

**CADE MUSEUM FOUNDATION, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended December 31, 2024

And Report of Independent Auditor

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position 3
Consolidated Statement of Activities 4
Consolidated Statement of Cash Flows..... 5
Notes to the Consolidated Financial Statements..... 6-14

SUPPLEMENTARY INFORMATION

Consolidating Statement of Financial Position 15
Consolidating Statement of Activities..... 16

Report of Independent Auditor

To the Board of Directors
Cade Museum Foundation, Inc. and Subsidiary
Gainesville, Florida

Opinion

We have audited the accompanying consolidated financial statements of Cade Museum Foundation, Inc. and Subsidiary (a nonprofit organization) (collectively, the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2024, and the changes in their 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. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated 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 audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 the consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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, 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position information and consolidating statement of activities information are presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Tampa, Florida
April 29, 2025

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

Current Assets:

Cash	\$ 68,241
Current portion of pledges receivable, net	167,500
Prepaid expenses and other current assets	189,617
Total Current Assets	<u>425,358</u>

Property and Equipment, Net	<u>11,173,764</u>
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Other Assets:

Pledges receivable, less current portion, net	70,078
Investment in Gatorade Trust	4,334,000
Museum collection	541,695
Total Other Assets	<u>4,945,773</u>

Total Assets	<u>\$ 16,544,895</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 296,321
Current portion of notes payable and line of credit	147,605
Current portion of finance lease liabilities	5,762
Contract liabilities	32,786
Total Current Liabilities	<u>482,474</u>

Finance lease liabilities, net of current portion	11,036
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Notes payable, less current portion and unamortized deferred debt issuance costs	392,417
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Total Liabilities	<u>885,927</u>
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Net Assets:

Without donor restrictions	15,469,732
With donor restrictions	189,236
Total Net Assets	<u>15,658,968</u>

Total Liabilities and Net Assets	<u>\$ 16,544,895</u>
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The accompanying notes to the consolidated financial statements are an integral part of this statement.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains, and Other Support:			
Gatorade Trust royalties	\$ 640,753	\$ -	\$ 640,753
Contribution and grant revenue	1,143,612	148,458	1,292,070
Membership and admissions	153,990	-	153,990
Educational programs	219,049	-	219,049
Gift shop	60,506	-	60,506
Facility rental income	152,462	-	152,462
Investment return, net	(12,724)	-	(12,724)
Other income	4,462	-	4,462
Nonfinancial contributions	25,850	-	25,850
Net Assets Released from Restrictions:			
Expiration of time restrictions	<u>838,602</u>	<u>(838,602)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>3,226,562</u>	<u>(690,144)</u>	<u>2,536,418</u>
Expenses:			
Program Services:			
Museum activities	<u>2,837,221</u>	<u>-</u>	<u>2,837,221</u>
Support Services:			
Membership development	23,916	-	23,916
Management and general	693,410	-	693,410
Fundraising	<u>221,384</u>	<u>-</u>	<u>221,384</u>
Total Support Services	<u>938,710</u>	<u>-</u>	<u>938,710</u>
Total Expenses	<u>3,775,931</u>	<u>-</u>	<u>3,775,931</u>
Change in net assets	(549,369)	(690,144)	(1,239,513)
Net assets, beginning of year	<u>16,019,101</u>	<u>879,380</u>	<u>16,898,481</u>
Net assets, end of year	<u>\$ 15,469,732</u>	<u>\$ 189,236</u>	<u>\$ 15,658,968</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ (1,239,513)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation and amortization expense	452,784
Amortization of deferred debt issuance	1,539
Unrealized loss on Gatorade Trust	15,000
Change in the discount and allowance for uncollectible pledges	(41,231)
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	57,685
Pledges receivable	644,312
Accounts payable and accrued expenses	80,836
Contract liabilities	<u>(16,307)</u>
Net cash flows from operating activities	<u>(44,895)</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(43,807)</u>
Net cash flows from investing activities	<u>(43,807)</u>
Cash flows from financing activities:	
Payment of financing lease liabilities	(7,368)
Principal payments paid on notes payable	(9,167)
Borrowings on line of credit	238,000
Payments on line of credit	<u>(256,941)</u>
Net cash flows from financing activities	<u>(35,476)</u>
Net change in cash	(124,178)
Cash, beginning of year	<u>192,419</u>
Cash, end of year	<u>\$ 68,241</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 26,843</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 1—Nature of operations and summary of significant accounting policies

Nature of Operations – Cade Museum Foundation, Inc. (“CMF”) is a nonprofit Florida corporation located in Gainesville, Florida. CMF’s mission is to transform communities by inspiring and equipping future inventors, entrepreneurs and visionaries by operation of the Cade Museum of Creativity and Invention (the “Museum”).

