



**STRAWBERRY BANKE MUSEUM**

**FINANCIAL STATEMENTS**

**March 31, 2022 and 2021**

**STRAWBERRY BANKE MUSEUM**  
**Financial Statements**  
**March 31, 2022 and 2021**

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## 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, 2022 and 2021, 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, 2022 and 2021, 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. 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.

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 "Raymond Kursten Ouellette". The signature is written in a cursive style with a large initial 'R'.

December 2, 2022  
South Portland, Maine

**STRAWBERRY BANKE MUSEUM**  
**Statements of Financial Position**  
**March 31, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,017,363	2,399,228
Cash and cash equivalents - restricted	1,621,119	264,532
Accounts receivable	126,910	111,436
Pledges receivable, current portion	38,676	37,056
Prepaid expenses	42,858	16,815
Inventory	23,065	28,580
Total current assets	3,869,991	2,857,647
Other assets:		
Investments	8,743,004	6,825,802
Investments - Annuity	119,421	110,823
Beneficial interest in assets held by others	803,081	763,438
Other assets	275	-
Pledges receivable, non-current portion, net	32,275	61,040
Total other assets	9,698,056	7,761,103
Property and equipment:		
Land and buildings	9,297,732	8,571,976
Construction in process	324,223	326,114
Equipment	1,157,304	1,147,726
Total property and equipment	10,779,259	10,045,816
Less accumulated depreciation	(4,249,876)	(3,944,581)
Net property and equipment	6,529,383	6,101,235
Collections-see note page 5	-	-
<b>Total assets</b>	<b>\$ 20,097,430</b>	<b>16,719,985</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 117,424	109,402
Annuity Payable	32,926	40,791
Accrued payroll	33,268	65,880
Other current liabilities	80,075	76,724
Deferred revenue	77,303	64,810
Loan payable, current portion	-	2,755
Capital lease, current portion	8,840	8,840
Total current liabilities	349,836	369,202
Long-term liabilities:		
SBA PPP loan payable	280,865	280,865
Capital lease, net of current portion	5,156	13,996
Total long-term liabilities	286,021	294,861
Total liabilities	635,857	664,063
Net assets:		
Without donor restrictions:		
Designated as quasi-endowment	358,758	355,371
Net investment in property and equipment	6,515,387	6,075,644
Undesignated	606,767	893,932
Total net assets without donor restrictions	7,480,912	7,324,947
Net assets with donor restrictions	11,980,661	8,730,975
Total net assets	19,461,573	16,055,922
<b>Total liabilities and net assets</b>	<b>\$ 20,097,430</b>	<b>16,719,985</b>

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

**STRAWBERRY BANKE MUSEUM**  
**Statements of Activities**  
**Years Ended March 31, 2022 and 2021**

	2022					2021				
	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	\$ 665,712	-	665,712	55,476	721,188	198,347	-	198,347	31,964	230,311
Labrie family skate	391,021	-	391,021	24,189	415,210	382,551	-	382,551	25,552	408,103
Development and fundraising	235,234	-	235,234	3,959,955	4,195,189	1,007,555	-	1,007,555	2,538,112	3,545,667
Investment dividends and interest	-	13,053	13,053	140,397	153,450	-	12,585	12,585	104,443	117,028
Net investment (losses) gains	-	15,991	15,991	102,768	118,759	-	112,954	112,954	1,519,435	1,632,389
Change in value of assets held by others	-	-	-	71,458	71,458	-	-	-	206,804	206,804
In kind	-	-	-	-	-	736,874	-	736,874	-	736,874
Other income	965,684	-	965,684	-	965,684	675,307	-	675,307	-	675,307
SBA PPP loan forgiveness	-	-	-	-	-	330,900	-	330,900	-	330,900
Subtotal revenue and support	2,257,651	29,044	2,286,695	4,354,243	6,640,938	3,331,534	125,539	3,457,073	4,426,310	7,883,383
Net assets released from restrictions and reclassifications	1,104,557	-	1,104,557	(1,104,557)	-	454,274	-	454,274	(454,274)	-
Total revenue and support	3,362,208	29,044	3,391,252	3,249,686	6,640,938	3,785,808	125,539	3,911,347	3,972,036	7,883,383
Operating expenses:										
Program services:										
Collections	113,293	-	113,293	-	113,293	96,620	-	96,620	-	96,620
Horticulture	71,506	-	71,506	-	71,506	107,773	-	107,773	-	107,773
Property	888,930	-	888,930	-	888,930	810,482	-	810,482	-	810,482
Visitors services	127,414	-	127,414	-	127,414	96,840	-	96,840	-	96,840
Education	289,894	-	289,894	-	289,894	217,343	-	217,343	-	217,343
Special events	155,060	-	155,060	-	155,060	75,960	-	75,960	-	75,960
Labrie family skate	364,435	-	364,435	-	364,435	340,080	-	340,080	-	340,080
Heritage house program	18,350	-	18,350	-	18,350	58,804	-	58,804	-	58,804
Other programs	179,100	-	179,100	-	179,100	157,709	-	157,709	-	157,709
Total program services	2,207,982	-	2,207,982	-	2,207,982	1,961,611	-	1,961,611	-	1,961,611
Supporting services:										
Development	266,971	-	266,971	-	266,971	209,711	-	209,711	-	209,711
Capital Campaign	109,868	-	109,868	-	109,868	158,852	-	158,852	-	158,852
Management and general	648,811	1,655	650,466	-	650,466	547,857	2,586	550,443	-	550,443
Total supporting services	1,025,650	1,655	1,027,305	-	1,027,305	916,420	2,586	919,006	-	919,006
Total operating expenses	3,233,632	1,655	3,235,287	-	3,235,287	2,878,031	2,586	2,880,617	-	2,880,617
Change in net assets	128,576	27,389	155,965	3,249,686	3,405,651	907,777	122,953	1,030,730	3,972,036	5,002,766
<b>Net assets, beginning of year</b>	4,568,538	2,756,409	7,324,947	8,730,975	16,055,922	3,660,761	2,633,456	6,294,217	4,758,939	11,053,156
<b>Net assets, end of year</b>	\$ <b>4,697,114</b>	<b>2,783,798</b>	<b>7,480,912</b>	<b>11,980,661</b>	<b>19,461,573</b>	<b>4,568,538</b>	<b>2,756,409</b>	<b>7,324,947</b>	<b>8,730,975</b>	<b>16,055,922</b>

