

**CHARLES H. WRIGHT  
MUSEUM OF AFRICAN AMERICAN HISTORY  
(A COMPONENT UNIT OF THE CITY OF  
DETROIT, MICHIGAN)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Charles H. Wright Museum of African American History  
Detroit, Michigan

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Charles H. Wright Museum of African American History ("The Wright"), (a component unit of the City of Detroit) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise The Wright's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Wright as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 Wright and to meet our other 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 opinions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wright's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's 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 auditor's report that includes our opinions. 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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Wright'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 Wright'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.

**Summarized Comparative Information**

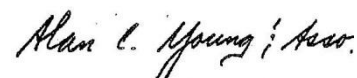
We have previously audited The Wright's 2023 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Required Supplement Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2024, on our consideration of The Wright's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering The Wright's internal control over financial reporting and compliance.



Detroit, Michigan  
December 3, 2024

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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## **Management's Discussion and Analysis June 30, 2024 and 2023**

This section of the annual report of the Charles H. Wright Museum of African American History ("The Wright") presents management's discussion and analysis of The Wright's financial performance during the fiscal years that ended on June 30, 2024 and 2023 ("fiscal year 2024" and "fiscal year 2023", respectively). Please read it in conjunction with The Wright's financial statements, which follow this section.

### **Financial Highlights**

The Wright was founded in 1965 as a 501 (c) (4) organization and will celebrate its 60<sup>th</sup> anniversary next year.

The Wright approaches our delivery of world-class exhibits, programs, and events through a lens of fiscal responsibility. We believe in serving as the stewards of the funds from our partners and stakeholders. To that end, we plan our offerings using fiscal accountability and identify areas of efficiency. The Statement of Activities and Statement of Net Position reflects these organizational values.

The Statement of Net Position reflects the continuation of our sustainability journey with total assets that are approximately 33% higher than the previous year. This increase includes an increase in Capital Assets from \$13.2 million to \$21.6 million. This financial growth has allowed us to increase our operational and building reserves

The Statement of Activities reflects significant increases in grant revenue and exhibit admissions. While the total program revenue increased approximately 74%, our program expenses only increased by approximately 32% in a year-over-year comparison.

We are grateful to everyone that has supported The Wright. This increased community, corporate, and organizational support has laid a solid foundation that The Wright will continue to build upon creating long-term financial sustainability and preserving our institutional vitality.

Overall, net position increased by approximately \$8.0 million as compared to the increase that occurred a year ago of approximately \$3.5 million. The majority of contributed revenue received during the year was unrestricted.

The Wright's endowment fund was \$1,150,086, compared to the previous years' total of \$1,041,034. In addition, \$2,705,333 is currently held in trust by the Community Foundation of Southeast Michigan ("CFSEM"), for a total endowment of approximately \$3.9 million. The Wright received \$178,945 in operating support from the CFSEM fund as a dividend during the year.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Financial Highlights (Continued)

Key funding for The Wright includes the following:

- **\$3,000,000 and above**  
City of Detroit  
State of Michigan
- **\$500,000 and above**  
Michigan Department of Civil Rights  
Pickard Family Fund  
Knight Foundation
- **\$200,000 and above**  
Community Foundation for Southeastern Michigan  
Ford Motor Company Fund  
Ralph C. Wilson, Jr. Foundation
- **\$100,000 and above**  
DTE Foundation  
Max M. and Marjorie S. Fisher Foundation  
Andrew W. Mellon Foundation

## Overview of the Financial Statements

This annual report contains two types of financial statements that The Wright is required to issue by the Governmental Accounting Standards Board ("GASB"). The GASB issues accounting and financial reporting guidelines for governmental agencies and units. This annual report contains the financial statements that The Wright is required to issue. The Wright's financial reports are shown as a "component unit" in the financial statements of the City of Detroit (the "City") because the members of The Wright's Board of Trustees are appointed by the City's mayor and the City provides financial support to The Wright. Therefore, The Wright is considered a governmental unit for reporting purposes.

The statements of net position and statements of activities (which are presented on pages 13 and 14) are considered government-wide financial statements. The balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds (which are presented on pages 15 and 17) are considered fund financial statements.

### Government-Wide Financial Statements

The government-wide financial statements report information about The Wright as a whole using accounting methods similar to those used by private-sector companies and non-profit organizations. The statements of net position include all of The Wright's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statements of activities, regardless of when cash is received or paid.

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## **Overview of the Financial Statements (Continued)**

### Government-Wide Financial Statements (Continued)

The two government-wide financial statements report The Wright's net position and how they have changed. Net position represents the difference between The Wright's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure The Wright's financial health, or position. Over time, increases or decreases in The Wright's net position are an indicator of whether its financial health is improving or deteriorating.

### Fund Financial Statements

The fund financial statements provide more detailed information about The Wright's funds, not The Wright as a whole. Funds are accounting devices that The Wright uses to keep track of specific sources of funding and spending for particular purposes.

Most of The Wright's activities are included in governmental funds, which focus on how cash, and other financial assets that can be readily converted to cash, flow in and out and show the balances left at the end of the year that are available for spending. As such, the fund financial statements provide a detailed short-term view that shows whether there are more or fewer financial resources that can be spent in the near future to finance The Wright's programs.

### Major Differences between Government-Wide Financial Statements and Fund Financial Statements

A major difference between the two types of financial statements is in the accounting for capital assets. In the government-wide financial statements, investments in long-term assets are capitalized and depreciated over the estimated useful lives of the assets. In the fund financial statements, all capital expenditures are expensed in the year such expenditures are incurred.

The reconciliation of the differences between the fund financial statements and the government-wide financial statements is provided on pages 16 and 18.

The notes to the financial statements, which begin on page 19, explain some of the information in the financial statements and provide more detailed data. A comparison of The Wright's general fund revenue and expenditures to its budget is provided on page 36.



# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Financial Analysis of the Organization as a Whole

### Statement of Net Position

The following table shows, in a condensed format, The Wright's assets, liabilities, and net position as of June 30, 2024 and 2023:

	<i>(in thousands of dollars)</i>	
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 6,745.6	\$ 8,397.0
Restricted Cash	8.1	8.1
Investments	1,203.3	1,189.1
Accounts Receivable	1,161.3	149.7
Prepaid Expenses	660.7	602.6
Museum Store Inventory	236.0	218.7
Capital Assets:		
Nondepreciable Capital Assets	222.7	8,886.6
Depreciable Capital Assets, Net	21,422.6	4,320.3
<b>Total Assets</b>	<u>31,660.3</u>	<u>23,772.1</u>
<b>Liabilities</b>		
Accounts Payable	2,463.3	3,164.6
Accrued Payroll and Related Taxes	328.8	164.3
Line of Credit	354.2	-
Unearned Revenue	135.8	107.7
Fiduciary Liability	8.1	8.1
<b>Total Liabilities</b>	<u>3,290.2</u>	<u>3,444.7</u>
<b>Net Position</b>		
Net Investment in Capital Assets	21,645.3	13,206.9
Restricted for Endowment	1,150.1	1,041.0
Restricted for Designated Activities	4,597.0	2,015.6
Unrestricted	977.7	4,063.9
<b>Total Net Position</b>	<u>\$ 28,370.1</u>	<u>\$ 20,327.4</u>