CMF established Cade Creativity Labs, Inc. (“CCLI”) on January 12, 2016, solely to support the charitable purposes, mission, goals, and activities of CMF, its sole member. As such, CCLI’s core activities include operating the Museum, providing entrepreneurial training, designing, and implementing educational programs, and servicing notes payable for the benefit of CMF. CCLI and CMF share a similar governance structure and management team.

Principles of Consolidation – The accompanying consolidated financial statements include those of CMF and CCLI (collectively, the “Organization”). All significant inter-entity balances and transactions have been eliminated in consolidation.

Basis of Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as without donor restrictions or with donor restrictions. The Organization records all revenues and gains that are spent in the same fiscal year as revenue without donor restrictions, if a donor restriction existed.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. When a donor 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 are reported in the consolidated statement of activities as net assets released from restrictions.

Revenue Recognition – See Note 2.

Contributions – Contributions, including unconditional promises to give, are recognized as revenue in the period 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 substantially met. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Pledges Receivable – Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount rate used is the Organization’s weighted average cost of capital applicable to the month in which the pledges are received. Amortization of the discounts is included in contribution revenue on the accompanying consolidated statement of activities. As of December 31, 2024, \$197,500 gross of the outstanding pledges receivable are not collectible until future periods and thus are reported as net assets with donor restrictions. Management has determined that the discount on pledges is \$8,609 at December 31, 2024.

Management evaluates each pledge account on an individual basis to determine the accounts for which collection is doubtful. Management has determined that the allowance for doubtful accounts of \$6,313 was adequate as of December 31, 2024; however, actual bad debts could exceed the established allowance.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Concentration of Credit Risk – The Organization places its cash on deposit with financial institutions principally in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2024, the Organization deposits are below the insured amounts.

Deferred Debt Issuance Costs – Deferred debt issuance costs are reflected in the accompanying consolidated statement of financial position as a reduction to the notes payable balance. Deferred debt issuance costs are amortized over the term of the long-term debt as interest expense using a method that approximates the effective interest method. The Organization recorded \$1,539 of amortization of deferred debt issuance costs as interest expense during the year ended December 31, 2024.

Museum Collection – The Organization capitalizes its collections. Additions are capitalized at cost if purchased and at estimated fair value at date of contribution if received by donation. Gains and losses on disposals of donated collections are recorded based on the presence or absence of donor restrictions placed on items at the date of donation. The Organization recognized no impairment losses during the year ended December 31, 2024.

Gatorade Trust Split-Interest Agreement – The Gatorade Trust owns contractual rights to receive royalties from the sale of the Gatorade drink formula, sport endurance products, and the Gatorade trademark. The Gatorade Trust was formed pursuant to a trust agreement, as a grantor trust, on May 16, 1967, and was amended on May 23, 1967. Under the Gatorade Trust Agreement, after deducting and paying the current obligations of the Gatorade Trust and all necessary expenses incident to the administration of the Gatorade Trust, the trustee is required to distribute income to the beneficiaries according to their ownership interests.

In November 2005, the Cade Family Trust transferred .600 of one unit of beneficial interest in the Gatorade Trust to CMF.

The Organization's beneficial interest in the Gatorade Trust is reported at fair value using the capitalization of cash flow method. Royalty income received from the trust is reflected in the consolidated statement of activities and is being used to fund the operations of the Organization. During the year ended December 31, 2024, the Organization recognized \$15,000 of unrealized losses.

Property and Equipment – Property and equipment purchased with an original cost of \$2,500 or more are recorded at cost. Donated property and equipment having a fair value of \$2,500 or more are recorded at their estimated fair value on the date of donation. Property and equipment is depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, which range from 3 to 40 years. Maintenance and repairs are expensed as incurred.

