MARTHA'S VINEYARD MUSEUM, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

AND

INDEPENDENT AUDITOR'S REPORT

MARTHA'S VINEYARD MUSEUM, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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BOLLUS LYNCH

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Martha's Vineyard Museum, Inc.

Opinion

We have audited the financial statements of Martha's Vineyard Museum, Inc. (the Museum), which comprise the statement of financial position as of December 31, 2024, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Museum 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 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 the Museum's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the Museum's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ballus Lynch, LLP

Worcester, Massachusetts
June 25, 2025

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024
(With Summarized Comparative Information for 2023)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 1,876,066	$ 1,192,293
Certificates of deposit	1,150,566	402,792
Contributions receivable	2,381,070	1,699,658
Inventories	55,537	50,181
Prepaid expenses and other assets	59,552	9,708
Total current assets	5,522,791	3,354,632
Contributions receivable, net of current portion	963,830	2,020,430
Endowment investments	3,475,373	2,757,662
Property and equipment, net	19,622,666	20,597,438
Collection	-	-
	$ 29,584,660	$ 28,730,162
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term debt	$ 107,700	$ 8,975
Accounts payable and accrued liabilities	47,913	111,745
Customer deposits and deferred revenue	107,950	114,433
Total current liabilities	263,563	235,153
Note payable, bank	2,600,000	3,200,000
Long-term debt, net of current maturities	2,021,051	2,073,525
Total liabilities	4,884,614	5,508,678
Net assets		
Without donor restrictions		
Operating	753,595	1,575,965
Plant	14,676,157	14,993,623
With donor restrictions	9,270,294	6,651,896
Total net assets	24,700,046	23,221,484
	$ 29,584,660	$ 28,730,162

See accompanying independent auditor’s report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Information for 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals 2024	Totals 2023
Operating activities:				
Revenue, gains, and other support				
Admissions and program fees	$ 274,600	$ -	$ 274,600	$ 236,103
Memberships	253,165	-	253,165	244,680
Contributions and sponsorships	432,166	240,060	672,226	941,386
Grant income	139,500	-	139,500	122,660
Sales	76,618	-	76,618	69,414
Special fund raising events, net of direct benefit to donors of $163,901 in 2024 and $196,469 in 2023	466,673	8,000	474,673	285,616
Lighthouse admissions and fees	49,473	-	49,473	44,697
Rental, interest and other income	378,831	-	378,831	215,359
Net assets released from restriction				
Satisfaction of purpose restrictions	68,380	(68,380)	-	-
Endowment investment return appropriated for operations	106,000	-	106,000	105,200
Appropriation from Centennial Campaign	371,936	-	371,936	604,248
Total	2,617,342	179,680	2,797,022	2,869,363
Operating expenses				
Program services	2,108,635	-	2,108,635	2,219,686
Supporting services				
General and administrative	406,745	-	406,745	453,622
Membership and fundraising	281,642	-	281,642	196,055
Total	2,797,022	-	2,797,022	2,869,363
Change in net assets before depreciation expense	(179,680)	179,680	-	-
Depreciation expense	974,772	-	974,772	1,007,655
Change in net assets from operating activities	(1,154,452)	179,680	(974,772)	(1,007,655)
Non-operating activities				
Centennial Campaign activities				
Contributions and grants	-	1,894,654	1,894,654	4,551,740
Endowment contributions	-	1,100,000	1,100,000	200,000
Centennial Campaign expenses	(284,736)	-	(284,736)	(278,098)
Net assets released from capital restrictions				
Centennial Campaign expenses	284,736	(284,736)	-	-
Appropriation from Centennial Campaign	-	(371,936)	(371,936)	(604,248)
Other non-operating activities				
Endowment investment return	-	283,711	283,711	371,495
Net assets released from restrictions				
Capital pledges collected	27,500	(27,500)	-	-
Endowment investment return appropriated for operations	-	(106,000)	(106,000)	(105,200)
Change in net assets from non-operating activities	27,500	2,488,193	2,515,693	4,135,689
Change in net assets before changes related to collection items	(1,126,952)	2,667,873	1,540,921	3,128,034
Purchase of collection items	(62,359)	-	(62,359)	(14,990)
Net assets released from restriction to collection activities	49,475	(49,475)	-	-
Change in net assets	(1,139,836)	2,618,398	1,478,562	3,113,044
Net assets, beginning of year	16,569,588	6,651,896	23,221,484	20,108,440
Net assets, end of year	$ 15,429,752	$ 9,270,294	$ 24,700,046	$ 23,221,484