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Financial Analysis of the Organization as a Whole (Continued)

### Statement of Activities

The following table shows, in a consolidated format, The Wright's revenue, expenses, and changes in net position for the years ended June 30, 2024 and 2023:

	<i>(in thousands of dollars)</i>	
	<b>2024</b>	<b>2023</b>
<b>Program Expenses</b>		
Exhibits and Educational Programs:		
Salaries, Wages, and Employee Benefits	\$ 4,545.7	\$ 3,566.3
Contractual and Professional Services	1,813.5	3,540.7
Facility Operations and Maintenance	995.4	881.7
Educational Programs and Exhibits	3,631.9	1,259.5
Depreciation	1,637.9	495.1
Other Expenses	911.8	529.8
<b>Total Program Expenses</b>	<b>13,536.2</b>	<b>10,273.1</b>
<b>Program Revenue</b>		
Exhibits and Educational Programs:		
Grants	15,072.4	8,099.1
Other Program Revenue	2,315.6	1,915.1
<b>Total Program Revenue</b>	<b>17,388.0</b>	<b>10,014.2</b>
<b>Net Program Revenue (Expense)</b>	<b>3,851.8</b>	<b>(258.9)</b>
<b>General Revenue</b>		
Contributions	3,424.6	3,391.0
Other Gains (Losses)	766.3	364.1
<b>Total General Revenue</b>	<b>4,190.9</b>	<b>3,755.1</b>
<b>Change in Net Position</b>	<b>8,042.7</b>	<b>3,496.2</b>
Net Position, Beginning of Year	20,327.4	16,831.2
<b>Net Position, End of Year</b>	<b>\$ 28,370.1</b>	<b>\$ 20,327.4</b>

The Wright received \$2,600,000 in unrestricted operating support from the City during fiscal year 2024 and 2023. The State of Michigan (the "State") contributed over \$3,200,000 in support this year, primarily for general operating and programming support, as compared to over \$3,500,000 in fiscal year 2023.

Earned revenue from admissions, the museum store, facility rental, memberships, fundraising, and other revenue increased by approximately \$400,000 as compared to last year's decrease of approximately \$277,000 over the 2022 amount.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Financial Analysis of the Organization as a Whole (Continued)

### Statement of Activities (Continued)

Expenses (excluding depreciation) increased by approximately \$2.1 million, or approximately 22 percent during fiscal year 2024. This was in large part due to a increase in exhibits and programing events.

### Schedules of Exhibit Admissions and Museum Store Sales

	<i>(in thousands of dollars)</i>	
	<u>2024</u>	<u>2023</u>
Exhibit Admissions	\$ 974.8	\$ 869.4
Museum Store Sales (Gross)	307.3	204.8

The Wright opens minds and changes lives through the exploration and celebration of African American history and culture by providing learning opportunities, exhibitions, programs, and events based on collections and research that explore the diverse history and culture of African Americans and their African origins. The Wright believes that not only can the answers that society seeks be found throughout this shared experience, but that those answers belong to ALL people. As a result, The Wright continued to present an exciting and educational slate of programs and exhibitions that appealed to a variety of audiences.

Beginning in July of 2023, The Charles H. Wright Museum kicked off a dynamic year of programming connected to exploring and highlighting Black identity. Celebrating the 40th year of The African World Festival in July, brought the opportunity to both reflect on the past, and envision our future, through a theme of Afrofuturism. The festival, beloved for its cultural activities, and vendors, had a dynamic programming lineup that featured performances by George Clinton and the Funkadelic, Sun Ra, MuMu Fresh and others. We also were able to feature local performers and artists, and was once again joined by Heritage Works which offered interactive classes and activations for the full weekend.

Continuing the theme of Afrofuturism, The Wright, was inspired by the spring visit and talk with Academy Award Winning Designer Ruth Carter. She shared that she had curated her own exhibition, and in October of 2023, we were proud to present: Ruth E. Carter: Afrofuturism in Costume Design. This was a premier one-of-a-kind exhibition for the institution. Ms. Carter has helped style the Afrofuturism movement for almost 40 years and defined generations through her work in film and TV. Creating pieces for films such as Black Panther, Malcom X, Selma, and Do the Right Thing, Carter has designed costumes for legends like Oprah Winfrey, Denzel Washington, Chadwick Boseman, Eddie Murphy, Angela Bassett, and Forest Whitaker. The exhibition displayed more than 60 of Carter's original garments and showcased her immersive process, historical research, and the attention to detail. It was the first showing in an African American museum, and the first time that both Black Panther costumes were displayed together. Visitors were blown away, and the exhibition garnered significant praise via comments by visitors left in guest books within the galleries. The exhibition also inspired key programming to accompany the themes that are inherent to Ruth Carter's career and offered opportunities to highlight archival information, like Malcolm X papers.

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023**

## **Schedules of Exhibit Admissions and Museum Store Sales (Continued)**

As the institution moved into the fall, we celebrated the opening of the Ms. Carter's exhibition with our annual gala, a critical event that raises support for the institution. We then moved swiftly into our winter programming which included the second season of The Wright Conversations, which was kicked off by a illuminating discussion with President and CEO Neil Barclay, and renowned chef Alexander Smalls.

In December we hosted our annual celebrations of Noel Night and Kwanzaa. In 2023, Kwanzaa was in partnership with key community organizations and also once again highlighted the second annual Motor City Kwanzaa Kinara at Campus Martius.

January brought another beloved annual event, our MLK Day. This is our annual opportunity to convene community to honor the legacy of Dr. King and promote dialogue, education, and action towards equality and social justice. This year we featured a poignant discussion with Jeanelle Austin, the creator of Racial Agency Initiative, a racial justice leadership coaching company. She is also the lead caretaker of the memorial, where she guides a team of volunteers to stand in the unique space of preservation and protest.

This led us to the spring and the proud opening of three exhibits:

The Audacity to Thrive, which surveyed artist Adrienne Waheed's brilliant visualization of Black joy, and the audacity of African diasporic people to not only live and survive, but to most importantly thrive. This was also an opportunity to provide an accomplished artist with her first museum installation. Our second exhibit was Paths to Freedom which presented photographs, an immersive installation, and new video work by Philadelphia artist John E. Dowell. Through night imagery, Dowell imagined the agricultural landscapes his enslaved ancestors encountered during their pursuit of freedom. Dowell's work considered the strength, courage and wisdom that went into self-emancipation. And third, The Wright was able to update one of the final galleries in And Still We Rise, and now hosts a new gallery that highlights the life and legacy of Judge Damon Keith. Visitors now take a timeline journey through Judge Keith's life through an interactive experience that features innovative technology. The experience will highlight his childhood in Detroit, military service, college education, law practice and service as a Federal District Judge.

Finally, following Ms. Carter's exhibit, through October, was Double ID, a spectacular exhibit that features works from the CCH Pounder-Koné collection. The exhibition features artists across the diaspora who capture the images of Black men amid a myriad of influences. Through the lens of W.E.B. DuBois' work, Double ID showcases striking contemporary artworks that focus on the inner self, identity, and evolving spirit of Black men.