Donated Services – Donated services are only recorded if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Other volunteer services are not recorded as revenue and expense since they do not create or enhance financial assets or require specialized skills. There was \$25,950 of in-kind donations during the year ended December 31, 2024.

Donated Rent – The Organization executed a land lease with the city of Gainesville for the purpose of constructing and operating the Museum, to promote creativity and invention at Depot Park. The lease began on July 3, 2015, with a lease term of 50 years at a rate of \$1 per year. The lease was amended and restated on March 8, 2016, with a new term of 75 years and no required monetary rent payment; however, the Organization is required to operate the Museum to continually provide benefit to the community. The difference between the actual charge and the estimated fair market value is reflected as donations and other income in the accompanying consolidated statement of activities. Total amount of this in-kind revenue was \$10,000 for the year ended December 31, 2024. An expense is recorded to offset the in-kind revenue so in-kind revenue equals in-kind expense and is included in individual specific assistance, office expense, professional services, and rent.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Income Taxes – The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Florida Statutes. Management believes that CMF and CCLI continue to satisfy the requirements of tax-exempt organizations as of December 31, 2024.

Functional Allocation of Expenses – The costs of providing the program and other activities of the Organization have been summarized on a functional basis in the consolidated statement of activities. Note 11 presents the natural classification detail of cost of operations by function. Expenses are allocated between program services and supporting services based upon time and effort incurred with the exception of occupancy costs, which is allocated based on square footage utilized for certain functions.

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

Subsequent Events – The Organization has evaluated subsequent events through April 29, 2025, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

Note 2—Revenue

Revenue is recognized when the Organization transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

Contract Balances – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying consolidated statement of financial position totaled \$49,093 as of January 1, 2024 and \$32,786 as of December 31, 2024, and is primarily amounts paid in advance relating to annual memberships of the Museum which are deferred and recognized over the membership period. The Organization does not have contract assets as of December 31, 2024.

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's revenue resulting from contracts with customers consists of revenue from membership and admissions, gift shop, educational programs, and facility rentals. The contract performance obligation for daily admissions, gift shop, educational programs, and facility rentals is generally satisfied at the time these services are provided or when a good is transferred to the customer. The contract performance obligation for annual memberships of the Museum is performed over the membership period.

Revenue Recognition – Revenue (daily admissions, gift shop, educational programs, and facility rentals) is recognized as services are performed or products are delivered with the exception of annual memberships paid by customers. Memberships paid by customers are recognized over the contractual term of the membership as management believes this approximates the pattern of use.

Practical Expedients and Exemptions – The Organization has elected to apply a practical expedient to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 3—Fair value measurements

The Organization records certain assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance. A fair value hierarchy is utilized which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Three levels may be used to measure fair value:

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

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2024 from prior years. The only asset measured at fair value is the investment in Gatorade Trust, a Level 3 investment, which is valued using the income approach as reported by the Organization.

The following table presents changes in the Organization's investments measured at fair value on a recurring basis for the year ended December 31, 2024:

	Investment in Gatorade Trust
Balance, January 1, 2024	\$ 4,349,000
Unrealized loss relating to assets still held at the reporting date	(15,000)
Balance, December 31, 2024	<u>\$ 4,334,000</u>

Significant inputs used to determine the fair value of the Organization's interest in the Gatorade Trust using the capitalization of cash flow method include a 13% average cost of capital rate, a 3% sustainable growth rate, and a 24% marketability discount rate.

Note 4—Nonfinancial contributions

Nonfinancial contributions included in the statement of activities for the year ended December 31, 2024 are comprised of the following:

Professional services	\$ 15,850
Land rental	10,000
Total nonfinancial contributions	<u>\$ 25,850</u>

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 4—Nonfinancial contributions (continued)

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The Organization was provided professional services at no cost. Based on current market rates for professional services the Organization would have paid \$15,850 for the year ended December 31, 2024.

The land rental is provided at no cost to the Organization but based on current market rates for land, the Organization would have paid \$10,000 for the year ended December 31, 2024.