See accompanying independent auditor's report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Information for 2023)

	Program	General and Administrative	Membership and Fundraising	Totals 2024	Totals 2023
Salaries and wages	$ 960,392	$ 248,489	$ 166,121	$ 1,375,002	$ 1,205,741
Employee benefits	112,190	29,023	19,402	160,615	117,106
Payroll taxes	74,811	19,353	12,938	107,102	101,599
Total personnel expenses	1,147,393	296,865	198,461	1,642,719	1,424,446
Accounting and legal	-	22,468	-	22,468	20,693
Advertising	76,720	3,118	-	79,838	42,857
Collection and exhibits	148,818	-	-	148,818	261,313
Contract services and professional fees	87,220	2,341	12,585	102,146	189,943
Cost of sales	38,144	-	-	38,144	44,062
Insurance	133,700	14,619	2,971	151,290	107,358
Interest	172,656	15,347	3,837	191,840	212,784
Lighthouses	11,075	-	-	11,075	28,727
Occupancy					
Utilities	90,719	8,064	2,016	100,799	124,254
Landscaping	72,506	3,989	997	77,492	87,038
Repairs and maintenance	57,206	5,085	1,271	63,562	112,758
Programs and events	36,989	434	4,487	41,910	96,027
Technology	23,375	2,078	519	25,972	39,640
Other	12,114	32,337	54,498	98,949	77,463
Total operating expenses before depreciation expense	2,108,635	406,745	281,642	2,797,022	2,869,363
Depreciation expense	877,295	77,982	19,495	974,772	1,007,655
Total operating expenses	2,985,930	484,727	301,137	3,771,794	3,877,018
Special fundraising event expenses	-	-	163,901	163,901	196,469
Centennial Campaign expenses					
Contracted services	-	-	242,520	242,520	245,170
Other expenses	-	-	42,216	42,216	32,928
Total Centennial Campaign expenses	-	-	284,736	284,736	278,098
Total functional expenses	$ 2,985,930	$ 484,727	$ 749,774	$ 4,220,431	$ 4,351,585

See accompanying independent auditor's report and notes to financial statements.

MARTHA'S VINEYARD MUSEUM, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Information for 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 1,478,562	$ 3,113,044
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Adjustments related to operating activities:		
Depreciation expense	974,772	1,007,655
Net investment gains	(75,400)	(264,273)
Contributions restricted for endowment	(1,100,000)	(200,000)
Deferred interest on long-term debt	55,226	55,000
Purchase of collection items	62,359	14,990
Changes in operating assets and liabilities:		
Contributions receivable	(8,000)	5,000
Inventories	(5,356)	(3,622)
Prepaid expenses and other assets	(49,844)	1,131
Accounts payable and accrued liabilities	(63,832)	55,560
Customer deposits and deferred revenue	(6,483)	38,233
Adjustments related to capital campaign activities:		
Contributions restricted for capital activities	(1,894,654)	(4,551,740)
Centennial Campaign expenses	284,736	278,098
Total adjustments	(1,826,476)	(3,563,968)
Net cash used in operating activities	(347,914)	(450,924)
Cash flows from investing activities:		
Expenditures for property and equipment	-	(125,000)
Purchases of certificates of deposit, net	(747,774)	(402,792)
Purchases of endowment investments	(748,311)	(147,222)
Proceeds from sales of endowment investments	106,000	105,200
Purchase of collection items	(62,359)	(14,990)
Centennial Campaign expenses	(284,736)	(278,098)
Net cash used in investing activities	(1,737,180)	(862,902)
Cash flows from financing activities:		
Payments of note payable, bank	(600,000)	(400,000)
Payments of long-term debt	(8,975)	-
Contributions collected for endowment	540,000	40,000
Contributions collected for capital activities	2,837,842	1,164,685
Net cash provided by financing activities	2,768,867	804,685
Net increase (decrease) in cash and cash equivalents	683,773	(509,141)
Cash and cash equivalents, beginning of year	1,192,293	1,701,434
Cash and cash equivalents, end of year	$ 1,876,066	$ 1,192,293
Supplemental disclosures of cash flows information is as follows		
Cash paid during the year for :		
Interest	$ 145,589	$ 157,783

