1,243,042	571,827
With donor restrictions	1,444,675	2,102,737
	<u>2,687,717</u>	<u>2,674,564</u>
Total Net Assets	2,687,717	2,674,564
Total Liabilities and Net Assets	\$ 2,955,312	\$ 2,968,310

See Notes to Financial Statements

Statements of Activities

Louisville Visual Art, Inc.

	Year Ended May 31					
	2023			2022		
	Net Assets Without Restrictions	Net Assets With Restrictions	Total	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Revenues and Support						
Contributions	\$ 660,006		\$ 660,006	\$ 340,024	\$ 1,000,000	\$ 1,340,024
Grants	14,677		14,677	23,650		23,650
Proceeds from special events				38,700		38,700
Program revenue	366,122		366,122	358,657		358,657
Net investment return	12,111		12,111	19,774		19,774
Change in value of perpetual trust	76,415	\$ (74,061)	2,354	(1,108)	(87,590)	(88,698)
Other income	5,160		5,160	9,930		9,930
Total Support	1,134,491	(74,061)	1,060,430	789,627	912,410	1,702,037
Net Assets Released From Restrictions	584,001	(584,001)				
Total Revenues and Support	1,718,492	(658,062)	1,060,430	789,627	912,410	1,702,037
Expenses						
Program expenses	810,594		810,594	582,624		582,624
Direct benefits to donors				5,328		5,328
Management and general	162,072		162,072	167,458		167,458
Fundraising	74,611		74,611	71,979		71,979
Total Expenses	1,047,277		1,047,277	827,389		827,389
Change in Net Assets	671,215	(658,062)	13,153	(37,762)	912,410	874,648
Net Assets Beginning of Year	571,827	2,102,737	2,674,564	609,589	1,190,327	1,799,916
Net Assets End of Year	\$ 1,243,042	\$ 1,444,675	\$ 2,687,717	\$ 571,827	\$ 2,102,737	\$ 2,674,564

See Notes to Financial Statements

Statement of Functional Expenses

Louisville Visual Art, Inc.

Year Ended May 31, 2023

	Program Services	Direct Benefits to Donors	Management and General Expenses	Fundraising Expenses	Total Expenses
Salaries	\$ 244,561		\$ 67,853	\$ 50,436	\$ 362,850
Payroll taxes and benefits	70,462		19,550	14,531	104,543
Professional fees	30,000		28,650		58,650
Office expense and supplies	11,241		3,119	2,318	16,678
Telephone	1,790		497	369	2,656
Travel	4,464		1,238	920	6,622
Contract labor	116,752				116,752
Program expenses	267,484				267,484
Artist commissions	5,090				5,090
Awards and prizes	17,900				17,900
Repairs and maintenance	8,009		2,222	1,652	11,883
Insurance	7,748		2,150	1,598	11,496
Occupancy	9,930		16,640		26,570
Membership expense			1,147	60	1,207
Technology	1,941		5,666		7,607
Miscellaneous	3,758		1,045	775	5,578
Interest			9,669		9,669
Depreciation	9,464		2,626	1,952	14,042
Total Expenses	\$ 810,594	\$ -	\$ 162,072	\$ 74,611	\$ 1,047,277

See Notes to Financial Statements

Statement of Functional Expenses

Louisville Visual Art, Inc.

Year Ended May 31, 2022

	<u>Program Services</u>	<u>Direct Benefits to Donors</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>
Salaries	\$ 223,841		\$ 62,104	\$ 46,163	\$ 332,108
Payroll taxes and benefits	62,907		17,453	12,974	93,334
Professional fees			44,457	3,943	48,400
Office expense and supplies	10,774		2,989	2,222	15,985
Telephone	2,213		614	456	3,283
Travel	1,650		458	340	2,448
Contract labor	118,128				118,128
Art supplies	83,539				83,539
Artist commissions	20,560				20,560
Awards and prizes	14,970				14,970
Repairs and maintenance	9,725		2,698	2,006	14,429
Insurance	6,800		1,887	1,402	10,089
Occupancy	13,560		15,295		28,855
Development costs		\$ 5,328			5,328
Membership expense			320	17	337
Technology	2,049		5,983		8,032
Miscellaneous	2,491		691	514	3,696
Interest			9,896		9,896
Depreciation	9,417		2,613	1,942	13,972
Total Expenses	\$ 582,624	\$ 5,328	\$ 167,458	\$ 71,979	\$ 827,389

See Notes to Financial Statements

Statements of Cash Flows

Louisville Visual Art, Inc.