Note 5—Pledges receivable

The pledges receivable at December 31, 2024 are unconditional pledges due in future years as follows:

One year or less	\$ 167,500
One to five years	85,000
	<u>252,500</u>
Less discounts to net present value	(8,609)
Less allowance for uncollectible pledges	(6,313)
	<u>(14,922)</u>
Pledges receivable, net	<u>\$ 237,578</u>

The Organization discounted the pledges receivable to net present value using discount rates ranging from 1% to 3%.

Note 6—Related party transactions

During the year ended December 31, 2024, the Organization received contributions from certain members of the Board of Directors totaling \$52,185 which is 2% of all contributions.

Note 7—Property and equipment

Property and equipment consists of the following at December 31, 2024:

Land	\$ 29,125
Building and improvements	12,276,741
Equipment	651,189
Exhibit design	1,074,862
Finance lease asset	32,866
Construction in progress	267,378
	<u>14,332,161</u>
Less accumulated depreciation and amortization	(3,158,397)
	<u>\$ 11,173,764</u>

Depreciation and amortization expense for the year ended December 31, 2024 is \$452,784.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 8—Leases

The Organization leases certain equipment. The Organization determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified equipment in exchange for consideration. The right-of-use (“ROU”) assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain these options would be exercised by the Organization. Finance lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. As the Organization’s leases do not provide an implicit rate, management uses the Organization’s risk-free discount rate based on the information available at lease commencement to determine the present value of lease payment.

Practical Expedients Elected:

- The Organization elected the three transition practical expedients that permit an entity to (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.
- The Organization has elected the practical expedient not to recognize leases with terms of 12 months or less in the consolidated balance sheet and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, the short-term lease expense for the period does not reflect the ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended December 31, 2024.
- The Organization has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Future minimum lease payments as of December 31, 2024 is as follows:

Years Ending December 31,

2025	\$ 6,392
2026	5,100
2027	5,100
2028	<u>1,275</u>
Total lease payments	17,867
Less interest	<u>(1,069)</u>
Present value of lease liabilities	<u><u>\$ 16,798</u></u>

Required supplemental information relating to leases for the year ended December 31, 2024:

Finance Lease Expense:

Amortization of ROU assets	\$ 7,368
Interest on lease liabilities	<u>833</u>
	<u><u>\$ 8,201</u></u>

Other Information:

Weighted-average remaining lease term in years for finance leases	2.80
Weighted-average discount rate for finance leases	4.00%

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 9—Notes payable

The Organization’s notes payable balance consists of the following:

Mortgage Note – The Organization’s mortgage note has a principal amount of approximately \$213,000 bearing interest at a fixed rate of 3.75% with the possibility of new interest rate becoming effective after the first 120 months. The note requires monthly principal and interest payments of approximately \$1,300 and is collateralized by the Organization’s primary office location. Debt issuance costs related to the mortgage note totaled \$7,341 of which \$4,729 remains unamortized as of December 31, 2024. The Organization had \$153,607 of principal outstanding on the mortgage note as of December 31, 2024.

Promissory Note – In January 2018, the Organization entered into a non-revolving line of credit (“NRLOC”) agreement with a bank which provided borrowings up to \$500,000 and was expected to mature in January 2025. The NRLOC required interest only payments through February 2020 at which time the borrowed balance on the note began to amortize through maturity. The NRLOC bore an initial variable interest rate of 4.5% which is subject to change every 60 months based on the Wall Street Journal U.S. prime rate (7.5% as of December 31, 2024). In April 2020, the Organization converted the NRLOC outstanding balance of approximately \$373,000 into a promissory note with a maturity date of January 16, 2025. The promissory note bears an interest rate of 4.50%. The note requires monthly principal and interest payments of approximately \$2,800 with a final estimated payment of \$284,000. Debt issuance costs related to the NRLOC totaled \$8,209 of which \$49 remains unamortized as of December 31, 2024. As of December 31, 2024, the Organization had \$283,144 of principal outstanding on the promissory note, and incurred interest expense of \$10,000 during the year ended December 31, 2024.

