

Victoria Mansion

Financial Statements

March 31, 2024 and 2023

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Nonprofit Accounting & Consulting Specialists

Independent Auditors' Report

Board of Directors
Victoria Mansion
Portland, Maine

Opinion

We have audited the accompanying financial statements of Victoria Mansion (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victoria Mansion as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Victoria Mansion's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

As stated in the opinion section of this report, the financial statements of Victoria Mansion present fairly, in all material respects, the financial position of Victoria Mansion as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PGM, LLC
Biddeford, Maine
October 3, 2024

Statements of Financial Position

March 31,

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 87,448	\$ 367,716
Accounts receivable	2,702	
Inventory	78,445	77,729
Prepaid expenses	3,646	2,189
Tax credit receivable		70,702
Total Current Assets	172,241	518,336
Investments	464,649	
Endowments	6,936,138	2,408,359
Land, Building, and Equipment		
Non-depreciable assets		
Land, building, and improvements	5,163,841	4,977,672
Depreciable assets		
Improvements	668,848	656,878
Equipment	72,873	72,873
Total depreciable assets	741,721	729,751
Construction in progress		66,610
	5,905,562	5,774,033
Less: accumulated depreciation	(639,348)	(626,319)
Total Land, Building, and Equipment	5,266,214	5,147,714
Total Assets	\$ 12,839,242	\$ 8,074,409
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 24,514	\$ 31,787
Accrued liabilities	9,183	7,899
Deferred revenue		660
Total Liabilities	33,697	40,346
Net Assets		
Without donor restrictions		
Buildings, land, and equipment	102,372	103,433
Board designated endowment	5,918,958	1,597,780
Other	283,437	236,884
Total without donor restrictions	6,304,767	1,938,097
With donor restrictions		
Buildings and land	5,163,841	5,044,281
Time and purpose restricted	1,336,937	1,051,685
Total with donor restrictions	6,500,778	6,095,966
Total Net Assets	12,805,545	8,034,063
Total Liabilities and Net Assets	\$ 12,839,242	\$ 8,074,409

The accompanying notes are an integral part of these financial statements

Statement of Activities

Year Ended March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Admission and tours	\$ 408,488		\$ 408,488
Contributions	4,104,738	\$ 253,877	4,358,615
Membership	37,324		37,324
Income (loss) on investments, net of fees:			
Interest & dividends	102,793	33,106	135,899
Realized gain on sale of investments	31,082	15,768	46,850
Net unrealized gain on investments	295,017	149,667	444,684
Sales, net of cost sales	57,418		57,418
Special events, net of expenses	13,172		13,172
Net assets released from restrictions	47,606	(47,606)	
Total Revenues and Other Support	5,097,638	404,812	5,502,450
Expenses			
Program services	552,941		552,941
Management and general	143,784		143,784
Fundraising	34,243		34,243
Total Expenses	730,968		730,968
Total Change in Net Assets	4,366,670	404,812	4,771,482
Net Assets, Beginning of Year, Restated	1,938,097	6,095,966	8,034,063
Net Assets, End of Year	\$ 6,304,767	\$ 6,500,778	\$ 12,805,545

Statement of Activities

Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Admission and tours	\$ 397,549		\$ 397,549
Contributions	605,662	\$ 239,717	845,379
Membership	32,662		32,662
Income (loss) on investments, net of fees:			
Interest on dividends	19,359	11,409	30,768
Realized gain on sale of investments	(26,604)	(18,033)	(44,637)
Net unrealized (loss) gain on investments	(61,529)	(39,339)	(100,868)
Sales, net of cost sales	60,600		60,600
Special events, net of expenses	7,500		7,500
Satisfaction of purpose restrictions	8,375	(8,375)	
Total Revenues and Other Support	<u>1,043,574</u>	<u>185,379</u>	<u>1,228,953</u>
Expenses			
Program services	432,387		432,387
Management and general	139,045		139,045
Fundraising	71,366		71,366
Total Expenses	<u>642,798</u>		<u>642,798</u>
Total Change in Net Assets	400,776	185,379	586,155
Net Assets, Beginning of Year, Restated	<u>1,537,321</u>	<u>5,910,587</u>	<u>7,447,908</u>
Net Assets, End of Year	<u>\$ 1,938,097</u>	<u>\$ 6,095,966</u>	<u>\$ 8,034,063</u>