We closed the spring programming with numerous conversations including the dynamic writers, Ibrahim Kendi, and finished the second season of The Wright Conversations with the incomparable Nikki Giovanni.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Schedules of Exhibit Admissions and Museum Store Sales (Continued)

Our success continues to center around the continued interest and steady increase we receive around visitors and our ability to develop world class programming. We've also made progress this year in our technology efforts in operations. In addition to adding increased security (both through technology and through human resources), we've also commenced our transition from a database system that presented overall challenges in form and function. As we migrate to a new system, we look forward to improved performance all around, particularly in our data and reporting functions.

## Capital Assets

At the end of 2024, The Wright had \$21.6 million (net of depreciation) invested in a broad range of capital assets, including building, furniture and equipment and exhibits. Total depreciation for the year was \$1,637,921.

	<u>2024</u>	<u>2023</u>
Capital Work in Progress	\$ 222,695	\$ 8,886,636
Building and Improvements	22,941,793	5,535,030
Exhibits	13,666,029	12,672,167
Furniture and Equipment	<u>1,859,975</u>	<u>1,520,435</u>
<b>Total</b>	<u>38,690,492</u>	<u>28,614,268</u>
Less: Accumulated Depreciation	<u>17,045,205</u>	<u>15,407,284</u>
<b>Net Capital Assets</b>	<u><u>\$ 21,645,287</u></u>	<u><u>\$ 13,206,984</u></u>

## Long-term Debt

The Wright had no long-term debt outstanding at year-end.

## General Fund Budgetary Highlights

In total, general fund revenues were approximately \$4.1 million below the final budget and total expenditures were approximately \$1.3 million below final budgeted expenditures.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Management's Discussion and Analysis (Continued)  
June 30, 2024 and 2023

## Economic Factors and Next Year's Budget

The Wright is grounded in five institutional goals that will guide us over the coming years. We work daily on many moving parts and activities, but keep these priorities centered on our path toward progress and improvement.

1. **Center Detroit:** Place Detroit at the forefront of a national (and international) dialogue regarding the profound influence of African American history and culture.
2. **Be a Leader in the Field:** Lead in the creation, distribution, and exhibition of world-class programs characterized by aesthetic excellence, technological innovation, and relevancy to current events.
3. **Mentor Museum Professionals:** Train and mentor people of color for careers in the curation, administration, and financial management of first voice institutions around the world.
4. **Preserve Institutional Vitality:** Ensure the long-term financial sustainability of The Wright.
5. **Embrace Sustainable Practices:** Embrace environmentally sustainable systems and practices in all aspects of The Wright's institutional programs and culture.

Our FY 2024 budget reflects the focus on these five priorities and this focus continues in the FY 2025 budget. The Wright continues to work to restore services, programs, and admissions to pre-COVID levels. In addition, The Wright is adjusting to a decrease in funding in current and future periods. This shift is primarily due to the absence of large one-time gifts that significantly boosted financial support in prior periods. To address this change, The Wright is implementing strategies to optimize its budget, explore new funding sources, and ensure sustainability while continuing to deliver its essential programs and services.

The Wright's multi-year initiative to replace and upgrade mechanical systems continued throughout 2024, and the museum recently completed the fourth of the project's eight phases. These changes to our heating, cooling, dehumidification, and other essential systems are long overdue and serve a critical purpose in ensuring the sustainability of our facilities. The more modern systems are also more energy efficient, helping lower our operating costs and improve our environmental footprint over time.

Our new, major exhibitions scheduled for the upcoming year include the following:

- *Gems from The Wright Museum*
- *Paul Collins: The Traveling Artist*
- *60<sup>th</sup> Anniversary Art Exhibition*

## Contacting The Wright's Management

This financial report is designed to present its users with a general overview of The Wright's finances and to demonstrate The Wright's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer's office of the Charles H. Wright Museum of African American History, 315 East Warren, Detroit, Michigan 48201.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Statements of Net Position June 30, 2024 and 2023

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash & Cash Equivalents (Note 2)	\$ 6,745,633	\$ 8,397,042
Restricted Cash - Held as Fiduciary	8,053	8,053
Investments (Note 2)	1,203,307	1,189,053
Accounts Receivable (No Allowance Considered Necessary)	1,161,289	149,690
Prepaid Expenses	660,717	602,562
Museum Store Inventory (Lower of Cost or Market)	236,015	218,736
Capital Assets (Note 5):		
Nondepreciable Capital Assets	222,695	8,886,636
Depreciable Capital Assets, net	21,422,592	4,320,348
<b>Total Assets</b>	<b>\$ 31,660,301</b>	<b>\$ 23,772,120</b>
<b>Liabilities</b>		
Accounts Payable	\$ 2,463,285	\$ 3,164,567
Accrued payroll and Related Liabilities	328,823	164,310
Line of Credit (Note 6)	354,244	-
Fiduciary Liability	8,053	8,053
Unearned Revenue	135,822	107,752
<b>Total Liabilities</b>	<b>3,290,227</b>	<b>3,444,682</b>
<b>Net Position</b>		
Net Investment in Capital Assets	21,645,287	13,206,984
Restricted for Endowment	1,150,086	1,041,034
Restricted for Designated Activities (Note 7)	4,597,018	2,015,539
Unrestricted	977,683	4,063,881
<b>Total Net Position</b>	<b>28,370,074</b>	<b>20,327,438</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 31,660,301</b>	<b>\$ 23,772,120</b>

*The accompanying notes are an integral part of the financial statements.*

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Statements of Activities Years Ended June 30, 2024 and 2023

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Expenses:</b>		
Exhibits and Educational Program:		
Salaries, Wages, and Employee Benefits	\$ 4,545,647	\$ 3,566,280
Contractual and Professional Services	1,813,463	3,540,697
Facility Operations and Maintenance	995,409	881,664
Office Expenses	327,000	286,957
Cost of Goods Sold	251,206	133,739
Educational Programs and Exhibits	3,631,936	1,259,542
Other Expenses	333,595	109,167
Depreciation (Note 5)	1,637,921	495,097
	<u>13,536,177</u>	<u>10,273,143</u>
Total Program Expenses		
<b>Program Revenue:</b>		
Exhibits and Educational Program:		
Grants	15,072,342	8,099,066
Facility Rental and Catering	590,841	260,160
Exhibit Admissions	974,782	869,381
Museum Store	307,260	204,805
Memberships	188,654	195,793
Special Events and Other Revenue	254,034	385,066
	<u>17,387,913</u>	<u>10,014,271</u>
Total Program Revenue		
Net Program Revenue (Expense)	<u>3,851,736</u>	<u>(258,872)</u>
<b>General Revenue:</b>		
Contributions	3,424,562	3,391,002
Net Realized and Unrealized Gain (Loss) on Investments	766,338	332,168
Gain on Disposal of Capital Assets	-	31,971
	<u>4,190,900</u>	<u>3,755,141</u>
Total General Revenue		
Change in Net Position	8,042,636	3,496,269
Net Position, Beginning of Year	<u>20,327,438</u>	<u>16,831,169</u>
Net Position, End of Year	<u>\$ 28,370,074</u>	<u>\$ 20,327,438</u>

*The accompanying notes are an integral part of the financial statements.*



# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Balance Sheets Governmental Funds June 30, 2024