See accompanying independent auditor’s report and notes to financial statements.

1 - DESCRIPTION OF ORGANIZATION

The Martha's Vineyard Museum was founded in 1922 and incorporated as the Dukes County Historical Society, Inc. on July 12, 1923. On August 19, 1996, the corporate name was changed to Martha's Vineyard Historical Society, Inc. (the "Society"). During 2006, the Board of Directors authorized the use of the name "Martha's Vineyard Museum" while retaining its corporate name. During 2010, the Board of Directors changed the corporate name to Martha's Vineyard Museum, Inc. (the "Museum"). The mission of the Martha's Vineyard Museum is to inspire all people to discover, explore, and strengthen their connections to this island and its diverse heritage.

The Museum owns its Vineyard Haven campus comprised of an historic marine hospital and three adjacent properties. It also owns and operates programs at the Cooke House & Legacy Gardens in Edgartown. Additionally, the Museum oversees visitor services at the Edgartown Lighthouse owned by the Town of Edgartown and East Chop Lighthouse owned by the US Coast Guard. The Museum offers programs and exhibitions on-site and on-line using its vast collection of art, artifacts, objects, literary works and documents. Combined with its ongoing collections program, the Museum presents a broad grasp of history's enduring importance and its central role in explaining our present day.

Cooke House Property in Edgartown - With the Museum relocation to its new campus in 2019, the Cooke House remains a Museum property in Edgartown on a 17,000+ square foot site, which has been developed as an historic home and garden to be known as the Cooke House and Legacy Gardens.

Description of activities

The following activities and supporting services are included in the accompanying financial statements:

Exhibitions - There are seven long-term exhibitions installed in two buildings on the Vineyard Haven campus and the Museum mounts eight to ten temporary exhibitions annually. Additionally, the Museum exhibits and maintains sculpture and gardens on the Vineyard Haven campus and in Edgartown at the Cooke House.

Programing and Education - The Museum offers year-round programming in-person and virtually for people of all ages. Talks, panel discussions, demonstrations, musical performances, poetry readings, family programs, films, and kid's activities are just a sampling of what the public can enjoy. The Museum's education program is focused on partnerships with all Island schools and offers field trips and classroom visits to students from pre-K through high school. Inspiration for all curriculum units are aligned to Massachusetts common core standards and draw from the Museum's collection of artifacts, photographs, primary source documents, maps, journals and oral histories.

Publications - The Museum produces a scholarly journal, the MVM Quarterly throughout the year. The goal of all Museum publications is to foster knowledge and stimulate interest in Vineyard History. In addition, the Museum periodically publishes catalogs in conjunction with major exhibitions.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Museum prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Museum are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of accounting

The financial statements of the Museum have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the Museum obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Museum's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Museum's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Museum, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. In addition, the governing board of the Museum may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Museum must continue to use the resources in accordance with the donor's instructions.

The Museum's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Museum, unless the donor provides more specific directions about the period of its use.