	Year Ended May 31	
	2023	2022
Operating Activities		
Change in net assets	\$ 13,153	\$ 874,648
Adjustments		
Depreciation	14,042	13,972
Decrease in value of perpetual trusts	74,061	87,590
Change in discount on pledges receivable	(30,244)	126,741
Changes in operating assets and liabilities		
Grants and accounts receivable	(34,890)	15,460
Pledges receivable	110,802	(767,316)
Accounts payable	(15,259)	7,841
Accrued expenses and other	2,398	(1,712)
Deferred revenues	(5,245)	13,610
Fiscal sponsorship payable	4,241	(2,485)
Net Cash Provided By Operating Activities	133,059	368,349
Investing Activities		
Purchase of investments		(21,456)
Proceeds from the sale of investments	11,456	
Purchase of equipment	(646,032)	(43,628)
Net Cash Used In Investing Activities	(634,576)	(65,084)
Financing Activity		
Payments on note payable	(12,286)	(10,978)
Net (Decrease) Increase in Cash and Cash Equivalents	(513,803)	292,287
Cash and Cash Equivalents Beginning of Year	905,058	612,771
Cash and Cash Equivalents End of Year	\$ 391,255	\$ 905,058
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 9,669	\$ 9,896

See Notes to Financial Statements

Notes to Financial Statements

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note A--Nature of Operations

Louisville Visual Art, Inc. (the "Organization"), located in Louisville, Kentucky, was organized to improve lives through visual art education, community outreach and artist engagement. In 1942, the Organization was originally organized under the name of Water Tower Art Association; in September 1988 changed their name to Louisville Visual Art Association, Inc.; and in fiscal year 2016, the Organization elected to change their name again to its current name. A significant portion of the Organization's funding is from the Fund for the Arts, grants, contributions, membership and program service fees. The Organization also receives investment and rental income.

Note B--Summary of Significant Accounting Policies

Basis of Accounting--The Organization follows generally accepted accounting principles ("GAAP") as outlined in the Financial Accounting Standards Board's ("FASB") *Accounting Standards Codification* ("ASC"). Significant accounting policies are as follows:

Financial Statement Presentation--The Organization reports information regarding its financial position and activities according to two classes of net assets; without donor restrictions, and with donor restrictions. Contributions received are recorded as with donor restriction or without donor restriction support, depending on the existence and/or nature of any donor restrictions.

Estimates--The preparation of financial statements in accordance with GAAP requires management to make assumptions on estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents--For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk--Financial instruments which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, accounts receivable, grants receivable, pledges receivable, and other assets

At times, cash in banks and cash equivalents may be in excess of the \$250,000 Federal Deposit Insurance Corporation ("FDIC") limit. Cash balances exceeded this FDIC coverage by approximately \$135,000 and \$541,000 for the years ended May 31, 2023 and 2022, respectively.

Grants Receivable--Grants receivable consists primarily of receivables from other organizations and businesses for revenues earned by the Organization. An allowance for uncollectibles is recorded to the extent it is probable that a portion or all of a particular account will not be collected. Receivables are considered uncollectible if payments are not received in ninety days. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. There is no allowance for uncollectibles at May 31, 2023 and 2022.

Continued

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

Beneficial Interest in Perpetual Trusts--Beneficial interests in perpetual trusts are funds held by outside trustees for the benefit of the Organization in accordance with the terms of irrevocable trusts. These funds are neither in the possession, nor under the control, of the Organization. The terms provide that the Organization is to receive all or a portion of the income earned by the funds that are held in trust. The fair values of the trusts are recognized as assets. Distributions from the trusts are recorded as a decrease in the beneficial interest.

Pledges Receivable--Pledges receivable are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. Pledges receivable becoming due in the next year are recorded at net realizable value. Pledges receivable due in subsequent years are reported at the present value of their net realizable value, using risk-adjusted discount rate applicable to the years in which the pledges are received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. The Organization uses the allowance method to estimate uncollectible promises to give. The allowance is based on collection experience in prior years and management's analysis of specific pledges made.

