



STRAWBERRY BANKE MUSEUM

FINANCIAL STATEMENTS

March 31, 2023 and 2022

STRAWBERRY BANKE MUSEUM

Financial Statements

March 31, 2023 and 2022

Table of Contents

Independent Auditor’s Report

Financial Statements:

Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3-4
Statements of Cash Flows	5
Notes to Financial Statements	6-20

Supplementary Information:

Schedules of Revenue and Support	Schedule 1	21
Schedules of Changes in Net Assets With Donor Restrictions	Schedule 2	22-24
Schedules of Revenues and Operating Expenses – Budget Basis	Schedule 3	25

Independent Auditor's Report

To the Board of Trustees and Management
of Strawberry Banke Museum

Opinion

We have audited the accompanying financial statements of Strawberry Banke Museum (a nonprofit organization), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strawberry Banke Museum as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and support and changes in net assets with donor restrictions (schedules 1 and 2) on pages 21 through 24 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

To the Board of Trustees
Strawbery Banke Museum
Page 3

The schedule of revenues and operating expenses – budget basis (schedule 3) on page 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink, reading "Remya Keston Ouellette". The signature is written in a cursive style with a large initial 'R'.

October 16, 2023
South Portland, Maine

STRAWBERRY BANKE MUSEUM
Statements of Financial Position
March 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 771,711	1,274,857
Cash and cash equivalents - restricted	2,428,222	2,363,625
Accounts receivable	21,355	126,910
Pledges receivable, current portion	30,681	38,676
Prepaid expenses	63,931	42,858
Inventory	25,869	23,065
Total current assets	3,341,769	3,869,991
Other assets:		
Investments	9,640,424	8,743,004
Investments - Annuity	110,273	119,421
Beneficial interest in assets held by others	726,326	803,081
Other assets	275	275
Pledges receivable, non-current portion, net	35,352	32,275
Right of use asset - finance	5,156	13,996
Total other assets	10,517,806	9,712,052
Property and equipment:		
Land and buildings	10,063,148	9,297,732
Construction in process	458,966	324,223
Equipment	1,107,886	1,143,308
Total property and equipment	11,630,000	10,765,263
Less accumulated depreciation	(4,548,937)	(4,249,876)
Net property and equipment	7,081,063	6,515,387
Collections-see note page 7	-	-
Total assets	\$ 20,940,638	20,097,430
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 179,836	117,424
Annuity Payable	25,060	32,926
Accrued payroll	38,308	33,268
Other current liabilities	68,522	80,075
Deferred revenue	95,399	77,303
Right of use liability - finance, current portion	5,156	8,840
Total current liabilities	412,281	349,836
Long-term liabilities:		
SBA PPP loan payable	-	280,865
Right of use liability - finance, net of current portion	-	5,156
Total long-term liabilities	-	286,021
Total liabilities	412,281	635,857
Net assets:		
Without donor restrictions:		
Designated as quasi-endowment	324,178	358,758
Net investment in property and equipment	7,075,907	6,501,391
Undesignated	267,267	620,763
Total net assets without donor restrictions	7,667,352	7,480,912
Net assets with donor restrictions	12,861,005	11,980,661
Total net assets	20,528,357	19,461,573
Total liabilities and net assets	\$ 20,940,638	20,097,430

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

STRAWBERRY BANKE MUSEUM
Statements of Activities
Years Ended March 31, 2023 and 2022

	2023					2022				
	Without donor restrictions operating	Without donor restrictions non-operating	Total without donor restrictions	With donor restrictions	Total	Without donor restrictions operating	Without donor restrictions non-operating	Total without donor restrictions	With donor restrictions	Total
Revenue and support:										
Museum activities	\$ 967,021	-	967,021	189,228	1,156,249	665,712	-	665,712	55,476	721,188
Labrie family skate	460,476	-	460,476	340	460,816	391,021	-	391,021	24,189	415,210
Development and fundraising	213,142	-	213,142	2,815,018	3,028,160	235,234	-	235,234	3,959,955	4,195,189
Investment dividends and interest	-	76,493	76,493	189,333	265,826	-	13,053	13,053	140,397	153,450
Net investment (losses) gains	-	(104,987)	(104,987)	(598,091)	(703,078)	-	15,991	15,991	102,768	118,759
Change in value of assets held by others	-	-	-	(47,012)	(47,012)	-	-	-	71,458	71,458
Other income	725,033	-	725,033	-	725,033	965,684	-	965,684	-	965,684
SBA PPP loan forgiveness	280,865	-	280,865	-	280,865	-	-	-	-	-
Subtotal revenue and support	2,646,537	(28,494)	2,618,043	2,548,816	5,166,859	2,257,651	29,044	2,286,695	4,354,243	6,640,938
Net assets released from restrictions and reclassifications	1,668,472	-	1,668,472	(1,668,472)	-	1,104,557	-	1,104,557	(1,104,557)	-
Total revenue and support	4,315,009	(28,494)	4,286,515	880,344	5,166,859	3,362,208	29,044	3,391,252	3,249,686	6,640,938
Operating expenses:										
Program services:										
Collections	119,653	-	119,653	-	119,653	113,293	-	113,293	-	113,293
Horticulture	24,560	-	24,560	-	24,560	71,506	-	71,506	-	71,506
Property	945,250	-	945,250	-	945,250	888,930	-	888,930	-	888,930
Visitors services	179,134	-	179,134	-	179,134	127,414	-	127,414	-	127,414
Education	429,438	-	429,438	-	429,438	289,894	-	289,894	-	289,894
Special events	219,717	-	219,717	-	219,717	155,060	-	155,060	-	155,060
Labrie family skate	411,074	-	411,074	-	411,074	364,435	-	364,435	-	364,435
Heritage house program	6,634	-	6,634	-	6,634	18,350	-	18,350	-	18,350
Other programs	440,696	-	440,696	-	440,696	179,100	-	179,100	-	179,100
Total program services	2,776,156	-	2,776,156	-	2,776,156	2,207,982	-	2,207,982	-	2,207,982
Supporting services:										
Development	274,215	-	274,215	-	274,215	266,971	-	266,971	-	266,971
Capital Campaign	330,219	-	330,219	-	330,219	109,868	-	109,868	-	109,868
Management and general	718,997	488	719,485	-	719,485	648,811	1,655	650,466	-	650,466
Total supporting services	1,323,431	488	1,323,919	-	1,323,919	1,025,650	1,655	1,027,305	-	1,027,305
Total operating expenses	4,099,587	488	4,100,075	-	4,100,075	3,233,632	1,655	3,235,287	-	3,235,287
Change in net assets	215,422	(28,982)	186,440	880,344	1,066,784	128,576	27,389	155,965	3,249,686	3,405,651
Net assets, beginning of year	4,697,114	2,783,798	7,480,912	11,980,661	19,461,573	4,568,538	2,756,409	7,324,947	8,730,975	16,055,922
Net assets, end of year	\$ 4,912,536	2,754,816	7,667,352	12,861,005	20,528,357	4,697,114	2,783,798	7,480,912	11,980,661	19,461,573