With Combined Comparative Totals as of June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total All Funds	
					2024	2023
<b>Assets</b>						
Cash and Cash Equivalents (Note 2)	\$ 2,201,836	\$ 4,543,797	\$ -	\$ -	\$ 6,745,633	\$ 8,397,042
Restricted Cash	8,053	-	-	-	8,053	8,053
Investments (Note 2)	-	53,221	-	1,150,086	1,203,307	1,189,053
Accounts Receivable (no Allowance Considered Necessary)	1,161,289	-	-	-	1,161,289	149,690
Prepaid Expenses	660,717	-	-	-	660,717	602,562
Museum Store Inventory (Lower of Cost or Market)	236,015	-	-	-	236,015	218,736
<b>Total Assets</b>	<b>\$ 4,267,910</b>	<b>\$ 4,597,018</b>	<b>\$ -</b>	<b>\$ 1,150,086</b>	<b>\$ 10,015,014</b>	<b>\$ 10,565,136</b>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 2,463,285	\$ -	\$ -	\$ -	\$ 2,463,285	\$ 3,164,567
Accrued Payroll and Related Liabilities	328,823	-	-	-	328,823	164,310
Line of Credit (Note 6)	354,244	-	-	-	354,244	-
Fiduciary Liability	8,053	-	-	-	8,053	8,053
Unearned Revenue	135,822	-	-	-	135,822	107,752
<b>Total Liabilities</b>	<b>3,290,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,290,227</b>	<b>3,444,682</b>
Deferred Inflow of Resources Unavailable Revenue	602,300	-	-	-	602,300	-
<b>Fund Balance</b>						
Non-Spendable	896,732	-	-	1,150,086	2,046,818	1,862,332
Restricted for Designated Activities (Note 7)	-	4,597,018	-	-	4,597,018	2,015,539
Unassigned	(521,349)	-	-	-	(521,349)	3,242,583
<b>Total Fund Balance</b>	<b>375,383</b>	<b>4,597,018</b>	<b>-</b>	<b>1,150,086</b>	<b>6,122,487</b>	<b>7,120,454</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,267,910</b>	<b>\$ 4,597,018</b>	<b>\$ -</b>	<b>\$ 1,150,086</b>	<b>\$ 10,015,014</b>	<b>\$ 10,565,136</b>

The accompanying notes are an integral part of the financial statements.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Reconciliations of Total Governmental Fund Balance to Net Position of Governmental Activities June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Total Fund Balance - Governmental Fund</b>	\$ 6,122,487	\$ 7,120,454
Amounts reported for governmental activities in the statement of net position are different because -		
Unavailable Revenue is reported in the governmental activities but not in the funds	602,300	-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet		
Nondepreciable Capital Assets	222,695	8,886,636
Depreciable Capital Assets		
Cost	38,467,797	19,727,632
Accumulated Depreciation	<u>(17,045,205)</u>	<u>(15,407,284)</u>
<b>Total Net Position</b>	<u>\$ 28,370,074</u>	<u>\$ 20,327,438</u>

*The accompanying notes are an integral part of the financial statements.*

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Year Ended June 30, 2024 With Combined Comparative Totals for the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Permanent Fund	Total All Funds	
					2024	2023
<b>Revenue</b>						
Grants	\$ 5,988,749	\$ 3,627,060	\$ 4,856,533	\$ -	\$14,472,342	\$ 8,099,066
Contributions	834,787	2,587,477	-	-	3,422,264	3,391,002
Facility Rental and Catering	590,841	-	-	-	590,841	260,160
Exhibit Admissions	974,782	-	-	-	974,782	869,381
Museum Store	307,260	-	-	-	307,260	204,805
Memberships	188,654	-	-	-	188,654	195,793
Special Events and Other Revenue	254,034	-	-	-	254,034	385,066
Net Realized and Unrealized Gain (Loss) on Investments	590,694	66,592	-	109,052	766,338	332,168
<b>Total Revenue</b>	<b>9,729,801</b>	<b>6,281,129</b>	<b>4,856,533</b>	<b>109,052</b>	<b>20,976,515</b>	<b>13,737,441</b>
<b>Expenditures</b>						
Salaries, Wages, and Benefits	4,531,453	14,194	-	-	4,545,647	3,566,280
Contractual and Professional Services	1,653,463	160,000	-	-	1,813,463	3,540,697
Facility Operations and Maintenance	995,409	-	-	-	995,409	881,664
Office Expenses	327,000	-	-	-	327,000	286,957
Cost of Goods Sold	251,206	-	-	-	251,206	133,739
Educational Programs and Exhibits	3,376,569	255,367	-	-	3,631,936	1,259,542
Other Current Expenditures	333,597	-	-	-	333,597	109,167
Capital Outlay (Note 5)	91,909	-	9,984,315	-	10,076,224	8,809,488
<b>Total Expenditures</b>	<b>11,560,606</b>	<b>429,561</b>	<b>9,984,315</b>	<b>-</b>	<b>21,974,482</b>	<b>18,587,534</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,830,805)</b>	<b>5,851,568</b>	<b>(5,127,782)</b>	<b>109,052</b>	<b>(997,967)</b>	<b>(4,850,093)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Disposal of Capital Assets	-	-	-	-	-	31,971
Interfund Transfers	(1,857,693)	(3,270,089)	5,127,782	-	-	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(3,688,498)</b>	<b>2,581,479</b>	<b>-</b>	<b>109,052</b>	<b>(997,967)</b>	<b>(4,818,122)</b>
<b>Fund Balance - June 30, 2023</b>	<b>4,063,881</b>	<b>2,015,539</b>	<b>-</b>	<b>1,041,034</b>	<b>7,120,454</b>	<b>11,938,576</b>
<b>Fund Balance - June 30, 2024</b>	<b>\$ 375,383</b>	<b>\$ 4,597,018</b>	<b>\$ -</b>	<b>\$ 1,150,086</b>	<b>\$ 6,122,487</b>	<b>\$ 7,120,454</b>

The accompanying notes are an integral part of the financial statements.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Reconciliations of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to the Statement of Activities June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Net Changes in Fund Balance - Total Governmental Funds</b>	\$ (997,967)	\$ (4,818,122)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in		
Depreciation Expense	(1,637,921)	(495,097)
Capital Outlay	10,076,224	8,809,488
Unavailable Revenue is reported in the governmental activities but not in the funds	602,300	-
Governmental Funds do not report capital assets, therefore do	-	31,971
Governmental Funds report proceeds from disposal of assets.	-	(31,971)
<b>Change in Net Position</b>	<u>\$ 8,042,636</u>	<u>\$ 3,496,269</u>

*The accompanying notes are an integral part of the financial statements.*

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Notes to Financial Statements  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY

### Reporting Entity

The Charles H. Wright Museum of African American History ("The Wright"), located in Detroit, Michigan, provides research, compilation, presentation, publication, and dissemination of knowledge relating to the history, growth, development, heritage, and culture of people of African descent and the human struggle for freedom. Additionally, The Wright provides a means of collecting and restoring artifacts and other source material to be used in research on the history of the people of African descent.

For financial reporting purposes, The Wright is a component unit of the City of Detroit, Michigan (the "City") because the members of The Wright's Board of Trustees are appointed by the City's mayor and the City provides financial support to The Wright. There are no fiduciary funds or component units included in the accompanying financial statements.