Summarized comparative information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Museum's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

The Museum maintains accounts at various financial institutions which, at times, may exceed federally insured limits. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Certificates of deposit

Certificates of deposit that are not debt securities are carried at amortized cost. Such instruments are considered non-negotiable individual contracts and generally mature within one year. Interest income is earned based upon the principal balance outstanding for the term of the deposit. Due to the nature of these instruments, they are not subject to fair value reporting. Thus, they are excluded from the fair value hierarchy disclosed in footnote 11.

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectibility of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Inventories

Inventories, which consist of gift shop and café items, are stated at the lower of cost or net realizable value on a first-in, first-out (FIFO) method.

Investments

Investments are reported at their fair value. The net investment return is reported in the statement of activities as unrestricted increases or decreases unless its use is restricted by explicit donor stipulations or by law.

Endowment funds

The purpose of the Endowment is to provide a steady but growing stream of income to the Museum over future years. The Endowment will provide the means for the Museum to accept lasting gifts from individuals and other entities that will both honor and perpetuate the Mission of the Museum and the Museum's programs in carrying out that mission. The Museum's endowment consists of individual donor restricted funds established for a variety of purposes. Its endowment includes only donor restricted endowment funds As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed or legal restrictions.

As required by generally accepted accounting principles, the Museum classifies as donor 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 non-expendable net assets is classified as expendable net assets until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by state law.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment funds (continued)

In accordance with the Uniform Prudent Management of Institutional Funds Act, the Museum may consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the Museum and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Museum; and the investment policies of the Museum.

The Museum has adopted investment and spending policies for its board-designated and other endowment assets that attempt to provide a predictable stream of funding for its programs while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in a portfolio of mutual funds with the objective of achieving long-term capital appreciation while moderating the level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest, dividends and net rental income). The Museum has invested in mutual funds that target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Museum has a policy that the Board, after consultation with the finance committee, may appropriate for distribution each year not more than 5% of the applicable market value of the endowment.

Property and equipment

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of $2,500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets.

Impairment of long-lived assets and long-lived assets to be disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Collection

As allowed by accounting principles generally accepted in the United States of America and following the practices of many museums, the Museum has not capitalized its collection of items of historical nature and other related objects purchased or donated. The collection is held for public exhibition, education, or research in furtherance of public service rather than financial gain. The Museum continually reviews its collection and may de-access or acquire additional items. Expenditures for additional collection items are presented as a reduction in the appropriate class of net assets. Proceeds from de-accessions are reflected as increases in net assets without donor restrictions. The Museum has established a policy that requires the proceeds from items de-accessed to be used to acquire other items for the collection.

Measure of operations

In its statement of activities, the Museum includes in its definition of *operations* all revenues and expenses that are an integral part of its programs and supporting activities. The Museum considers the comprehensive Centennial campaign, investment return in excess of the amount appropriated for operations, other contributions and bequests for endowment and capital activities, and all collection related activity be classified as non-operating activities.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions of financial assets

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

The Museum is a beneficiary under several donors' wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the Museum has an irrevocable right to the bequest.

Contributions of non-financial assets

The Museum receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Museum receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Museum's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Museum benefits from personal services provided by a number of volunteers. Those volunteers have donated significant amounts of time and services in the Museum's program operations and in its fund-raising events. U.S. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. There were no donated services that met the criteria to be included in in-kind contributions in the statement of activities.

Expense recognition and allocation

The cost of providing the Museum's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Management periodically evaluates the basis on which costs are allocated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Museum.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense recognition and allocation (continued)

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Museum generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. Advertising expense was $79,838 and $42,857 in 2024 and 2023, respectively.

Tax-exempt status

The Museum is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Museum are tax deductible to donors under Section 170 of the IRC. The Museum is not classified as a private foundation.