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

STRAWBERRY BANKE MUSEUM
Statement of Functional Expenses
Year Ended March 31, 2023

	Program services										Supporting activities				Totals 2023
	Collections	Horticulture	Property	Visitors services	Education	Special events	Labrie family skate	Heritage House	Other programs	Totals	Development	Capital campaign	Management & general	Totals	
Salaries	\$ 83,320	14,667	243,954	84,318	295,559	10,706	-	(2,481)	112,576	842,619	212,532	62,614	375,724	650,870	1,493,489
Payroll taxes and employee benefits	12,800	1,213	44,511	11,844	41,252	831	-	-	11,521	123,972	29,943	4,101	69,212	103,256	227,228
Total salaries and related expenses	96,120	15,880	288,465	96,162	336,811	11,537	-	(2,481)	124,097	966,591	242,475	66,715	444,936	754,126	1,720,717
Supplies	580	3,948	7,715	577	13,312	755	397	-	321	27,605	791	-	6,678	7,469	35,074
Marketing and printing	-	-	-	-	-	-	4,585	-	65,278	69,863	11,384	-	-	11,384	81,247
Repairs and maintenance	5,063	-	159,377	-	-	-	119,415	-	-	283,855	-	-	10,446	10,446	294,301
Real estate taxes	-	-	89,441	-	-	-	-	-	-	89,441	-	-	-	-	89,441
Utilities	-	-	206,950	-	-	-	34,529	-	-	241,479	-	-	-	-	241,479
Cost of sales	-	-	-	18,384	-	-	-	-	-	18,384	-	-	-	-	18,384
Contract services	-	-	16,620	-	-	-	-	3,151	-	19,771	-	-	-	-	19,771
Program expenditures	-	1,708	-	12,513	9,799	158,733	201,090	-	249,536	633,379	-	263,504	-	263,504	896,883
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	25,596	25,596	25,596
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	103,309	103,309	103,309
Technology	-	-	-	-	-	-	2,217	-	1,463	3,680	-	-	61,696	61,696	65,376
Bank and service fees	-	-	-	24,664	-	15,895	12,598	-	-	53,157	5,649	-	14,342	19,991	73,148
Meetings and staff development	-	42	912	-	3,921	-	-	-	-	4,875	-	-	16,793	16,793	21,668
Membership	-	-	-	-	-	-	-	-	-	-	13,916	-	-	13,916	13,916
Travel	-	-	-	-	-	-	-	-	-	-	-	-	25	25	25
Postage	-	-	-	-	-	-	-	-	-	-	-	-	3,882	3,882	3,882
Miscellaneous	-	-	29,672	-	-	-	3,130	1	1	32,804	-	-	31,782	31,782	64,586
Depreciation	17,890	2,982	146,098	26,834	65,595	32,797	33,113	5,963	-	331,272	-	-	-	-	331,272
Total expenses	\$ 119,653	24,560	945,250	179,134	429,438	219,717	411,074	6,634	440,696	2,776,156	274,215	330,219	719,485	1,323,919	4,100,075

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

STRAWBERRY BANKE MUSEUM
Statement of Functional Expenses
Year Ended March 31, 2022

	Program services										Supporting activities			Totals 2022	
	Collections	Horticulture	Property	Visitors services	Education	Special events	Labrie family skate	Heritage House	Other programs	Totals	Development	Capital campaign	Management & general		Totals
Salaries	\$ 78,143	45,329	235,714	53,234	194,043	16,067	-	6,791	79,039	708,360	209,226	60,860	298,028	568,114	1,276,474
Payroll taxes and employee benefits	13,156	9,076	39,249	9,723	35,132	1,269	-	3,458	10,182	121,245	30,506	5,086	56,607	92,199	213,444
Total salaries and related expenses	91,299	54,405	274,963	62,957	229,175	17,336	-	10,249	89,221	829,605	239,732	65,946	354,635	660,313	1,489,918
Supplies	509	2,386	4,485	2,694	6,741	-	799	-	827	18,441	-	-	7,935	7,935	26,376
Marketing and printing	-	-	-	-	-	-	2,809	-	52,805	55,614	10,214	-	-	10,214	65,828
Repairs and maintenance	2,476	-	149,620	-	-	-	95,966	-	-	248,062	-	-	9,517	9,517	257,579
Real estate taxes	-	-	89,028	-	-	-	-	-	-	89,028	-	-	-	-	89,028
Utilities	-	-	188,873	-	-	-	33,356	-	-	222,229	-	-	-	-	222,229
Cost of sales	-	-	-	10,853	-	-	-	-	-	10,853	-	-	-	-	10,853
Contract services	-	-	16,463	-	-	-	-	-	-	16,463	-	-	-	-	16,463
Program expenditures	-	3,853	-	8,226	6,845	91,023	176,842	-	35,092	321,881	-	43,922	-	43,922	365,803
Professional services	-	-	-	-	-	-	-	207	-	207	-	-	63,803	63,803	64,010
Insurance	-	-	-	-	-	-	-	2,462	-	2,462	-	-	91,223	91,223	93,685
Interest	-	-	-	-	-	-	-	-	-	-	-	-	55	55	55
Technology	-	-	-	-	-	-	2,773	-	1,155	3,928	-	-	59,638	59,638	63,566
Bank and service fees	-	-	-	20,959	-	22,261	13,214	-	-	56,434	5,602	-	14,155	19,757	76,191
Meetings and staff development	-	-	457	-	968	-	-	-	-	1,425	-	-	15,293	15,293	16,718
Membership	-	-	-	-	-	-	-	-	-	-	11,423	-	-	11,423	11,423
Postage	-	-	-	-	-	-	-	-	-	-	-	-	5,879	5,879	5,879
Miscellaneous	-	-	21,115	-	-	-	4,940	-	-	26,055	-	-	28,333	28,333	54,388
Depreciation	19,009	10,862	143,926	21,725	46,165	24,440	33,736	5,432	-	305,295	-	-	-	-	305,295
Total expenses	\$ 113,293	71,506	888,930	127,414	289,894	155,060	364,435	18,350	179,100	2,207,982	266,971	109,868	650,466	1,027,305	3,235,287