### Basis of Presentation

The financial statements of The Wright consist of government-wide financial statements, which include the statements of net position and statements of activities, and fund financial statements, which include the balance sheets and statements of revenue, expenditures, and fund balances for governmental funds.

### **Government-Wide Financial Statements**

The government-wide financial statements report information about all of The Wright's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses.

### **Fund Financial Statements**

For purposes of the fund financial statements, the accounts of The Wright are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the fund financial statements.

The following funds, all of which are considered major funds, are used by The Wright:

### **General Fund**

The general fund is the general operating fund of The Wright. It is used to account for all financial resources other than those required to be accounted for in another fund.

### **Special Revenue Fund**

The special revenue fund is used to account for donor-funded programs (including exhibitions) that overlap fiscal years.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)

### Fund Financial Statements (Continued)

#### Capital Projects Fund

The capital projects fund is used to account for financial resources restricted to use for acquisition and construction of major capital facilities.

#### Permanent Fund

The permanent fund is used to account for the long-term investment of funds permanently restricted by donor stipulation or by action of the Board of Trustees.

**Fund Equity** - Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Fund Equity is classified as net position and displayed in three components:

- (a) **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (b) **Restricted** - Consists of net position with constraints placed on the use by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other *governments*; or (2) law through constitutional provisions or enabling legislation.
- (c) **Unrestricted** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

The Wright's fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

#### Nonspendable

These fund balances consist of amounts that are not in a spendable form (such as inventory or prepaid expenditures) or that are required to be maintained intact.

#### Restricted

These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

#### Committed

These fund balances consist of amounts that are constrained to specific purposes by The Wright itself, using its highest level of decision-making authority, which is the Board of Trustees. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Trustees takes action to remove or change the constraint. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, typically through adoption and amendment of the budget.

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)**

### **Fund Financial Statements (Continued)**

#### **Assigned**

These fund balances consist of amounts that The Wright intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Trustees, or by an official or body to which the Board of Trustees delegates the authority, such as the Finance Committee. Assigned fund balances are typically established through adoption or amendment of the budget.

#### **Unassigned**

These fund balances consist of amounts that are available for any purpose.

#### **Basis of Accounting**

The accounting policies of The Wright conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The following is a summary of the significant accounting policies:

The government-wide financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Accordingly, revenue is recorded when earned and expenses are recorded when incurred. Grants provided to support program activities and revenue directly associated with services provided or use of the facility are classified as program revenue. Contributions, investment income, and other support, gains, and losses not directly associated with services provided or use of the facility are classified as general revenue.

The fund financial statements are prepared on the modified accrual basis of accounting using the flow of current financial resources as a measurement focus. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, which is when it is both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. In applying the susceptible-to-accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Monies virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements are reflected as revenue at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Expenditures that are incurred for purposes for which both restricted and unrestricted fund balances are available are applied first to available restricted fund balances, then to unrestricted fund balances. Expenditures that are incurred for purposes for which committed, assigned, and unassigned fund balances are available are applied first to available committed fund balances, then to available assigned fund balances, and finally to unassigned fund balances.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)

**Cash Equivalents** - The Wright considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**Prepaid Expenses** – Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid expenses.

**Capital Assets** - Capital assets are recorded at historical cost. The Wright capitalizes all expenditures for long-term and permanent exhibits, furniture, and equipment in excess of \$2,500 and for building improvements in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to 10 years. The depreciation for long-term and permanent exhibits is computed using the declining balance over the useful life of five years. Expenditures for maintenance and repairs are charged to expense. Renewals or betterments which extend the life or increase the value of the properties are capitalized and depreciated over the remaining useful lives of the related assets.

**Deferred Outflows of Resources** – In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of new position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Wright did not have any deferred outflows of resources at June 30, 2024 or 2023.

**Deferred Inflows of Resources** – In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Wright did not have any deferred inflows of resources at June 30, 2023. At June 30, 2024, The Wright had deferred inflows of \$602,300 for unavailable revenue that was received more than 60 days after fiscal year-end.

**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 and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### City of Detroit Donated Facilities

The Wright has an arrangement with the City under which the City provides The Wright with facilities at no charge. This arrangement has not been reflected in the financial statements since the arrangement is not susceptible to objective measurement or valuation.



# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)

### Contributed Services

A substantial number of volunteers have made significant contributions of their time to develop The Wright's programs, principally in membership development. No amounts have been reflected in these financial statements for volunteer services contributed; however, for the years ended June 30, 2024 and 2023, total contributed volunteer time of 1,350 and 1,892 hours, respectively, was valued at \$38,529 and \$53,988, respectively.

### Compensated Absences

Vacation time is accrued as earned. Employees are allowed to carry over a maximum of 80 hours. Any hours not used within a year of being carried over are forfeited.

### Investments

The Wright's investments, except for the life insurance policy, are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

The Wright's investments are valued as follows:

- Common stocks are stated at quoted market prices.
- Money market funds and registered investment companies are valued at quoted market prices, which represent the net asset values thereof on the last business day of the fiscal year.
- The life insurance policy is measured at its cash surrender value.

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on sales of securities are based on average costs. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation and depreciation include gains and losses on investments bought and sold, as well as held, during the year.

### Fair Value Measurements

The Wright uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Wright utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, The Wright applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)

### Fair Value Measurements (Continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Wright has the ability to access.

**Level 2:** Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that is observable for the assets or liabilities;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Following is the description of the valuation methodologies used for assets measured at fair value:

**Registered Investment Companies:** These funds own underlying assets and dividend ownership of those assets into shares. They are stated on fair value based on a quoted market price.

**Stocks:** The Wright's investments include stocks in which the fair value is based on quoted market prices of the shares held at year end.

### Collections and Artifacts

The Wright does not capitalize donated collections and artifacts or recognize them as revenue. Such donations need not be recognized if they are added to collections that: (a) are held for public exhibition, education, or research in furtherance of public service rather than financial gain, (b) are protected, kept unencumbered, cared for, and preserved, and (c) are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. For the years ended June 30, 2024 and 2023, there were no donated collections and artifacts.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY (Continued)

### Advertising

The Wright's advertising costs are expensed as incurred. Advertising expenses totaled \$379,709 and \$201,953 for the years ended June 30, 2024 and 2023, respectively.

### Tax Exempt Status

The Wright is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation by the Internal Revenue Service.

### Income Taxes

The FASB Accounting Standards Codification Topic, Accounting for Uncertainty in Income Taxes, addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year 2024 or 2023. The Wright's tax returns for prior three years remain subject to examination by the Internal Revenue Service.

## 2) DEPOSITS AND INVESTMENTS

### Cash Deposits

State of Michigan (the "State") statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business and having a place of business in the State that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that, in event of a bank failure, The Wright's deposits may not be returned to The Wright.