3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023 are:

	2024	2023
Financial assets:		
Cash	$ 1,876,066	$ 1,192,293
Certificates of deposit	1,150,566	402,792
Contributions receivable, net	3,344,900	3,720,088
Endowment investments	3,475,373	2,757,662
Total financial assets	9,846,905	8,072,835
Less: Financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	176,512	46,307
Centennial Campaign restricted net assets	5,618,409	4,730,272
Donor-restricted endowment funds	3,475,373	2,757,662
Amount available for general expenditures within one year	$ 576,611	$ 538,594

The above table reflects donor-restricted endowment funds as unavailable because it is the Museum's intention to invest those resources for the long-term support of the Museum. However, in the case of need, the Board of Directors could appropriate resources from the donor-restricted funds available for general use ($3,475,373, of which $2,802,433 is the original gifts). Note 2 provides more information about those funds and about the spending policies for all endowment funds.

4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of:

	2024	2023
With donor restrictions		
Operating	$ 8,000	$ -
Centennial Campaign	3,486,070	3,914,318
Capital Campaign	5,000	32,500
	3,499,070	3,946,818
Less: Unamortized discount	154,170	226,730
	$ 3,344,900	$ 3,720,088

As of December 31, 2024, the Museum had additional outstanding intentions to give of $160,000 through letters of intent or pledges with certain specified conditions, which are not included above.

As of December 31, 2024, pledges are expected to be received according to the following schedule:

	Operating	Centennial Campaign
Within one year	$ 8,000	$ 2,373,070
One to five years	-	1,118,000
	$ 8,000	$ 3,491,070

5 - ENDOWMENT INVESTMENTS

Endowment investments are presented in the financial statements at fair value and are comprised of the following:

	2024	2023
Mutual funds	$ 3,475,373	$ 2,757,662

Investments are included in the following net asset categories in the statement of financial position:

	2024	2023
Donor restricted endowment funds		
Unappropriated return	$ 672,940	$ 495,229
Original gifts	2,802,433	2,262,433
Total	$ 3,475,373	$ 2,757,662

The following summarizes the net investment return included in the statement of activities:

	2024	2023
Interest and dividends	$ 208,311	$ 107,222
Investment gains	75,400	264,273
	$ 283,711	$ 371,495

5 - ENDOWMENT INVESTMENTS (Continued)

Changes in endowment investments are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment investments, December 31, 2022	$ -	$ 2,451,367	$ 2,451,367
Investment return:			
Interest and dividends	-	107,222	107,222
Investment gains	-	264,273	264,273
Total investment return	-	371,495	371,495
Additions	-	40,000	40,000
Appropriation for operations	-	(105,200)	(105,200)
Endowment investments, December 31, 2023	-	2,757,662	2,757,662
Investment return:			
Interest and dividends	-	208,311	208,311
Investment gains	-	75,400	75,400
Total investment return	-	283,711	283,711
Additions	-	540,000	540,000
Appropriation for operations	-	(106,000)	(106,000)
Endowment investments, December 31, 2024	$ -	$ 3,475,373	$ 3,475,373

6 - PROPERTY AND EQUIPMENT

Property and equipment, together with estimated useful lives, consist of the following:

	Estimated Useful Lives	2024	2023
Land	-	$ 2,154,333	$ 2,154,333
Historic buildings	-	177,768	177,768
Buildings and improvements	7 - 31 years	21,549,623	21,549,623
Equipment and furniture	3 - 10 years	2,013,305	2,018,305
		25,895,029	25,900,029
Less: Accumulated depreciation		6,272,363	5,302,591
		$ 19,622,666	$ 20,597,438

Depreciation for property and equipment was $974,772 and $1,007,655 in 2024 and 2023, respectively.

7 - NOTE PAYABLE, BANK

In 2017 the Museum entered into a loan arrangement with a bank to provide bridge funding for construction costs. The loan is secured by a mortgage on real property owned by the Museum. In 2022, the loan agreement was modified making the outstanding balance of $4,000,000 payable in full in July 2032. Interest is payable monthly at a fixed rate of 4.34% through 2027 at which time the rate changes to the Boston FHLB 5-year rate plus 2.25%. During 2024 and 2023 the Museum repaid $600,000 and $400,000, respectively, resulting in an outstanding balance of $2,600,000 and $3,200,000 as of December 31, 2024 and 2023, respectively.