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

STRAWBERRY BANKE MUSEUM
Statements of Cash Flows
Years Ended March 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 1,066,784	3,405,651
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Change in value of assets held by others	47,012	(71,458)
Change in discount on pledges receivable	422	-
Net realized and unrealized (gains) losses on investments	703,078	(118,759)
SBA PPP loan forgiveness	(280,865)	-
Depreciation	331,272	305,295
Gifts with restrictions for long-term purposes	(3,004,586)	(4,039,620)
(Increase) decrease in:		
Accounts receivable	105,555	(15,474)
Pledges receivable	4,496	27,145
Inventory	(2,804)	5,515
Prepaid expenses	(21,073)	(26,043)
Other assets	-	(275)
Increase (decrease) in:		
Accounts payable	62,412	8,022
Annuity payable	(7,866)	(7,865)
Accrued payroll	5,040	(32,612)
Other current liabilities	(11,553)	3,351
Deferred revenue	18,096	12,493
Net cash and cash equivalents used in operating activities	(984,580)	(544,634)
Cash flows from investing activities:		
Purchases of land, buildings and equipment	(896,948)	(733,443)
Purchases of investments	(9,867,346)	(1,861,342)
Proceeds from distributions of assets held by others	29,743	31,815
Proceeds from the sale of investments	8,275,996	54,301
Net cash and cash equivalents used in investing activities	(2,458,555)	(2,508,669)
Cash flows from financing activities:		
Gifts with restrictions for long-term purposes	3,004,586	4,039,620
Repayments of capital lease	-	(8,840)
Repayments of loan payable	-	(2,755)
Net cash and cash equivalents provided by financing activities	3,004,586	4,028,025
Net change in cash and cash equivalents	(438,549)	974,722
Cash and cash equivalents, beginning of year	3,638,482	2,663,760
Cash and cash equivalents, end of year	\$ 3,199,933	3,638,482
Cash and cash equivalents at end of year:		
Cash and cash equivalents	\$ 771,711	1,274,857
Cash and cash equivalents - restricted	2,428,222	2,363,625
Total cash and cash equivalents	\$ 3,199,933	3,638,482
Supplemental cash flow disclosures:		
Cash paid for interest	\$ -	55

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

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements
March 31, 2023 and 2022

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Purpose - Strawberry Banke Museum (the Museum) is a public, nonprofit, educational institution in Portsmouth, New Hampshire. Its mission is to promote understanding of the lives of individuals and the value of community through encounters with the history and ongoing preservation of a New England waterfront neighborhood. To accomplish this goal, the Museum:

- Acquires and conserves historic buildings, objects, and other material pertinent to its mission for today's visitors and for future generations;
- Conducts research aimed at placing local developments within the broader context of city, state, and national history;
- Disseminates the results of that research to the public through exhibitions, publications, demonstrations, tours, symposia, workshops, and other educational activities and programs.

Basis of Accounting - The Museum prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and gains are reported when earned and expenses and losses are recorded when incurred.

Basis of Presentation - The Museum reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor imposed restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents, and its application for tax-exempt status. The governing board has designated a portion of net assets without donor restrictions to serve as a quasi-endowment. Quasi-endowment consists of accumulated income without donor restrictions that the Board has designated to function as an endowment fund. It consists of investments, the income from which is used to fund the Museum operations in accordance with spending policies adopted by the Board.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Museum's unspent contributions are reported in net assets with donor restrictions if the donor limits their use.

Cash and Cash Equivalents - For purposes of the statements of cash flows, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consist of short-term investments, money market accounts, and CDs held by investment companies and banks, and excludes any such items that are classified as investments. Certain cash and cash equivalents are restricted as they represent funds received for the capital campaign not yet spent for their designated purpose.

Accounts Receivable - Accounts receivable consist primarily of grants receivable, rent receivable and other items. The Museum considers receivables uncollectible after all efforts for collection have been exhausted. Total accounts receivables at March 31, 2023 and 2022 includes grants receivable of \$0 and \$30,653, respectively. At March 31, 2023 and 2022, the Museum did not consider an allowance for bad debts to be necessary, as all amounts were considered fully collectible.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory - Inventory is valued at the lower of cost (first-in, first-out basis) or market (net realizable). Inventory consists of museum shop merchandise, including books and other publications held for sale.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Interest, dividends, and realized and unrealized gains and losses on these investments are reported as revenues without donor restrictions in the statements of activities unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment - Property and equipment is carried at cost if purchased or fair value if received by donation. Major additions with expected useful lives of more than one year and initial cost or value exceeding \$1,000 are capitalized as property and equipment. Maintenance and repairs which do not improve or extend the life of the assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of 5 to 10 years for equipment and 15 to 40 years for buildings and improvements. Land with a carrying value of \$215,331 is included within land and buildings on the statements of financial position as of March 31, 2023 and 2022, respectively.

Collections - Collection items consist of art objects that are held for educational and curatorial purposes. Each of the items is cataloged, preserved, cared for, and kept unencumbered, and activities verifying their existence and assessing their condition are performed continuously. Collection items acquired either through purchase or donation are not capitalized. The proceeds from deaccession of collection items may be used for acquisitions of new collection items or the direct care of existing collections. The Museum adheres to the ethical principles and definition of direct care established by the American Alliance of Museums and considers direct care to entail actions that enhance the life, usefulness, or quality of the collection items to ensure they will continue to benefit the public. The Museum's collection management policy includes conservation services, archival services, collection care investments identified through a conservation assessment and/or plan, and collection care training for staff and volunteers, as activities that are considered direct care of collection items.

Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with assets without donor restrictions and as decreases in net assets with donor restrictions if purchased with donor-restricted assets. Contributions of collection items are not recognized in the statement of activities. Proceeds from deaccessions or insurance recoveries are reflected on the statement of activities based on the absence or existence and nature of donor-imposed restrictions. The insured value of the collection objects and buildings, at both March 31, 2023 and 2022, was \$11,161,071.

Collection Policy - Buildings related to the preservation and/or educational mission of the Museum are classified as part of the collection and, as described in the preceding paragraph, are not capitalized as assets in the statements of financial position. These buildings include those used for formal exhibition spaces, buildings maintained exclusively for preservation purposes, and furnished historical buildings. Where buildings have more than one use, the current use associated with a majority of the floor space shall determine the classification of the building.

Measure of Operations - In its statements of activities, the Museum includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting services. Investment income, including net realized and unrealized gains and losses, and contributions to net assets with donor restrictions, are recognized as non-operating support, revenues, gains, and losses.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributed Revenue and Support - Contributions and pledges received are recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donations of marketable securities or other non-cash assets are recorded at fair value as of the date the item is received. Contributions of cash that must be used to acquire property and equipment and collection items are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Museum reports expirations of donor restrictions when the acquired asset is placed in service as instructed by the donor. The Museum reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Investment Income - Income and net realized or unrealized gains on investments of endowment and similar funds are reported as follows:

- as increases in net assets with donor restrictions that are permanent in nature if the terms of the gift or the Board's interpretation of relevant state law requires that they be added to the principal of a permanent endowment fund;
- as increases in net assets with donor restrictions that are temporary in nature if the terms of the gift, or State law, impose restrictions on the use of the income, other than income and gains for which restrictions are met in the same year as received;
- as increases in net assets without donor restrictions in all other cases.

Contributions with Restrictions Met in the Same Year - Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets with donor restrictions class, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Functional Expenses - The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Museum.

Advertising - Advertising costs are expensed as incurred. Advertising costs for the years ended March 31, 2023 and 2022 amounted to \$34,218 and \$25,860, respectively.