As of June 30, 2024 and 2023, The Wright's carrying amounts of deposits and bank balances, and the bank balances that are not covered by federal depository insurance, are as follows:

	<u>2024</u>	<u>2023</u>
Carrying Amount of Deposits	\$ 6,753,686	\$ 8,405,095
Total Bank Balances	\$ 7,081,073	\$ 7,503,249
Uninsured and Uncollateralized Bank Balances	\$ 5,823,620	\$ 6,495,196

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 2) DEPOSITS AND INVESTMENTS (Continued)

### Fair Value Measurements

The Wright's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2024 is summarized as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments at fair value:				
Registered investment companies	\$ 1,150,086	\$ -	\$ -	\$ 1,150,086
Total Investments at Fair Value	<u>\$ 1,150,086</u>	<u>\$ -</u>	<u>\$ -</u>	1,150,086
Investments at cash surrender value:				
Life insurance policy				<u>53,221</u>
Total				<u>\$ 1,203,307</u>

The Wright's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2023 is summarized as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments at fair value:				
Registered investment companies	\$ 7,771	\$ -	\$ -	\$ 7,771
Registered investment companies	1,041,034	-	-	1,041,034
Common stocks	74,246	-	-	74,246
Total Investments at Fair Value	<u>\$ 1,123,051</u>	<u>\$ -</u>	<u>\$ -</u>	1,123,051
Investments at cash surrender value:				
Life insurance policy				<u>66,002</u>
Total				<u>\$ 1,189,053</u>

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

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Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 2) DEPOSITS AND INVESTMENTS (Continued)

### Fair Value Measurements (Continued)

Credit risk is the risk that The Wright will not recover its investments due to the inability of the counterparty to fulfill its obligations. State statutes authorize The Wright to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptances and certificates of deposit issued or created by any state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Act, and registered investment companies composed entirely of the above investments.

The Wright's investment policy does not further limit its investment options. The Wright's investment policy does not limit its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, The Wright will not be able to recover the value of its investments that are in the possession of an outside party. The Wright has a limit on the amount that may be invested in any one investment.

Individual investments, other than registered investment companies, that represent five percent or more of The Wright's total investments either as of June 30, 2024 or as of June 30, 2023, or investments for which credit risk or interest rate risk disclosures are required, are as follows:

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 2) DEPOSITS AND INVESTMENTS (Continued)

	2024	2023
<b>Investments held by The Wright or its agent in The Wright's name:</b>		
Money market funds:		
Unrated		
Federated Government Obligations Fund, Premier Class	\$ -	\$ 10,958
FIMM Treasury Only Portfolio Institutional Unrated	9,515 -	- 7,771
Registered investment companies:		
Bond funds:		
*** rating from Morningstar Weighted average maturity of 8.37 years and 8.30 years for 2024 and 2023, respectively	78,654	78,654
*** rating from Morningstar Weighted average maturity of 25.2 years for 2024	5,546	-
** star rating from Morningstar Weighted average maturity of 10.97 years and 12.60 years for 2024 and 2013, respectively	30,440	32,685
*** rating from Morningstar Weighted average maturity of 8.9 years and 9.7 years from 2024 and 2023, respectively	27,693	25,809
***** rating from Morningstar Weighted average maturity of 7.06 years and 8.05 years for 2024 and 2023, respectively	27,941	25,621
Life insurance policy:		
Lincoln National Life Insurance Company	53,221	66,002

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Notes to Financial Statements (Continued)  
June 30, 2024 and 2023**

## **3) COLLECTIONS AND ARTIFACTS**

The Wright has collections and artifacts that were donated to The Wright by various parties. These items are on display and are used by researchers, historians, and others who are interested in studying the history of the people of African descent. The Wright employs a curator to ensure that the collections and artifacts are protected and preserved. It is the policy of The Wright, in accordance with standards established by the American Association of Museums' Board of Ethics, that proceeds from the sale of any such items are to be used to purchase additional such items.

The Wright has purchased approximately \$2.137 million of collections and artifacts since its inception. These items have been recorded as expenditures in the accompanying financial statements.

## **4) PLEDGES RECEIVABLE**

For purposes of the fund financial statements, pledges receivable are recorded on the modified accrual basis of accounting. Therefore, the governmental funds balance sheets present a deferred pledges balance for the net amount of any pledges receivable that are not susceptible to accrual (both measurable and available within 60 days). Such pledges will be recorded in the fund financial statements as revenue in future years as payments are received.

For purposes of the government-wide financial statements, pledges receivable are recorded on the accrual basis of accounting. Therefore, the statements of activities present revenue for the net amount of any pledges receivable in the period the unconditional promises to give are obtained.

The Wright had no pledges receivable at June 30, 2024 or 2023.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 5) CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2024 and 2023 is as follows:

	Balance 6/30/2023	Additions	Disposals	Reclassification	Balance 6/30/2024
Capital Work in Progress	\$ 8,886,636	\$ 9,984,315	\$ -	\$ (18,648,256)	\$ 222,695
Building and Improvements	5,535,030	11,913	-	17,394,850	22,941,793
Exhibits	12,672,167	6,965	-	986,897	13,666,029
Furniture and Equipment	1,520,435	73,031	-	266,509	1,859,975
<b>Subtotal</b>	28,614,268	10,076,224	-	-	38,690,492
Accumulated Depreciation:					
Building and Improvements	2,132,277	1,314,384	-	-	3,446,661
Exhibits	12,426,528	151,067	-	-	12,577,595
Furniture and Equipment	848,479	172,470	-	-	1,020,949
<b>Subtotal</b>	15,407,284	1,637,921	-	-	17,045,205
Net Capital Assets	<u>\$ 13,206,984</u>	<u>\$ 8,438,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,645,287</u>
	Balance 6/30/2022	Additions	Disposals	Reclassification	Balance 6/30/2023
Capital Work in Progress	\$ 3,064,759	\$ 8,542,495	\$ -	\$ (2,720,618)	\$ 8,886,636
Building and Improvements	3,190,719	-	-	2,344,311	5,535,030
Exhibits	12,672,167	-	-	-	12,672,167
Furniture and Equipment	947,733	266,993	(70,598)	376,307	1,520,435
<b>Subtotal</b>	19,875,378	8,809,488	(70,598)	-	28,614,268
Accumulated Depreciation:					
Building and Improvements	1,823,332	308,945	-	-	2,132,277
Exhibits	12,345,108	81,420	-	-	12,426,528
Furniture and Equipment	814,345	104,732	(70,598)	-	848,479
<b>Subtotal</b>	14,982,785	495,097	(70,598)	-	15,407,284
Net Capital Assets	<u>\$ 4,892,593</u>	<u>\$ 8,314,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,206,984</u>



# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 6) SHORT-TERM LOANS

Short-term loans as of June 30, 2024 and 2023 consist of the following:

### Line of Credit

The Wright has a line of credit arrangement with a bank for \$2,000,000, requiring interest at 1.5 percent over the prime rate per annum. The line of credit is secured by deposited funds of The Wright. The Wright had an outstanding line of credit balance at June 30, 2024 and 2023 for \$354,244 and \$0, respectively.