8 - LONG-TERM DEBT

Long-term debt consists of the following:

	2024	2023
Note payable, $2,000,000 EIDL loan plus deferred interest, secured by all assets of the Museum, due in monthly installments of $8,975 beginning in July 2022, including interest at 2.75%, through May 2052. The Museum exercised the option to defer payments for 30 months and payments began in December 2024.	$ 2,128,751	$ 2,082,500
Less: Current maturities	107,700	8,975
	$ 2,021,051	$ 2,073,525

Maturities of long-term debt, including deferred interest, in subsequent years are as follows:

2025	$ 107,700
2026	107,700
2027	81,296
2028	53,910
2029	55,563
Thereafter	1,722,582
	$ 2,128,751

9 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024 and 2023, net assets with donor restrictions are available for the following purposes or periods:

	2024	2023
Purpose restrictions, available for spending:		
Capital projects	$ 66,559	$ 17,402
Centennial Campaign	2,281,509	127,839
Collections	85,000	-
Other, including educational programs	16,953	28,905
Total purpose restricted net assets	2,450,021	174,146
Time restrictions:		
Contributions receivable, which are unavailable for spending until due, some of which are also subject to purpose and endowment restrictions	3,344,900	3,720,088
Endowment funds, which must be appropriated by the Board of Directors before use:		
Original gifts	2,802,433	2,262,433
Unappropriated return	672,940	495,229
Total endowment funds managed by the Museum	3,475,373	2,757,662
Total net assets with donor restrictions	$ 9,270,294	$ 6,651,896

9 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During 2024, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

Appropriation of endowment investment return	$ 106,000
Appropriation of Centennial Campaign for operations	371,936
Vision fellowship	24,813
Other projects	26,100
Other programs	17,467
	546,316
Nonoperating activities	
Collection acquisitions	49,475
Capital campaign pledges collected	27,500
Centennial campaign expenses	284,736
	$ 908,027

10 - STATEMENT OF CASH FLOWS

As of December 31, 2022, accounts payable and accrued liabilities included $325,458 related to retainage for the construction project. This liability was settled during 2023 for $125,000 which is reflected as a use of cash for the purchase of property and equipment in that year.

11 - FAIR VALUE MEASUREMENTS

The Museum reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by U.S. GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of input used to measure fair value are as follows:

Level 1: Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

When available, the Museum measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Museum is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Museum's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of endowment investments.

11 - FAIR VALUE MEASUREMENTS (Continued)

Determination of fair value

Following is a description of the valuation methodologies used for items measured at fair value. There have been no changes in the methodologies used during the year ended December 31, 2024.

Mutual funds: Determined by the published NAV per unit at the end of the last trading day of the year, which is the basis of transactions at that date.

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

The Museum's financial assets that are measured at fair value on a recurring basis were recorded using the fair value hierarchy at December 31, 2024 as follows:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 3,475,373	$ -	$ -	$ 3,475,373

There were no significant transfers between the levels during the year. The Museum's policy is to recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the availability of fair value inputs are not recognized.

The Museum does not measure any liabilities at fair value on a recurring or non-recurring basis on the statement of financial position.

12 - RETIREMENT PLAN

The Museum sponsors a defined contribution retirement plan covering all full-time employees. The Museum contributed $34,925 and $29,914 for the years ended December 31, 2024 and 2023, respectively.

13 - CONCENTRATIONS OF RISK

The Museum's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Market risks include global events which could impact the value of investment securities such as a pandemic or international conflict. Further, because of the significance of the investments to the Museum's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

14 - RELATED-PARTY TRANSACTIONS

Contributions include $2,459,935 and $1,397,766 of amounts received from Board members in 2024 and 2023, respectively. Contributions receivable from Board members were $1,374,392 and $700,316 in 2024 and 2023, respectively.

15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2025, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.