Line of Credit – In December 2021, the Organization entered into a revolving line of credit (“RLOC”) agreement with a bank which provided borrowings up to \$150,000 and was expected to mature in February 2026. The RLOC had an initial variable interest rate of 3.25% which is subject to change based on the Wall Street Journal U.S. prime rate (7.5% as of December 31, 2024). As of December 31, 2024 the Organization has \$108,000 outstanding on the RLOC.

Future maturities of notes payable are as follows:

<u>Years Ending December 31,</u>	
2025	\$ 147,605
2026	258,735
2027	7,598
2028	7,598
2029	7,598
Thereafter	<u>115,617</u>
	544,751
Deferred financing costs	<u>(4,729)</u>
	<u>\$ 540,022</u>

CMF interest expense relating to notes payable for the year ended December 31, 2024 was \$26,607.

The RLOC is due on demand and thus classified as a current liability on the consolidated statement of financial position for the year ended December 31, 2024.

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 10—Liquidity and availability of resources

Management has budgeted \$3,274,188 of operating expenses to be paid within one year of the consolidated statement of financial position date. The Organization considers general expenditures to include operating expenses, general and administrative expense, capital expenditures, and current commitments or liabilities to be paid in the subsequent year. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses and may invest cash in excess of requirements in a short-term money market investment. The Organization relies on contribution and grant revenue, royalty income generated from its Gatorade Trust, and other revenue from Museum operations to pay operating expenses. Contribution and grant revenue for the year ended December 31, 2024 was \$1,291,270. Gatorade Trust royalties for the year ended December 31, 2024 was \$640,753. Management actively monitors operating expenses and cash needs, and will adjust programs and activities, if necessary.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2024 consist of the following:

Financial assets as of year-end:

Cash	\$ 68,241
Pledges receivable, net	237,578
Receivables (included in prepaid expenses and other current assets)	113,820
	<u>419,639</u>

Less those unavailable for general expenditures within one year,
due to contractual or donor-imposed restrictions:

Restricted by donor with time restrictions	<u>(189,236)</u>
	<u>(189,236)</u>

Financial assets available to meet cash needs
for general expenditures within one year

\$ 230,403

Note 11—Functional allocation of expenses

As a not-for-profit entity, the Organization is required to present expenses by functional and natural classification for program and supporting activities. Expenses by functional and natural classification for the year ended December 31, 2024 consist of the following:

	Program Services		Management and General	Support Services			Total
	Museum Activities	Total Program Services		Fundraising	Membership Development	Total Support Services	
Personnel	\$ 1,505,986	\$ 1,505,986	\$ 297,155	\$ 123,584	\$ 13,107	\$ 433,846	\$ 1,939,832
Professional fees and services	136,252	136,252	350,245	42,745	1,312	394,302	530,554
Travel, meeting, and events	139,508	139,508	2,378	37,135	582	40,095	179,603
Operating supplies and equipment	185,903	185,903	18,420	8,501	848	27,769	213,672
Occupancy	302,929	302,929	9,097	3,557	3,188	15,842	318,771
Depreciation	432,303	432,303	11,020	4,933	4,528	20,481	452,784
Interest expense	22,786	22,786	4,948	900	345	6,193	28,979
Other	111,554	111,554	147	29	6	182	111,736
	<u>\$ 2,837,221</u>	<u>\$ 2,837,221</u>	<u>\$ 693,410</u>	<u>\$ 221,384</u>	<u>\$ 23,916</u>	<u>\$ 938,710</u>	<u>\$ 3,775,931</u>

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 11—Functional allocation of expenses (continued)

For the year ended December 31, 2024, \$132,540 of advertising expenses are included in management and general expenses, of which approximately \$128,910 were reimbursed by state and local grants specifically intended for advertising efforts.

Note 12—Employee benefit plan

The Organization established a 401(k) plan (the “Plan”) effective July 1, 2020, covering employees who have attained 18 years of age and completed three months of service. Under the Plan, participants may contribute up to 100% of their annual compensation, up to legal limits, and the Organization may provide a discretionary match. No discretionary employer match was provided for the year ended December 31, 2024.