Statement of Functional Expenses

Year Ended March 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 314,591	\$ 69,561	\$ 13,834	\$ 397,986
Payroll taxes	13,176	17,059	4,056	34,291
Employee benefits	44,464	9,883	1,966	56,313
Administrative		7,007		7,007
Conferences		1,304		1,304
Accounting		24,607		24,607
Insurance	18,161	3,484		21,645
Technology		3,086		3,086
Office		6,261		6,261
Building repairs	2,742	51		2,793
Equipment repairs	70			70
Grounds	8,055	151		8,206
Housekeeping	2,108	39		2,147
Snow removal	3,868	72		3,940
Development			11,104	11,104
Newsletter			3,283	3,283
Credit card fees	40,428			40,428
Utilities	27,722	519		28,241
Museum	4,163			4,163
Program	9,088			9,088
Collections management	35,255			35,255
Marketing	4,899			4,899
Dues & subscriptions	3,053			3,053
Printing & design	8,069			8,069
Legal		700		700
Depreciation	13,029			13,029
	<u>\$ 552,941</u>	<u>\$ 143,784</u>	<u>\$ 34,243</u>	<u>\$ 730,968</u>

Statement of Functional Expenses

Year Ended March 31, 2023

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 261,706	\$ 69,198	\$ 13,543	\$ 344,447
Payroll taxes	21,941	5,802	1,135	28,878
Employee benefits	29,209	7,723	1,512	38,444
Administrative		28,683		28,683
Travel		417		417
Conferences		307		307
Accounting		6,150		6,150
Insurance	16,326	3,951		20,277
Technology		5,510		5,510
Office		5,182		5,182
Building repairs	1,189	103		1,292
Equipment repairs	185			185
Grounds	4,609	401		5,010
Housekeeping	1,597	139		1,736
Snow removal	3,685	320		4,005
Development			53,973	53,973
Newsletter			1,203	1,203
Credit card fees	16,481			16,481
Utilities	25,746	2,239		27,985
Museum	7,135			7,135
Program	9,544			9,544
Collections management	3,404			3,404
Marketing	5,113			5,113
Dues & subscriptions	2,746			2,746
Printing & design	5,163			5,163
Legal		181		181
Other		1,295		1,295
Depreciation	16,608	1,444		18,052
	<u>\$ 432,387</u>	<u>\$ 139,045</u>	<u>\$ 71,366</u>	<u>\$ 642,798</u>

Statements of Cash Flows

Years Ended June 30,

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 4,771,482	\$ 586,155
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation	13,029	18,052
Net realized loss (gain) on investments	(46,850)	44,637
Net unrealized loss (gain) on investments	(444,684)	100,868
(Increase) decrease in:		
Accounts receivable	(2,702)	1,040
Inventory	(716)	(23,065)
Prepaid expenses	(1,457)	(1,512)
Tax credit receivable	70,702	
(Increase) decrease in:		
Accounts payable	(7,273)	27,748
Accrued liabilities	1,284	3,821
Deferred revenue	(660)	660
Net cash flows from operating activities	4,352,155	758,404
Cash flows from investing activities:		
Purchase of equipment and improvements	(131,529)	(127,250)
Proceeds from sale of investments	88,305	90,540
Purchase of investments	(4,589,199)	(628,203)
Net cash flows from investing activities	(4,632,423)	(664,913)
Net change in cash and cash equivalents	(280,268)	93,491
Cash and cash equivalents, beginning of year	367,716	274,225
Cash and cash equivalents, end of year	\$ 87,448	\$ 367,716

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Victoria Mansion is a nonprofit corporation organized in Portland, Maine. The Organization is dedicated to the restoration and preservation of the Victoria Mansion located on Danforth Street in Portland, Maine, and to the fostering of public awareness and appreciation for the mansion and its era.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported, as follows:

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and can be used for any purpose designated by the board.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all depository accounts with financial institutions, including certificates of deposit with original maturities of less than 90 days and money market funds, to be cash and cash equivalents.

Revenue Recognition

Program Revenue

Fee-for-service revenue for admissions and tours, gift shop sales, and membership dues is recognized on an accrual basis when the performance obligations have been met.

Other revenue includes investment income from gains and losses, and dividends and interest.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition, Continued

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Inventories

Inventories are carried at the lower cost in the first-in, first-out basis or market value.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at the fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investments consist of publicly-traded mutual funds and money market funds. The fair value of these investments is based on quoted market prices.