Use of Estimates - The presentation 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 during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Museum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Museum qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1) of the Code.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Museum and recognize a tax liability if the Museum has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Museum is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

New Accounting Pronouncements - During the year ended March 31, 2023, the Museum adopted the provisions of Accounting Standards Update (ASU) No. 2016-02 *Leases (Topic 842)*. Under this ASU, at the commencement of a long-term lease (greater than 12 months), the lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Application of this standard must be applied using a modified retrospective transition approach for leases existing at the earliest comparative period presented in the financial statements.

During the year ended March 31, 2023, the Museum also adopted the provisions of ASU No. 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this ASU, nonprofit organizations are required to separately present contributed nonfinancial assets (in-kind contributions) as a separate line item in the statement of activities. They are also required to disaggregate by category and present qualitative information on each type of contributed nonfinancial asset in the footnotes.

In addition, during the year ended March 31, 2023, the Museum adopted the provisions of Statement on Auditing Standards (SAS) No. 142 *Audit Evidence*, which expands upon what constitutes as audit evidence and addresses the auditor's responsibility regarding such evidence.

In October 2021, the AICPA Auditing Standards Board (ASB) issued SAS No. 145 *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*. This SAS clarifies certain aspects of the identification and assessment of the risks of material misstatement, as well as emphasizes the need for professional skepticism by the auditor. Application of this SAS must be applied for fiscal years ending on or after December 15, 2023. The Museum is currently evaluating the impact of this SAS on the financial statements.

Reclassifications - Certain prior year balances have been reclassified to correspond to the current year presentation. Such reclassifications had no effect on the results of operations as previously presented.

CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Museum maintains cash in bank deposit accounts which may exceed federal deposit insurance limits. The Museum has not experienced any such losses in these accounts. Management believes the Museum is not exposed to any significant credit risk with respect to these accounts. For the years ended March 31, 2023 and 2022, all cash accounts were insured up to \$250,000. As of March 31, 2023 and 2022, the Museum's uninsured cash balances totaled \$2,155,034 and \$2,734,574, respectively.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

PLEDGES RECEIVABLE

Pledges receivable, net of unamortized discount, assuming a discount rate of 3.0%, are summarized as follows at March 31. No allowance for uncollectible pledges is deemed necessary as management considers all amounts to be fully collectible:

	<u>2023</u>	<u>2022</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 30,681	38,676
One year to five years	38,000	34,500
Thereafter	-	-
	68,681	73,176
Less: Current portion	(30,681)	(38,676)
Less: Discount to present value	(2,648)	(2,225)
	\$ 35,352	32,275

INVESTMENTS

In accordance with FASB ASC 820-10 *Fair Value Measurement*, the Museum reports its investments at fair value, which were comprised of the following at March 31:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 3,332,033	2,386,733
Exchange traded funds	4,824,108	4,508,294
Cash equivalents	1,594,556	1,967,398
	\$ 9,750,697	8,862,425

ENDOWMENT

At March 31, 2023 and 2022, the Museum held donor-restricted endowments amounting to \$8,410,398 and \$6,935,030, respectively. Additionally, the Museum held Board-designated endowments amounting to \$324,178 and \$358,758, respectively, as of these same dates. The purpose of these endowment funds is to provide investment income and gains to further various activities of the Museum.

The Museum follows the provisions of FASB ASC 958-205-50-1A *Reporting Endowment Funds*. Under this guidance, the Museum is required to classify and report net assets associated with endowment funds, including those designated by the Board of Trustees to function as endowments, based on the existence or absence of donor-imposed restrictions. The Museum is also required to provide the following disclosures relating to its endowment activities.

Relevant Law - The Museum conducts its activities primarily in Portsmouth, New Hampshire, and accordingly considers itself bound by the version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") adopted by the state of New Hampshire's legislature. In accordance with that statute, the Museum has interpreted state law to require all realized and unrealized gains and losses on investments with donor-imposed restrictions that are perpetual in nature to be restricted until appropriated by the Board of Trustees.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

ENDOWMENT, CONTINUED

Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of investment return, net return on investment of endowment funds with donor-imposed restrictions that are perpetual in nature, is available for appropriation and is reported as increases (decreases) in net assets with donor restrictions, in accordance with the donor's stipulations, if any, concerning the purposes for which ordinary income may be used.

Absent explicit donor stipulations to the contrary, the Museum has interpreted UPMIFA as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds. As a result of this interpretation, the Museum retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual 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 retained in perpetuity are subject to appropriation for expenditure by the Museum in a manner consistent with the standard of prudence by UPMIFA. In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) purposes of the Museum and the donor-restricted endowment fund, (3) general economic conditions, (4) possible effects of inflation and deflation, (5) expected total return from income and the appreciation of investments, (6) other resources of the Museum, (7) the Museum's investment policies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Museum to retain as a fund of perpetual duration. There were no such deficiencies at either March 31, 2023 or 2022.

Endowment Spending Policy - The Board of Trustees has approved an annual distribution from the donor-restricted endowment, based on the value of the endowment fund, to support current operations, plus current investment income, to the extent that such distribution does not exceed a prudent level in the judgment of the Trustees. Distributions from the Board-designated endowment are determined from time to time by the Board of Trustees based on the current needs of the Museum.

Endowment Investment Policy - The Museum's endowment assets are held in a variety of readily marketable securities including money market instruments, equities, and fixed income obligations. This investment mix was chosen to provide for an appropriate blend of current income as well as long-term growth in the value of the endowment.

The Museum's endowment balances were comprised of the following as of March 31, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	\$ -	6,132,542	6,132,542
Accumulated investment gains (losses)	-	2,277,856	2,277,856
Board-designated endowments	324,178	-	324,178
Totals	\$ 324,178	8,410,398	8,734,576

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

ENDOWMENT, CONTINUED

Changes in the Museum's endowment balances for the year ended March 31, 2023 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 358,758	6,935,030	7,293,788
Contributions	-	1,542,450	1,542,450
Investment return, net	(22,712)	(408,898)	(431,610)
Transfers/reclassifications	-	596,594	596,594
Amounts appropriated for expenditure	(11,868)	(254,778)	(266,646)
Endowment net assets, end of year	\$ 324,178	8,410,398	8,734,576

The Museum's endowment balances were comprised of the following as of March 31, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Donor-restricted endowments:			
Original donor-restricted gift and amounts required to be maintained in perpetuity	\$ -	5,541,548	5,541,548
Accumulated investment gains (losses)	-	1,393,482	1,393,482
Board-designated endowments	358,758	-	358,758
Totals	\$ 358,758	6,935,030	7,293,788

Changes in the Museum's endowment balances for the year ended March 31, 2022 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 355,371	5,081,574	5,436,945
Contributions	-	1,805,131	1,805,131
Investment return, net	14,387	243,165	257,552
Transfers/reclassifications	-	-	-
Amounts appropriated for expenditure	(11,000)	(194,840)	(205,840)
Endowment net assets, end of year	\$ 358,758	6,935,030	7,293,788

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with FASB ASC 820-10 *Fair Value Measurement and Disclosure*, the Museum is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. The guidance 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 and liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

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

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date. *Level 2:* Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly. *Level 3:* Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies during either of the years ended March 31, 2023 and 2022.