SUPPLEMENTARY INFORMATION

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Cade Museum Foundation, Inc.	Cade Creativity Labs, Inc.	Elimination Entries	Consolidated Total
ASSETS				
Current Assets:				
Cash	\$ 51,465	\$ 16,776	\$ -	\$ 68,241
Current portion of pledges receivable, net	167,500	-	-	167,500
Prepaid expenses and other current assets	94,591	194,682	(99,656)	189,617
Total Current Assets	<u>313,556</u>	<u>211,458</u>	<u>(99,656)</u>	<u>425,358</u>
Property and Equipment, Net	<u>570,978</u>	<u>10,602,786</u>	<u>-</u>	<u>11,173,764</u>
Other Assets:				
Pledges receivable, less current portion, net	70,078	-	-	70,078
Investment in Gatorade Trust	4,334,000	-	-	4,334,000
Museum collection	536,095	5,600	-	541,695
Total Other Assets	<u>4,940,173</u>	<u>5,600</u>	<u>-</u>	<u>4,945,773</u>
Total Assets	<u>\$ 5,824,707</u>	<u>\$ 10,819,844</u>	<u>\$ (99,656)</u>	<u>\$ 16,544,895</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 71,932	\$ 324,045	\$ (99,656)	\$ 296,321
Current portion of notes payable and line of credit	147,605	-	-	147,605
Current portion of finance lease liabilities	-	5,762	-	5,762
Contract liabilities	-	32,786	-	32,786
Total Current Liabilities	<u>219,537</u>	<u>362,593</u>	<u>(99,656)</u>	<u>482,474</u>
Finance lease liabilities, net of current portion	-	11,036	-	11,036
Notes payable, less current portion and unamortized deferred debt issuance costs	<u>392,417</u>	<u>-</u>	<u>-</u>	<u>392,417</u>
Total Liabilities	<u>611,954</u>	<u>373,629</u>	<u>(99,656)</u>	<u>885,927</u>
Net Assets				
Without donor restriction	5,023,517	10,446,215	-	15,469,732
With donor restriction	<u>189,236</u>	<u>-</u>	<u>-</u>	<u>189,236</u>
Total Net Assets	<u>5,212,753</u>	<u>10,446,215</u>	<u>-</u>	<u>15,658,968</u>
Total Liabilities and Net Assets	<u>\$ 5,824,707</u>	<u>\$ 10,819,844</u>	<u>\$ (99,656)</u>	<u>\$ 16,544,895</u>

CADE MUSEUM FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Cade Museum Foundation, Inc.	Cade Creativity Labs, Inc.	Elimination Entries	Consolidated Total
Revenue, Gains, and Other Support:				
Gatorade Trust royalties	\$ 640,753	\$ -	\$ -	\$ 640,753
Contribution and grant revenue	822,410	469,660	-	1,292,070
Membership and admissions	4,511	149,479	-	153,990
Educational programs	3,675	215,374	-	219,049
Gift shop	-	60,506	-	60,506
Facility rental income	-	152,462	-	152,462
Investment return, net	2,276	-	-	2,276
Unrealized loss on Gatorade Trust	(15,000)	-	-	(15,000)
Other income	-	1,692,436	(1,687,974)	4,462
Nonfinancial contributions	15,000	10,850	-	25,850
Total Revenue, Gains, and Other Support	<u>1,473,625</u>	<u>2,750,767</u>	<u>(1,687,974)</u>	<u>2,536,418</u>
Expenses:				
Program Services:				
Museum activities	365,765	2,471,456	-	2,837,221
Support Services:				
Membership development	1,142	22,774	-	23,916
Management and general	48,625	644,785	-	693,410
Fundraising	71,396	149,988	-	221,384
Total Support Services	<u>121,163</u>	<u>817,547</u>	<u>-</u>	<u>938,710</u>
Total Expenses	<u>486,928</u>	<u>3,289,003</u>	<u>-</u>	<u>3,775,931</u>
Contribution from Cade Museum Foundation, Inc. to Cade Creativity Labs, Inc.	<u>1,687,974</u>	<u>-</u>	<u>(1,687,974)</u>	<u>-</u>
Change in net assets	(701,277)	(538,236)	-	(1,239,513)
Net assets, beginning of year	5,914,030	10,984,451	-	16,898,481
Net assets, end of year	<u>\$ 5,212,753</u>	<u>\$ 10,446,215</u>	<u>\$ -</u>	<u>\$ 15,658,968</u>