Property and Equipment--Property and equipment are recorded at cost, if purchased or at fair market value at the date of the gift, if donated. It is the Organization's policy to capitalize expenditures for property and equipment in excess of \$250. Repairs and maintenance are charged to expenses as incurred; renewals or betterments are capitalized.

Depreciation is provided on the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 4 to 40 years for property and equipment. Depreciation expense was \$14,042 and \$13,972 for the years ended May 31, 2023 and 2022, respectively, and is included in program services, management and general, and fundraising expenses on the accompanying statements of activities.

Impairment of Long-Lived Assets--Management of the Organization reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying value. There were no charges for impairment of long-lived assets during the years ended May 31, 2023 and 2022.

Income Taxes--The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). No provision for income taxes has been made in the accompanying financial statements.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax asset (or a reduction of a liability) only if the Organization has taken a position that more likely than not would be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of May 31, 2023 and 2022, all tax positions taken or expected to be taken would more likely than not be sustained upon examination.

Continued

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

Functional Allocation of Expenses--The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. During the years ended May 31, 2023 and 2022, certain costs have been allocated among the programs and supporting services benefited.

Deferred Revenues--Revenues from advanced receipts for registration for workshops are deferred until completion of the workshop performance.

Donated Services--No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with programs, solicitations and various assignments.

Investments--GAAP establishes a framework for measuring fair value and expands disclosures required for fair value measurements. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. These levels, in order of lowest to highest priority are described as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Organization's own assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Contributions--Contributions received are recorded as with donor restriction or without donor restriction support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Continued

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

Collection Capitalization--The collections, which were acquired through purchases and contributions since the Organization's receipt of funds designated for purchase collections, are not recognized as assets on the statements of financial position. Purchases of collection items are recorded as decreases in net assets without restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Subsequent Events--In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 11, 2023, the date the financial statements were available to be issued.

Note C--Pledges Receivable, Net

Pledges receivable and future maturities consist of the following:

	May 31	
	2023	2022
Amounts due in:		
Less than one year	\$ 110,701	\$ 116,060
One to five years	378,569	500,000
Thereafter	189,304	173,316
	<hr/>	<hr/>
Pledges Receivable, Gross	678,574	789,376
Unamortized discount on pledges receivable	(96,497)	(126,741)
	<hr/>	<hr/>
Pledges Receivable, Net	\$ 582,077	\$ 662,635

The pledges receivable due in more than one year were discounted to fair value using a discount rate of 4.00% as of December 31, 2023.

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note D--Beneficial Interest in Perpetual Trusts and Investments

The Organization is the income beneficiary of perpetual trusts held and administered by third party investment companies that set the investment and distribution policies. The Organization records its beneficial interest in these trusts at the fair value of the assets. The PNC Charitable Trust measures fair value at the net asset value of the underlying mutual funds held by this trust less any adjustments made by the trustee. The funds held at the Community Foundation of Louisville measure fair value at the net asset value of the units of the funds invested at the Community Foundation of Louisville. The beneficial interest comprises elements of the Organization's net assets with donor restrictions.

Fair values of the trusts and investments are as follows as of May 31, 2023 and 2022:

	Fair Value Measurements Using:			Total Fair Value
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
May 31, 2023				
Investments				
US Treasury Bond	\$ 10,000			\$ 10,000
Beneficial Interest in Perpetual Trust				
PNC Charitable Trust			\$ 673,663	673,663
Weisberg/Schrodt Fund			31,732	31,732
Barney Bright Fund			15,530	15,530
	<u>\$ 10,000</u>		<u>\$ 720,925</u>	<u>\$ 730,925</u>
May 31, 2022				
Investments				
US Treasury Bond	\$ 10,000			\$ 10,000
US Stocks	11,456			11,456
Beneficial Interest in Perpetual Trust				
PNC Charitable Trust			\$ 747,135	\$ 747,135
Weisberg/Schrodt Fund			32,074	32,074
Barney Bright Fund			15,777	15,777
	<u>\$ 21,456</u>		<u>\$ 794,986</u>	<u>\$ 816,442</u>

Continued

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note D--Beneficial Interest in Perpetual Trusts and Investments--Continued

Investment income and changes in the value of the beneficial interests are recognized in the change in net assets with donor restrictions in the statements of activities. Distributions received from the trusts are recorded as decreases in the beneficial interest and investment income on these trusts are recognized in the accompanying statements of activities. The changes in the value of the trusts are as follows:

	May 31	
	2022	2021
Beginning Balance	\$ 794,986	\$ 882,576
Change in value of perpetual trusts	(73,474)	(83,984)
Distributions	(587)	(3,606)
Ending Balance	\$ 720,925	\$ 794,986

Note E--Property and Equipment, Net

Property and equipment consists of the following:

	May 31	
	2023	2022
Land	\$ 18,244	\$ 18,244
Buildings	1,233,616	515,454
Furniture and equipment	45,960	35,961
	1,297,820	569,659
Less accumulated depreciation	134,655	120,614
	1,163,165	449,045
Construction in progress	38,500	120,630
Property and Equipment, Net	\$ 1,201,665	\$ 569,675

The Organization has plans for major renovations to its facility and the construction in progress consists of the architecture and engineering plans for the renovations to be made to their facility.

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note F--Line of Credit

In January 2021, the Organization entered into a line of credit with a borrowing limit up to \$150,000 and bears interest at the Wall Street Journal prime rate plus 0.5% (8.25% as of May 31 2023). There were no outstanding balances at May 31, 2023 and 2022 and this line of credit expires in April 2025. This line of credit is collateralized by property located at 1538 Lytle Street in Louisville, Kentucky.

Note G--Note Payable

In January 2021, the Organization entered into a promissory note with a bank, secured by the property at 1538 Lytle Street and all rents to the bank on this property, and including interest at a rate of 4.3%. The Organization is required to make monthly payments of \$1,819 and a balloon payment estimated at \$178,473 due in January 2026. The outstanding balance at May 31, 2023 and 2022 was \$212,086 and \$224,372, respectively.

The future minimum payments are as follows:

<u>Year Ending May 31</u>	
2024	\$ 11,763
2025	13,398
2026	<u>186,925</u>
	<u>\$ 212,086</u>

Note H--Employee Benefit Plan

The Organization provides a SIMPLE IRA for those employees who meet the eligibility requirements set forth in the plan. The Organization matches participants' salary deferrals dollar for dollar up to 3%, of the employee's salary, not to exceed the limits imposed by the Internal Revenue Code. The Organization's expense related to the plan was \$5,966 and \$5,476 for the years ended May 31, 2023 and 2022, respectively.

Notes to Financial Statements--Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note I--Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

	May 31	
	<u>2023</u>	<u>2022</u>
Subject to the Passage of Time or Expenditure for Specified Purpose:		
Support for investment in capital assets	\$ 723,750	\$ 1,307,751
Beneficial Interest in Perpetual Trusts:		
Original gifts and required retained earnings (corpus)		
Beneficial Interest in perpetual trusts	11,500	11,500
Weisberg Fund - Louisville Community Fund	15,105	15,105
Barney Bright Fund - Louisville Community Fund	<u>12,472</u>	<u>12,472</u>
	39,077	39,077
Accumulated unspent earnings	<u>681,848</u>	<u>755,909</u>
Total Beneficial Interest in Perpetual Trusts	<u>720,925</u>	<u>794,986</u>
	<u>\$ 1,444,675</u>	<u>\$ 2,102,737</u>

Note J--Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for various programs and contributions over its fiscal year. Monthly cash outflows vary each year based on the specific requirements of each program. To manage liquidity, the Organization maintains a line of credit of \$150,000 as of May 31, 2023 and 2022 with a bank that is drawn upon as needed during the year to manage cash flow.

Continued

Notes to Financial Statements—Continued

Louisville Visual Art, Inc.

May 31, 2023 and 2022

Note J--Liquidity and Availability of Financial Assets--Continued

The following table reflects the Organization's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions and other funds set aside for funding non-operating items.

	May 31	
	2023	2022
Financial Assets		
Cash	\$ 391,255	\$ 905,058
Grants and accounts receivable	49,390	14,500
Pledges receivable, net	582,077	662,635
Investments	10,000	10,000
Beneficial interest in perpetual trusts	<u>720,925</u>	<u>794,986</u>
Total Financial Assets at End of Year	1,753,647	2,387,179
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Beneficial interest in perpetual trusts	(720,925)	(794,986)
Add back: amount appropriated for following year	587	3,606
Other donor restrictions	<u>(723,750)</u>	<u>(1,307,751)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 309,559</u>	<u>\$ 288,048</u>