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 Museum management 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.

Fair value measurements at 03/31/23 using:

	<u>Totals</u>	<u>Level 1</u>
Cash equivalents	\$ 1,594,556	1,594,556
Mutual funds:		
Real estate funds	962,310	962,310
Absolute return	294,739	294,739
Short-term bond funds	1,311,029	1,311,029
Other bond funds	565,347	565,347
Allocation funds	109,194	109,194
Index funds	89,414	89,414
Total mutual funds	3,332,033	3,332,033
Exchange traded funds:		
International exchange traded	4,824,108	4,824,108
Total exchange traded	4,824,108	4,824,108
Totals	\$ 9,750,697	9,750,697

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

Fair value measurements at 03/31/22 using:

	<u>Totals</u>	<u>Level 1</u>
Cash equivalents	\$ 1,967,398	1,967,398
Mutual funds:		
Real estate funds	654,064	654,064
Absolute return	247,216	247,216
Short-term bond funds	1,198,564	1,198,564
Other bond funds	33,100	33,100
Allocation funds	118,366	118,366
Index funds	135,423	135,423
Total mutual funds	2,386,733	2,386,733
Exchange traded funds:		
International exchange traded	4,508,294	4,508,294
Total exchange traded	4,508,294	4,508,294
Totals	\$ 8,862,425	8,862,425

There were no transfers between levels during the years ended March 31, 2023 and 2022.

The Museum follows the provisions of FASB ASU No. 2015-07: *Disclosure for Investments in Certain Entities That Calculate Net Asset Value Per Share (or its equivalent)*. This pronouncement removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share as a practical expedient and certain disclosure requirements.

Beneficial interests in assets held by others are assets held by the New Hampshire Charitable Foundation and are valued using the net asset value per share as a practical expedient. As such, assets held by the New Hampshire Charitable Foundation are not assigned a level within the fair value hierarchy.

Assets held using the net asset value per share as a practical expedient, consisted of the following for the years ended March 31:

	<u>2023</u>	<u>2022</u>
Beneficial interest in assets held by others	\$ 726,326	803,081
Total	\$ 726,326	803,081

As discussed later in these footnotes, beneficial interest in assets held by others represents assets transferred to the New Hampshire Charitable Foundation (the Foundation). Upon transfer of the assets to the Foundation, variance power over the assets is granted with no opportunity for redemption, and the Museum is designated as the sole beneficiary. For further detail on fair value of annuity investments held but not included on the financial statements see the respective Trust Funds note.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Museum is the sole beneficiary of three designated investment funds held by the New Hampshire Charitable Foundation (the Foundation). Pursuant to the terms of the resolution establishing these funds, property contributed to the Foundation is held as a separate fund designated for the benefit of the Museum. In accordance with its spending policy the Foundation makes distributions from the funds to the Museum. The distributions are approximately 4.25% of the market value of the funds per year. The estimated value of the future distributions from the fund is included in these financial statements as required under FASB ASC 958-605 *Revenue Recognition-Contributions*; however, all property in the funds was contributed to the Foundation by the Museum itself, and the Museum designated that all funds were to be held by the Foundation and administered for the benefit of the Museum as the beneficiary.

The amounts received from the funds for the years ended March 31, 2023 and 2022, totaled \$29,743 and \$31,815, respectively. Total market value of the assets held in these funds amounted to \$726,326 and \$803,081 at March 31, 2023 and 2022, respectively.

TRUST FUNDS

The Museum is the sole beneficiary of four designated funds held by the New Hampshire Charitable Foundation (the Foundation). Pursuant to the terms of the resolution establishing these funds, property contributed to the Foundation is held as a separate fund designated for the benefit of the Museum. In accordance with its spending policy the Foundation makes distributions from the fund to the Museum. The distributions are approximately 4.03% of the market value of the funds per year. The funds are not included in these financial statements, since all property in the funds was contributed to the Foundation, and variance power was granted, by third party donors to be held and administered for the benefit of the Museum. During the years ended March 31, 2023 and 2022, the Museum received \$96,445 and \$86,332, respectively, from these trusts. Total market value of the assets held in these trusts amounted to \$2,382,206 and \$2,410,448 at March 31, 2023 and 2022, respectively.

The Museum is also an income beneficiary of three revocable/amendable trusts with total assets amounting to \$3,799,472 and \$4,323,396, at March 31, 2023 and 2022, respectively. During the years ended March 31, 2023 and 2022, the Museum received \$176,762 and \$179,960, respectively, from these trusts. In accordance with accounting principles generally accepted in the United States of America, the trust funds assets are not presented in the Museum's financial statements.

During the year ended March 31, 2020, the Museum entered into two separate charitable gift annuities. The first annuity had a fair value of \$78,597 at the time of contribution and provides for annual payments of \$5,973 from the date of agreement through the life of the donor. The second annuity had a fair value of \$26,279 at the time of contribution and provides for annual payments of \$1,892 from the date of agreement through the life of the donor. The total fair value of annuity assets held amounted to \$110,273 and \$119,421 at March 31, 2023 and 2022, respectively. The present value of annuities payable using a discount rate of 3.0% and a life expectancy of 5.2 and 3.1 for each of the respective annuities, amounted to \$25,060 at March 31, 2023. The present value of annuities payable using a discount rate of 3.0% and a life expectancy of 6.2 and 4.1 for each of the respective annuities, amounted to \$32,926 at March 31, 2022.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

LINE OF CREDIT

The Museum has an unsecured line of credit with a local bank with a maximum borrowing limit of \$250,000. Interest is payable monthly at the Wall Street Prime rate, set annually. The interest rate was 8.00% and 3.50% at March 31, 2023 and 2022, respectively. At both March 31, 2023 and 2022, there were no amounts outstanding on this line of credit. The line of credit is required to be paid down to at least fifty percent (50%) of its high balance for thirty (30) consecutive days within a 12-month cycle.

OPERATING LEASES – LESSOR

The Museum has a number of spaces in buildings located on its property which are leased to individuals and companies. All lessees sign a lease upon initial renting of their space. When leases are not formally renewed or extended, and the lessees continue to occupy their spaces, the lessees are then considered tenants-at-will. Rental income from these properties totaled \$550,265 and \$547,462, respectively, for the years ended March 31, 2023 and 2022. Cost basis and accumulated depreciation information on the buildings with rental space was as follows at March 31:

	<u>2023</u>	<u>2022</u>
Buildings - cost	\$ 5,293,228	4,901,187
Less accumulated depreciation	(1,480,795)	(1,298,740)
Net	\$ 3,812,433	3,602,447

As of March 31, 2023 and 2022, the Museum had several leases with various individuals and companies, all of which are either cancelable month-to-month leases or have a lease term that does not exceed one year.