## 7) DESIGNATED FUND BALANCE/NET POSITION

The Wright's fund balance and net position are restricted for the following designated activities:

	<u>2024</u>	<u>2023</u>
Black History Month	\$ 31,751	\$ 4,074
Children's Discovery Room	22,525	22,525
Cultural Passport	21,000	21,000
Gallery Floor Upgrade	16,534	16,534
Stormwater Demonstration	60,062	60,062
MLK Jr Day	10,400	17,149
Grandparents' Day	1,360	1,560
30 Days to Lose It	800	800
CEO Sabbatical	4,254	4,254
Sustainability	-	2,000
Evaluation Capacity Building - IMLS	27,674	27,674
Multicultural Leadership Series	1,500	1,500
To Whom Much Is Given	8,053	8,053
Camp Africa	164,495	119,162
GM Theater Renovation 2022	2,531,376	1,531,919
Venue Grant 2021-2022	25,000	25,000
Judge Keith Collection Project 2022	40,324	57,810
Technical Capacity Building	10,000	10,000
Climate Initiative	100,000	-
Knight Foundation Technology	1,271,549	-
Fellowship Program	111,500	-
Other Programs	83,640	18,461
Surrender Value of Life Insurance Policy	53,221	66,002
<b>Total</b>	<u>\$ 4,597,018</u>	<u>\$ 2,015,539</u>

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Notes to Financial Statements (Continued)  
June 30, 2024 and 2023**

## **8) CONTRACT WITH THE CITY OF DETROIT**

The Wright entered into a contract with the City effective November 1, 1999, under which the City was to provide The Wright with operating funds. This contract was for 10 years, with an automatic 10-year renewal unless a notice to terminate was requested by either party. The contract was extended effective November 1, 2009, with an expiration date of October 31, 2019. Under the terms of the contract, all personal property acquired before and/or during the life of the contract became the property of the City. Funding under the contract totaled \$2,600,000 per year for the years ended June 30, 2024 and 2023.

The Wright entered into a new contract, dated September 18, 2020, with the City, effective upon ratification by the City Council. This contract is for 10 years, with two automatic 10-year renewals unless a notice to terminate is requested by either party. The amount of funding for future years under this contract will be negotiated annually.

## **9) PERMANENT CHARITABLE ENDOWMENT FUND**

The Wright established the Museum of African American History Endowment Fund (the "Endowment Fund") as a component fund of the Community Foundation for Southeast Michigan (the "Foundation"). The Endowment Fund is an asset of the Foundation. The Foundation transfers earnings on the Endowment Fund to The Wright periodically in the form of grants so long as The Wright continues to meet its tax-exempt purpose. Grants paid to The Wright from the Foundation for the years ended June 30, 2024 and 2023 totaled \$178,945 and \$117,469, respectively.

Since the Endowment Fund has been funded entirely by contributions from outside donors, these funds are not recorded on the financial statements of The Wright. The fair value of the Endowment Fund as of June 30, 2024 and 2023 is \$2,705,333 and \$2,573,077 respectively.

The Wright's policy is to spend assets from the Endowment Fund as they are distributed by the Foundation. The Foundation invests the assets of the Endowment Fund as part of a pooled endowment with similar funds held on behalf of other tax-exempt organizations. The assets of the Foundation's pooled endowment are invested in a manner intended to maximize investment returns over a diversified portfolio in order to achieve a moderate level of investment risk.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Notes to Financial Statements (Continued)  
June 30, 2024 and 2023

## 10) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for the general fund. All annual appropriations lapse at the end of the fiscal year.

Under the State's Uniform Budgeting and Accounting Act, actual expenditures for any budgeted expenditure category are not to exceed the amounts budgeted for that category. The Uniform Budgeting and Accounting Act permits governmental entities to amend their budgets during the year, and requires amended budgets to be approved by the governing body prior to expending funds in excess of the amount budgeted for that category.

During the year ended June 30, 2024, The Wright incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Educational Programs and Exhibits	\$ 2,930,753	\$ 3,376,569	\$ (445,816)
Capital Outlay	-	91,909	(91,909)

In total, The Wright's actual expenditures were \$1,616,359 below the final budgeted expenditures.

During the year ended June 30, 2023, The Wright incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Contractual and Professional Services	\$ 2,412,370	\$ 3,287,160	\$ (874,790)
Capital Outlay	-	266,993	(266,993)

The original budgeted amounts are as presented to The Wright's Finance Committee and approved by The Wright's Board of Trustees. On a quarterly basis, management prepares forecasts of revenue and expenditures to reflect changes to the schedule of programs and exhibitions, as well as trends in earnings and contributions. These forecasts are the basis of pro forma financial reports and are presented regularly to the Finance Committee for review as a part of its operating oversight. Proposed modifications to the budget are approved by the full Board of Trustees. Line item appropriations are authorized by The Wright's management. Unexpended appropriations lapse at the end of the fiscal year.

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Notes to Financial Statements (Continued)  
June 30, 2024 and 2023**

## **11) CAPITAL EXPANSION BOND ISSUES**

On November 8, 2001, the general electorate approved a Capital Expansion Bond Issue for \$20 million, of which \$4 million was designated to The Wright. In May 2003, the general electorate approved another Capital Expansion Bond Issue for \$6 million. These funds are to be used primarily for capital purchases, including exhibit construction, equipment, and other major building maintenance expenses. During May 2011, the general electorate approved another \$34 million for capital improvements from the general obligation bond sale during December 2010, of which approximately \$297,000 was designated for The Wright. UTGO bonds were issued in December 2018 for \$145 million with \$1.7 million designated for The Wright. \$80 million in UTGO bonds were issued in October 2020 with \$2.5 million designated for The Wright.

As of June 30, 2024, The Wright had successfully used all of their allocated bond funds. The Wright received approximately \$2.0 million from this authorization during the year ended June 30, 2023.

## **12) RISK MANAGEMENT**

Given the normal activities of The Wright and the relatively low rate of claims and lawsuits experienced in The Wright's past history, the risk involved in The Wright operations is minimal and, in management's opinion; is sufficiently covered-by its insurance policies.

## **13) SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 3, 2024, which is the date the financial statements were available to be issued. No issues which could have a material effect on these financial statements have come to our attention.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