Endowment Funds

Investments consist of donor-restricted endowment funds and Board designated endowment funds. The Organization has interpreted the Maine Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as "donor-restricted, perpetual in nature" is classified as "donor-restricted, purpose and time restricted". Those purpose and time restricted assets remain restricted until amounts are appropriated for expenditure by the Organization according to the endowment fund's gift intent and spending policy, and also in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers a number of factors in making a determination to appropriate or accumulate donor-restricted endowment funds which are designed to safeguard the principal.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Endowment Funds, Continued

The Organization's investment and spending policies for the endowment funds are, as follows:

Investment Objective and Policy – The Organization has an investment policy that attempts to provide a predictable stream of funding from its endowment, while seeking to maintain the purchasing power of the endowment assets. To meet its long-term rate-of-return objectives, the Organization employs a total return strategy in which investment returns are achieved through both realized and unrealized capital appreciation, and current yield from interest and dividends. The Organization has a diversified investment pool with an asset allocation that includes equity, fixed income, and cash-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy – The Organization's spending policy is 5% based on a 3 year average of the balance considering donations, withdrawals and earnings. In the years ended March 31, 2024 and 2023, the Organization appropriated \$78,502 and \$71,200, respectively, for expenditures.

Property and Equipment

Purchased assets are carried at cost. Contributed assets are carried at the fair market value at the time of the gift. Major additions are included in the property accounts, while maintenance and repairs which do not improve or extend the life of the assets are expensed. Depreciation is computed using the straight line method of depreciation over the assets' estimated service life, generally 5-7 years. Depreciation expense for the years ended March 31, 2024 and 2023 totaled \$13,029 and \$18,052, respectively.

Collections

In conformity with the practice followed by many museums, antique furnishings and art objects purchased, conserved, and donated are not included in the statements of financial position. The cost of a collection item is recorded as a decrease in net assets when purchased or conserved. The proceeds from the sale of a collection item are recorded as an increase in net assets when sold. Items donated are not recorded because the nature of the donations does not allow a clearly measurable and objective basis for determining the value.

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income tax. The Organization is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years after the filing of a return.

Volunteer Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally in membership development and educational programs. The value of this contributed time is not reflected in these statements because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

Advertising

The Victoria Mansion expenses advertising costs as incurred. Costs incurred for the year ended March 31, 2024 and 2023 were \$4,899 and \$5,113, respectively.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 revenues and expenses in the reporting period. Actual results could differ from these estimates.

Prior Period Adjustment

Net assets with donor restrictions were decreased by \$45,962 and increased by \$32,917 for the years ended March 31, 2023 and 2022, respectively. The result was a net decrease of \$12,991 to the March 31, 2024 beginning balance. The adjustment was needed to record the earnings and unrealized losses on donor restricted endowment funds which were not previously included in the net assets with donor restriction balances.

New Accounting Pronouncements

Financial Instruments- Credit Losses

On January 1, 2023, the Organization adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including trade accounts receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. Management evaluated the impact of the new standard and determined there was no material impact on the financial statements and resulted in no new disclosure requirements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures: that is without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following as of March 31:

	2024	2023
Cash and cash equivalents	\$ 87,448	\$ 367,716
Accounts receivable	2,702	
Endowment spending-rate distributions and appropriations	189,345	104,685
	<u>\$ 279,495</u>	<u>\$ 472,401</u>

The Organization has a \$100,000 Line of Credit with a commercial bank, as of March 31, 2024, \$100,000 is available. In addition, there are approximately \$5,000,000 in board designated endowments that could be undesignated by action from the Board.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS

Fair value is 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. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets that we can access at the measurement date.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar information available in the circumstances.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Fair value of assets measured at March 31, 2024 and 2023 are as follows:

	2024			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents	\$ 482,503	\$ 482,503		
Equity securities	3,105,044	3,105,044		
Bonds	2,531,098	2,531,098		
Mutual funds	1,282,142	1,282,142		
Total	<u>\$ 7,400,787</u>	<u>\$ 7,400,787</u>		
	2023			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents	\$ 197,361	\$ 197,361		
Equity securities	1,524,270	1,524,270		
Bonds	686,728	686,728		
Total	<u>\$ 2,408,359</u>	<u>\$ 2,408,359</u>		

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS – CONTINUED

The Organization considers certificates of deposit with original maturities of greater than 90 days to be long-term investments and is shown as such on the statements of financial position. All others are considered to be cash and cash equivalents and are shown as current assets on the statements of financial position.