RIGHT OF USE – FINANCE LEASES

At March 31, 2023 and 2022, the Museum held certain equipment subject to finance leases. Accordingly, the Museum has capitalized equipment in the amount of \$44,198 with related accumulated depreciation on this equipment amounting to \$39,042 and \$30,202, respectively, at March 31, 2023 and 2022. Future minimum lease payments required under this lease at March 31 are as follows:

<u>2024</u>	\$ 5,156
Subtotal	5,156
Current portion	(5,156)
Finance lease, non-current	\$ -

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

REVENUE RECOGNITION

During the years ended March 31, 2023 and 2022, the Museum had contract revenue consisting of the following:

	<u>2023</u>	<u>2022</u>
Admissions	\$ 561,587	400,099
Programs	45,778	43,482
Memberships	143,894	145,055
Special events	403,392	234,708
Labrie family skate	460,816	415,210
Rent	570,235	570,213
Museum store sales	31,241	22,070
Total contract revenue	<u>\$ 2,216,943</u>	<u>1,830,837</u>

During the years ended March 31, 2023 and 2022, the Museum had contract assets consisting of accounts receivable related to the following:

	<u>2023</u>	<u>2022</u>
Admissions	\$ 9,074	-
Rent	11,333	6,737
Total contract assets	<u>\$ 20,407</u>	<u>6,737</u>

During the years ended March 31, 2023 and 2022, the Museum had contract liabilities pertaining to the following:

	<u>2023</u>	<u>2022</u>
Programs	\$ 38,618	31,418
Events	38,299	27,952
Rent	3,483	2,933
Total contract liabilities	<u>\$ 80,400</u>	<u>62,303</u>

During the year ended March 31, 2023, total contract liabilities of \$62,303 from the year ended March 31, 2022 were recognized as revenue. During the year ended March 31, 2022, total contract liabilities of \$64,810 from the year ended March 31, 2021 were recognized as revenue. For each of the years ended March 31, 2023 and 2022, goods and services provided to customers included access to the Museum for daily visits and educational programs, annual memberships, access to special events or skating rink, access to rental units, and purchase of goods in the museum store.

To best match the timing of the transfer of goods or services, the Museum recognizes revenue from contracts with customers when performance obligations are satisfied, which is at the time tickets are purchased for daily admissions and skating rentals, the date of occurrence for programs, store sales and events, and over the specific term for memberships or rentals. All prices are fixed and there are no financing terms available. There are no significant warranties of return, refund, or discount obligations related to any contracts with customers.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

REVENUE RECOGNITION, CONTINUED

For each of the years ended March 31, 2023 and 2022, the greatest economic factor effecting contract revenue has been the fluctuation in the market and inflation.

Contract transaction prices, such as admissions and membership fees, include management's judgment of variable consideration, which includes incentives, and rebates. Based on available information, management must include an estimate of any variable consideration, if applicable, when determining the contract transaction price. There were no such variable considerations in determining contract transaction prices.

CONTRIBUTED NONFINANCIAL ASSETS

Donated services are recognized as contributions in accordance with FASB ASC 958-605 *Revenue Recognition-Contributions*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Museum. There were no donated services for the year ended March 31, 2023 and 2022 included on the accompanying statement of activities.

Over 300 unpaid volunteers have made significant contributions of their time to further the Museum's activities. The value of this contributed time is not reflected in these statements since the criteria for those services, per FASB ASC 958-605 *Revenue Recognition-Contributions*, is not met.

EMPLOYEE RETENTION CREDIT

Pursuant to the Coronavirus Aid, Relief, and Economy Security Act (CARES Act), which was enacted in March, 2020, the Museum qualifies as an employer that is eligible to claim an Employee Retention Credit. The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50 percent of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. During the year ended March 31, 2021, the Museum qualified for an Employee Retention Credit of \$64,419. During the year ended March 31, 2022, the Museum qualified for an additional Employee Retention Credit of \$201,216. Of the total amount in which the Museum qualified, \$88,589 was outstanding and included in accounts receivable on the accompanying statement of financial position at March 31, 2022. This amount was received in full during the year ended March 31, 2023.

PAYCHECK PROTECTION PROGRAM

During the year ended March 31, 2021, as a result of the negative financial impact of the global pandemic due to the coronavirus (COVID-19), the Museum obtained a loan pursuant to the Paycheck Protection Program (the PPP). The loan was in the amount of \$280,865. The PPP was established under Division A, Title I of the Coronavirus Aid, Relief and Economy Security Act (CARES Act), which was enacted in March, 2020. The loan which was in the form of a note dated February 3, 2021, was set to mature on February 3, 2023. The loan bore interest at a rate of 1.00% per annum, payable monthly commencing ten months after the covered period has ended. The note could be prepaid by the Museum at any time prior to maturity with no prepayment penalties. Funds from the loans could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Museum has used the entire amount of the loan for the qualifying expenses. Under the terms of the PPP, amounts of the loan could be forgiven if they were used for qualifying expenses as described in the CARES Act.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

PAYCHECK PROTECTION PROGRAM, CONTINUED

During the year ended March 31, 2023, the Museum received notification of full forgiveness of its loan, and thus has been released from an obligation for repayment of that loan. Accordingly, the PPP loan funding has been shown as “SBA PPP loan forgiveness” on the accompanying statement of activities at March 31, 2023.

PENSION BENEFIT PLAN

The Museum has established a defined contribution plan for all employees meeting certain eligibility requirements. The Museum matches employee contributions up to a maximum of 3% of eligible employee wages. For the years ended March 31, 2023 and 2022, contributions to the plan were \$29,015 and \$27,959, respectively.

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

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

To be held in perpetuity:

	<u>2023</u>	<u>2022</u>
Endowment funds held in perpetuity	\$ 6,132,542	5,541,548
<u>Beneficial interest in assets held by others</u>	<u>726,326</u>	<u>803,081</u>
Totals	\$ 6,858,868	6,344,629

Subject to appropriation and expenditure when a specified event or time occurs:

Cumulative endowment (losses) earnings	\$ 2,277,856	1,393,482
<u>Contributions restricted for future program purposes</u>	<u>3,724,281</u>	<u>4,242,550</u>
Totals	\$ 6,002,137	5,636,032
Total net assets with donor restrictions	\$ 12,861,005	11,980,661

A more detailed description of net assets with donor restrictions, and changes therein, as of and for the years ended March 31, 2023 and 2022, is presented within supplemental schedule 2 following the notes on pages 22 through 24.

Board-designated quasi endowment consisted of the following at March 31:

	<u>2023</u>	<u>2022</u>
<u>Board-designated quasi endowment</u>	<u>\$ 324,178</u>	<u>358,758</u>
Totals	\$ 324,178	358,758

The Museum has designated certain investment assets to be held at the Board’s discretion for purposes of generating investment return to support the Museum’s operations. The balances of such investment assets are captioned as Board-designated quasi-endowment above, and within the statements of financial position.