## Required Supplemental Information Budgetary Comparison Schedules – General Fund Years Ended June 30, 2024 and 2023

	2024				2023			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>								
Grants	\$ 5,047,293	\$ 5,047,293	\$ 5,988,749	\$ 941,456	\$ 9,123,375	\$9,123,375	\$ 6,100,000	\$ (3,023,375)
Contributions	5,150,025	5,150,025	834,787	(4,315,238)	2,482,000	2,482,000	1,284,147	(1,197,853)
Facility Rental and Catering	300,000	300,000	590,841	290,841	270,325	270,325	260,160	(10,165)
Exhibit Admissions	919,659	919,659	974,782	55,123	450,000	450,000	869,381	419,381
Museum Store	250,000	250,000	307,260	57,260	240,000	240,000	204,805	(35,195)
Memberships	250,000	250,000	188,654	(61,346)	149,179	149,179	195,793	46,614
Special Events and Other Revenue	1,621,627	1,621,627	254,034	(1,367,593)	1,297,000	1,297,000	375,880	(921,120)
Net Realized and Unrealized Gain on Investments	325,000	325,000	590,694	265,694	30,000	30,000	259,585	229,585
<b>Total Revenue</b>	<b>13,863,604</b>	<b>13,863,604</b>	<b>9,729,801</b>	<b>(4,133,803)</b>	<b>14,041,879</b>	<b>14,041,879</b>	<b>9,549,751</b>	<b>(4,492,128)</b>
<b>Expenditures - Current</b>								
Salaries, Wages, and Employee Benefits	4,747,945	4,747,945	4,531,453	216,492	3,820,380	3,820,380	3,566,280	254,100
Contractual and Professional Services	2,621,279	2,621,279	1,653,463	967,816	2,412,370	2,412,370	3,287,160	(874,790)
Facility Operations and Maintenance	1,415,023	1,415,023	995,409	419,614	2,000,709	2,000,709	880,462	1,120,247
Office Expenses	331,468	331,468	327,000	4,468	410,000	410,000	286,842	123,158
Cost of Good Sold	414,127	414,127	251,206	162,921	140,000	140,000	133,739	6,261
Educational Programs and Exhibits	2,930,753	2,930,753	3,376,569	(445,816)	1,864,660	1,864,660	1,257,917	606,743
Other Current Expenditures	361,453	361,453	333,597	27,856	756,800	756,800	109,167	647,633
Capital Outlay	-	-	91,909	(91,909)	-	-	266,993	(266,993)
<b>Total Expenditures</b>	<b>12,822,048</b>	<b>12,822,048</b>	<b>11,560,606</b>	<b>1,261,442</b>	<b>11,404,919</b>	<b>11,404,919</b>	<b>9,788,560</b>	<b>1,616,359</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>1,041,556</b>	<b>1,041,556</b>	<b>(1,830,805)</b>	<b>(2,872,361)</b>	<b>2,636,960</b>	<b>2,636,960</b>	<b>(238,809)</b>	<b>(2,875,769)</b>
<b>Other Financing Sources (Uses):</b>								
Proceeds from disposal of Capital Assets	-	-	-	-	-	-	31,971	31,971
Interfund Transfers	-	-	(1,857,693)	(1,857,693)	-	-	(5,764,040)	(5,764,040)
<b>Change in Fund Balance</b>	<b>\$ 1,041,556</b>	<b>\$ 1,041,556</b>	<b>\$ (3,688,498)</b>	<b>\$ (4,730,054)</b>	<b>\$ 2,636,960</b>	<b>\$2,636,960</b>	<b>\$ (5,970,878)</b>	<b>\$ (8,607,838)</b>

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Note to Required Supplementary Information  
Years Ended June 30, 2024 and 2023**

## **1) BUDGETARY INFORMATION**

The Charles H. Wright Museum of African American History ("The Wright") establishes a budget that is reflected in the financial statements for the general fund. The budget is presented on the modified accrual basis of accounting.

The original budgeted amounts are as presented to The Wright's Finance Committee and approved by The Wright's Board of Trustees. On a quarterly basis, management prepares forecasts of revenue and expenditures to reflect changes to the schedule of programs and exhibitions, as well as trends in earnings and contributions. These forecasts are the basis of pro forma financial reports and are presented regularly to the Finance Committee for review as a part of its operating oversight. Proposed modifications to the budget are approved by the full Board of Trustees. Line item appropriations are authorized by The Wright's management. Unexpended appropriations lapse at the end of the fiscal year.

**CHARLES H. WRIGHT**  
**MUSEUM OF AFRICAN AMERICAN HISTORY**  
**(A COMPONENT UNIT OF THE CITY OF**  
**DETROIT, MICHIGAN)**

**FEDERAL AWARDS**  
**SUPPLEMENTAL INFORMATION**

**JUNE 30, 2024**



# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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## **REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Charles H. Wright Museum of African American History  
Detroit, Michigan

We have audited the financial statements of the governmental activities and each major fund of Charles H. Wright Museum of African American History (The Wright), (a component unit of the City of Detroit) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise The Wright's basic financial statements. We issued our report thereon dated December 3, 2024 which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 3, 2024.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Alan C. Young & Assoc.*

Detroit, Michigan  
December 3, 2024



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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Charles H. Wright Museum of African American History  
Detroit, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Charles H. Wright Museum of African American History (The Wright) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise The Wright's basic financial statements and have issued our report thereon dated December 3, 2024.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Wright's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Wright's internal control. Accordingly, we do not express an opinion on the effectiveness of The Wright's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of The Wright's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses. However, significant deficiencies or material weaknesses may exist that have not been identified.

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards  
(Continued)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Wright's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Wright's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Wright's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alan C. Young, Assoc.*

Detroit, Michigan  
December 3, 2024



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Charles H. Wright Museum of African American History  
Detroit, Michigan

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Charles H. Wright Museum of African American History's, (The Wright) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Wright's major federal programs for the year ended June 30, 2024. The Wright's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Wright complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Wright and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Wright's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Wright's federal programs.

**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance  
(Continued)**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Wright's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Wright's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Wright's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Wright's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Wright's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance  
(Continued)**

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Alan C. Young, Assoc.*

Detroit, Michigan  
December 3, 2024

**CHARLES H. WRIGHT MUSEUM OF  
AFRICAN AMERICAN HISTORY**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

<u>Federal Agency/Pass-through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Amount Provided to Subrecipient</u>	<u>Federal Expenditures</u>
U.S. Department of Treasury Pass-through City of Detroit - Finance Department Coronavirus State and Local Fiscal Recovery Funds	21.027	6005198	\$ -	\$ 1,799,284
Total U.S. Department of Treasury Awards			-	1,799,284
Total Federal Awards			\$ -	\$ 1,799,284

See notes to Schedule of Expenditures of Federal Awards.



# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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**Notes to Schedule of Expenditures  
of Federal Awards  
Year Ended June 30, 2024**

**1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Charles H. Wright Museum of African American History (The Wright). The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of The Wright and therefore it is not intended to and does not present the financial position or changes in net position of The Wright for year ended June 30, 2024. Expenditures reported on the schedule are reported on the accrual basis of accounting. In addition, expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2) INDIRECT COST RATE**

The Wright has elected not to use 10 percent de minimis indirect cost rate allowed rate allowed under the Uniform Guidance.

**3) SUBSEQUENT EVENTS**

All subsequent events related to the major programs were evaluated through December 3, 2024, the date the accompanying reports were available to be issued. No significant event was noted that required adjustment or disclosure in the report.

# CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY

Schedule of Findings and Questioned Cost  
Year Ended June 30, 2024

## SECTION I – SUMMARY OF AUDITOR’S RESULTS

### Financial Statements

Type of Auditor’s Report Issued: Unmodified

Internal Control over Financial Reporting:

- Material Weakness (es) Identified?        Yes   X   No
- Significant Deficiencies Identified?        Yes   X   None Reported
- Non-Compliance Material to Financial Statements noted?        Yes   X   No

### Federal Awards

Internal Control over Major Programs:

- Material Weakness (es) Identified?        Yes   X   No
- Significant Deficiencies Identified?        Yes   X   None Reported

Type of Auditor’s Report issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?        Yes   X   No

### Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.097	Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee Qualified as Low Risk Auditee?        Yes   X   No

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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Schedule of Findings and Questioned Cost (Continued)  
Year Ended June 30, 2024

## **SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS**

There are no financial statement audit findings.

## **SECTION III – FEDERAL PROGRAM AUDIT FINDINGS**

There are no federal program audit findings noted.

# **CHARLES H. WRIGHT MUSEUM OF AFRICAN AMERICAN HISTORY**

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Status of Prior Year Findings  
Year Ended June 30, 2024

## **SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS**

There was no prior year single audit.

## **SECTION III – FEDERAL PROGRAM AUDIT FINDINGS**

There was no prior year single audit.