The Organization invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

NOTE 4 – ENDOWMENT

March 31, 2024	Without Donor Restriction	With Donor Restriction	Total
Unrestricted investment funds	\$ 5,918,958		\$ 5,918,958
Donor-restricted endowment fund			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 839,955	839,955
Accumulated investment gains		177,225	177,225
	<u>\$ 5,918,958</u>	<u>\$ 1,017,180</u>	<u>\$ 6,936,138</u>
March 31, 2023	Without Donor Restriction	With Donor Restriction	Total
Unrestricted investment funds	\$ 1,597,780		\$ 1,597,780
Donor-restricted endowment fund			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 823,571	823,571
Accumulated investment losses		(12,992)	(12,992)
	<u>\$ 1,597,780</u>	<u>\$ 810,579</u>	<u>\$ 2,408,359</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At March 31, 2023, funds with original gift values of \$823,571 and fair value of \$810,579 and deficiencies of \$12,992 were reported in net assets with donor restricted. These amounts were fully recovered during fiscal year ended March 31, 2024 due to favorable market fluctuations.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 4 – ENDOWMENT – CONTINUED

The following is a summary of donor-restricted endowment funds as of March 31:

	2024	2023
Restoration	\$ 169,124	\$ 135,761
Curatorial	30,626	24,585
Education	30,013	24,094
Collections acquisition	236,961	184,273
Operations	550,456	441,866
	<u>\$ 1,017,180</u>	<u>\$ 810,579</u>

Changes in endowment net assets for the years ended March 31 are as follows:

	2024		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	\$ 1,597,780	\$ 810,579	\$ 2,408,359
Realized gains	31,082	15,768	46,850
Unrealized gains	295,017	149,667	444,684
Interest and dividends	65,257	33,106	98,363
Additions	4,000,000	16,384	4,016,384
Appropriation for expenditure	(70,178)	(8,324)	(78,502)
End of year	<u>\$ 5,918,958</u>	<u>\$ 1,017,180</u>	<u>\$ 6,936,138</u>

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	\$ 1,201,664	\$ 814,536	\$ 2,016,200
Realized loss	(26,604)	(18,033)	(44,637)
Unrealized loss	(61,529)	(39,339)	(100,868)
Interest and dividends	16,831	11,409	28,240
Additions	538,618	42,005	580,623
Appropriation for expenditure	(71,200)		(71,200)
End of year	<u>\$ 1,597,780</u>	<u>\$ 810,579</u>	<u>\$ 2,408,359</u>

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 4 – ENDOWMENT – CONTINUED

Endowment investments consist of the following at March 31:

	2024	2023
Cash equivalents	\$ 289,053	\$ 197,361
Equity securities	3,038,845	1,524,270
Bonds	2,531,098	686,728
Mutual funds	1,077,142	
Total	<u>\$ 6,936,138</u>	<u>\$ 2,408,359</u>

NOTE 6 – LINE OF CREDIT

The Organization has an operating line of credit with a financial institution with a maximum borrowing availability of up to \$100,000. The line of credit is secured by substantially all business assets of the Organization and is payable on demand. The line of credit has a variable rate of interest equal to Wall Street Journal Prime Rate plus 1%. As of March 31, 2024, the interest rate was 9.5%. The line of credit will be available until such time the bank demands repayment. There was no balance as of March 31, 2024 and 2023.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 7 - NET ASSETS

Net assets with donor restrictions are comprised of the following at March 31:

	2024	2023
Subject to expenditure for specified purpose:		
Restoration	\$ 319,757	\$ 241,106
Total subject to expenditure for specified purpose and passage of time	<u>319,757</u>	<u>241,106</u>
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Restoration	31,068	(2,295)
Curatorial	5,626	(415)
Education	5,513	(406)
Collections acquisition	33,898	(2,406)
Operations	<u>101,120</u>	<u>(7,470)</u>
	<u>177,225</u>	<u>(12,992)</u>
Subject to endowment spending policy and appropriation:		
Restoration	138,056	138,056
Curatorial	25,000	25,000
Education	24,500	24,500
Collections acquisition	203,063	186,679
Operations	<u>449,336</u>	<u>449,336</u>
	<u>839,955</u>	<u>823,571</u>
Total donor restricted endowments funds	<u>1,017,180</u>	<u>810,579</u>
Buildings, land, and equipment	<u>5,163,841</u>	<u>5,044,281</u>
Total net assets with donor restrictions	<u>\$ 6,500,778</u>	<u>\$ 6,095,966</u>

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows for the years ended March 31:

	2024	2023
Restoration	\$ 47,606	\$ 875
Education		7,500
Total net assets released from restriction	<u>\$ 47,606</u>	<u>\$ 8,375</u>

NOTE 8 – SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including October 3, 2024, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.