STRAWBERRY BANKE MUSEUM
Notes to Financial Statements, Continued
March 31, 2023 and 2022

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Museum has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 771,711	2,017,363
Accounts receivable, net	21,355	<u>126,910</u>
Total	\$ 793,066	2,144,273

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Museum's endowment funds consist of donor-restricted endowments and Board-designated quasi-endowment. As described in the "Endowment" footnote, the Museum's Board of Trustees has adopted an endowment spending policy under which the annual distribution from the donor-restricted endowment will be, based on the value of the endowment fund, to the extent that such distribution does not exceed a prudent level in the judgment of the Trustees.

The Museum has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in the "Lines of Credit" note, the Museum has one committed line of credit in the amount of \$250,000 which it could draw upon in the event of an unanticipated liquidity need. There was no outstanding balance on this line of credit at March 31, 2023 or 2022. Additionally, although the Museum does not intend to spend from its quasi-endowment fund other than amounts appropriated for general expenditure as part of its annual distribution amounts from its quasi-endowment funds could be made available if necessary.

METHOD USED FOR ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Museum. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation and were allocated based on a percentage of 5% and 6% to Collections, 1% and 4% to Horticulture, 44% and 47% to Property, 8% and 7% to Visitors Services, 20% and 15% to Education, 10% and 8% to Special events, 10% and 11% to Labrie Family Skate, and 2% and 2% to Heritage House for the years ended March 31, 2023 and 2022, respectively, which represents management's estimate of use across each functional category.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through October 16, 2023, which is the date these financial statements were available to be issued.

STRAWBERRY BANKE MUSEUM
Schedules of Revenue and Support
Years Ended March 31, 2023 and 2022

	2023	2022
Museum activities:		
Admissions	\$ 561,587	400,099
Grants	145,492	42,899
Programs	45,778	43,482
Events	403,392	234,708
Total museum activities	1,156,249	721,188
Labrie family skate	460,816	415,210
Development and fundraising:		
Memberships	143,894	145,055
Contributed income	2,807,100	3,975,984
Corporate sponsorship	77,166	74,150
Total development and fundraising	3,028,160	4,195,189
Investment income:		
Net investment (losses) gains	(750,090)	190,217
Investment income	265,826	153,450
Total investment (loss) income	(484,264)	343,667
Other income:		
Rent	570,235	570,213
Museum store	31,241	22,070
Government grants	280,865	-
Employee retention credits	-	201,216
Miscellaneous	123,557	172,185
Total other income	1,005,898	965,684
Total revenue and support	\$ 5,166,859	6,640,938

See independent auditor's report.

STRAWBERRY BANKE MUSEUM
Schedule of Changes in Net Assets With Donor Restrictions
Years Ended March 31, 2023 and 2022

	2023					2022				
	Net asset	Inter-fund	Income	Net assets	Net asset	Net asset	Income	Net assets	Net asset	
	balances				balances	balances			released from	released from
	March 31, 2022	transfers		restrictions	March 31, 2023	March 31, 2021		restrictions	March 31, 2022	
Education:										
Elizabeth P. Nowers Fund	\$ 2,227	-	-	-	2,227	2,227	-	-	2,227	
Dawnland storyfest	-	-	7,725	(7,725)	-	-	2,050	(2,050)	-	
TBA - Children's theater	5,900	-	-	-	5,900	-	5,900	-	5,900	
History Within Reach/Time Travel Workshops	4,537	2,000	1,620	(8,157)	-	8,484	2,080	(6,027)	4,537	
History Within Reach Lunch Program	10,000	-	-	-	10,000	10,000	-	-	10,000	
IMLS Grant	-	-	108,492	(108,365)	127	-	41,349	(41,349)	-	
NH State Council on the Arts	-	-	-	-	-	-	8,000	(8,000)	-	
Expansion of the Abenaki Heritage Initiative	-	-	22,000	-	22,000	-	-	-	-	
Fuller Foundation Grant	-	-	7,500	(7,500)	-	-	-	-	-	
Boat Shop Project	1,233	-	11,675	(12,452)	456	2,917	7,955	(9,639)	1,233	
Total education	23,897	2,000	159,012	(144,199)	40,710	23,628	67,334	(67,065)	23,897	
Restoration and maintenance:										
Archaeology	-	-	1,000	(1,000)	-	-	-	-	-	
Heritage House project	-	-	-	-	-	-	600,000	(600,000)	-	
Oracle House	-	300,000	-	(300,000)	-	-	-	-	-	
Goodwin Mansion	-	100,000	-	(100,000)	-	-	-	-	-	
Labrie Family Skate	23,766	-	340	(24,106)	-	14,250	24,188	(14,672)	23,766	
Labrie Family Skate pledges	4,995	-	4,500	(4,995)	4,500	2,875	4,995	(2,875)	4,995	
House Painting	19,800	5,600	-	(25,400)	-	22,800	-	(3,000)	19,800	
Picnic Tables	-	-	-	-	-	(655)	-	655	-	
Cotton Tenant House - Project	-	-	-	-	-	48,529	-	(48,529)	-	
Penhallow - LCHIP	-	50,450	-	(50,450)	-	-	-	-	-	
Memorial Landscape Project	1,587	-	1,250	(2,837)	-	4,652	283	(3,348)	1,587	
Stoodley's Tavern	750	-	-	-	750	750	-	-	750	
Terrace Project	-	25,575	-	(237)	25,338	-	-	-	-	
Sheburne House Restoration	-	13,000	-	(13,000)	-	-	-	-	-	
Thomas Bailey Aldrich House - Estate of H Flynn	-	-	25,000	-	25,000	-	-	-	-	
TBA Restorations	300	-	-	-	300	300	-	-	300	
Total restoration and maintenance	51,198	494,625	32,090	(522,025)	55,888	93,501	629,466	(671,769)	51,198	
Collections:										
Collections	302	-	-	-	302	302	-	-	302	
Deaccession Fund	610	-	-	-	610	610	-	-	610	
Acquisitions	4,476	-	-	(1,000)	3,476	4,476	-	-	4,476	
Rising Sea Level Initiative	66,715	126,955	-	(73,151)	120,519	-	97,914	(31,199)	66,715	
Interpretation of Cotton Tenant House	-	-	-	-	-	242	-	(242)	-	
Library (Fales)	3,149	-	-	(2,400)	749	3,149	-	-	3,149	
Furniture for Yeaton Welch	10,000	-	-	-	10,000	10,000	-	-	10,000	
FEMA Grant	-	-	-	-	-	345	-	(345)	-	
Exhibits	1,069	-	-	(201)	868	1,069	-	-	1,069	
Total collections	86,321	126,955	-	(76,752)	136,524	20,193	97,914	(31,786)	86,321	

STRAWBERRY BANKE MUSEUM
Schedule of Changes in Net Assets With Donor Restrictions, Continued

	2023					2022				
	Net asset balances	Inter-fund transfers	Income	Net assets released from restrictions	Net asset balances	Net asset balances	Income	Net assets released from restrictions	Net asset balances	
	March 31, 2022				March 31, 2023	March 31, 2021			March 31, 2022	
Horticulture:										
Horticulture	1,553	-	-	(986)	567	1,303	250	-	1,553	
Children's garden	1,281	-	-	(15)	1,266	1,383	-	(102)	1,281	
NHCF TBA Garden	30	-	136	(30)	136	30	-	-	30	
Center for Heirloom Gardens	5,039	-	-	(1)	5,038	5,039	-	-	5,039	
Community garden	675	-	436	-	1,111	515	160	-	675	
Shapiro garden	310	-	-	-	310	310	-	-	310	
Total horticulture	8,888	-	572	(1,032)	8,428	8,580	410	(102)	8,888	
Discretionary funds:										
Disability survey	234	-	-	-	234	234	-	-	234	
Aerial images	15,789	-	-	-	15,789	15,789	-	-	15,789	
Giving Tree	185	-	-	-	185	185	-	-	185	
Children's book	1,912	-	2,531	(4,443)	-	280	1,632	-	1,912	
Green Museum	642	-	-	-	642	642	-	-	642	
Vehicles	-	-	-	-	-	23,000	-	(23,000)	-	
Total discretionary funds	18,762	-	2,531	(4,443)	16,850	40,130	1,632	(23,000)	18,762	
Pledges receivable:										
Unrestricted contributions	-	21,000	4,000	-	25,000	-	-	-	-	
Total pledges receivable	-	21,000	4,000	-	25,000	-	-	-	-	
Capital Campaign:										
CC Pledge Receivables	47,000	-	-	(8,000)	39,000	78,500	-	(31,500)	47,000	
CC Donations and Bequests	1,385,053	(623,580)	676,220	(657,243)	780,450	-	1,469,548	(84,495)	1,385,053	
Undesignated	2,621,431	-	-	-	2,621,431	2,621,431	-	-	2,621,431	
Total capital campaign	4,053,484	(623,580)	676,220	(665,243)	3,440,881	2,699,931	1,469,548	(115,995)	4,053,484	
Accumulated Endowment Earnings	1,393,482	-	1,139,152	(254,778)	2,277,856	1,345,157	243,165	(194,840)	1,393,482	

STRAWBERRY BANKE MUSEUM
Schedule of Changes in Net Assets With Donor Restrictions, Continued

	2023				2022				
	Net asset	Inter-fund	Income	Net assets	Net asset	Income	Net assets	Net asset	
	balances				transfers			balances	balances
	March 31, 2022			restrictions	March 31, 2023	March 31, 2021	restrictions	March 31, 2022	
Held in perpetuity - Endowment corpus:									
Marion H. Elder	\$ 809,727	-	-	-	809,727	809,727	-	809,727	
Edward V. French	123,291	-	-	-	123,291	123,291	-	123,291	
Emily Fisher Cartwright	130,484	-	-	-	130,484	130,484	-	130,484	
Clark, Thompson, Brown, & Gartner	100,261	-	-	-	100,261	100,261	-	100,261	
Rice Endowment	3,165	-	-	-	3,165	3,165	-	3,165	
Lawrence Grady	22,328	-	-	-	22,328	22,328	-	22,328	
Taylor Memorial Fund - MT Brown	50,000	-	-	-	50,000	50,000	-	50,000	
Cecil C. Humphreys Memorial Fund	5,000	-	-	-	5,000	5,000	-	5,000	
R.M. Gerrity	45,534	-	-	-	45,534	45,534	-	45,534	
Shapiro House	47,543	-	-	-	47,543	47,543	-	47,543	
Gift Annuity	21,598	-	-	-	21,598	21,598	-	21,598	
Storer Goodwin Decatur	4,744	-	-	-	4,744	4,744	-	4,744	
Memorial Fund	2,840	-	-	-	2,840	2,840	-	2,840	
Marden House	15,000	-	-	-	15,000	15,000	-	15,000	
The John Butler Smith & Gladys L. Smith Trusts	634,168	-	-	-	634,168	634,168	-	634,168	
Shapiro Family Foundation Endowment	103,775	-	-	-	103,775	91,775	12,000	103,775	
Martha Fuller Clark and Dr. Geoffrey Clark	952,220	-	-	-	952,220	-	952,220	952,220	
For General Endowment	830,911	-	-	-	830,911	-	830,911	830,911	
Yeaton Walsh House	10,000	-	-	-	10,000	-	10,000	10,000	
Campaign for Sustainability	1,628,959	-	590,994	-	2,219,953	1,628,959	-	1,628,959	
Total held in perpetuity - endowment corpus	5,541,548	-	590,994	-	6,132,542	3,736,417	1,805,131	5,541,548	
Held in perpetuity - NHCF trust interest:									
NHCF – Thomas Bailey Aldrich Fund	197,415	-	(18,871)	-	178,544	187,679	9,736	197,415	
NHCF – Guild of Strawberry Museum Fund	39,603	-	(3,774)	-	35,829	37,613	1,990	39,603	
NHCF – Lawrence K. Grady Fund	566,063	-	(54,110)	-	511,953	538,146	27,917	566,063	
Total held in perpetuity	803,081	-	(76,755)	-	726,326	763,438	39,643	803,081	
Total net assets with donor restrictions	\$ 11,980,661	21,000	2,527,816	(1,668,472)	12,861,005	8,730,975	4,354,243	(1,104,557)	11,980,661

See independent auditor's report.

STRAWBERRY BANKE MUSEUM
Schedules of Revenues and Operating Expenses - Budget Basis
Years Ended March 31, 2023 and 2022

	2023 (Unaudited)	2022 (Unaudited)
REVENUES		
Admission fees	\$ 496,554	393,750
School groups	62,460	6,350
Retail sales	31,241	22,070
Event revenue	367,069	218,510
Program revenue	423,275	409,470
Misc income	319,651	6,110
Annual fund	320,180	486,300
Individual memberships	143,894	145,060
Corporate support	155,916	126,700
Investment income	218,768	194,830
Trust income	95,588	101,470
Rental income	570,235	570,210
Grant and project income	1,008,630	820,700
Management fees	39,783	17,000
Restricted funds	220,680	208,260
Total revenues	4,473,924	3,726,790
OPERATING EXPENSES		
Salaries	1,409,847	1,195,470
Payroll taxes	109,275	81,730
Benefits	107,653	117,410
Insurance	97,946	85,870
Administrative office	87,365	121,040
Business & operations	1,024,213	842,090
Utilities	206,714	188,870
Grant and project income	1,008,630	673,900
Rental expense	171,361	167,360
Total operating expenses	4,223,004	3,473,740
Excess (deficiency) of revenues over (under) operating expenses - budget basis	\$ 250,920	253,050

See independent auditor's report.

Note: Budgetary basis is based on internal financial reports and is not in accordance with GAAP.