*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
<b>Total salaries and related expenses</b>	<b>91,299</b>	<b>54,405</b>	<b>274,963</b>	<b>62,957</b>	<b>229,175</b>	<b>17,336</b>	<b>-</b>	<b>10,249</b>	<b>89,221</b>	<b>829,605</b>	<b>239,732</b>	<b>65,946</b>	<b>354,635</b>	<b>660,313</b>	<b>1,489,918</b>
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
<b>Total expenses</b>	<b>\$ 113,293</b>	<b>71,506</b>	<b>888,930</b>	<b>127,414</b>	<b>289,894</b>	<b>155,060</b>	<b>364,435</b>	<b>18,350</b>	<b>179,100</b>	<b>2,207,982</b>	<b>266,971</b>	<b>109,868</b>	<b>650,466</b>	<b>1,027,305</b>	<b>3,235,287</b>

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

**STRAWBERRY BANKE MUSEUM**  
**Statement of Functional Expenses**  
**Year Ended March 31, 2021**

	Program services										Supporting activities			Totals 2021	
	Collections	Horticulture	Property	Visitors services	Education	Special events	Labrie family skate	Heritage House	Other programs	Totals	Development	Capital campaign	Management & general		Totals
Salaries	\$ 71,574	77,075	215,310	51,332	152,881	44,673	-	19,228	56,626	688,699	160,177	63,939	310,452	534,568	1,223,267
Payroll taxes and employee benefits	6,109	10,321	26,951	5,786	23,954	(163)	-	4,790	1,013	78,761	19,689	1,830	38,306	59,825	138,586
<b>Total salaries and related expenses</b>	<b>77,683</b>	<b>87,396</b>	<b>242,261</b>	<b>57,118</b>	<b>176,835</b>	<b>44,510</b>	<b>-</b>	<b>24,018</b>	<b>57,639</b>	<b>767,460</b>	<b>179,866</b>	<b>65,769</b>	<b>348,758</b>	<b>594,393</b>	<b>1,361,853</b>
Supplies	110	2,116	5,694	2,659	2,948	-	1,633	-	9	15,169	-	-	2,783	2,783	17,952
Marketing and printing	-	-	-	-	-	-	2,418	-	47,169	49,587	5,426	-	-	5,426	55,013
Repairs and maintenance	2,063	-	131,249	-	-	-	106,693	-	-	240,005	-	-	9,585	9,585	249,590
Real estate taxes	-	-	79,936	-	-	-	-	-	-	79,936	-	-	-	-	79,936
Utilities	-	-	190,407	-	-	-	34,457	-	-	224,864	-	-	-	-	224,864
Cost of sales	-	-	-	1,807	-	-	-	-	-	1,807	-	-	-	-	1,807
Contract services	-	-	5,700	-	-	-	-	-	13,500	19,200	-	-	-	-	19,200
Program expenditures	-	1,487	-	9,867	1,338	15,811	147,505	20,993	34,907	231,908	-	91,393	-	91,393	323,301
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	24,386	24,386	24,386
Insurance	-	-	-	-	-	-	-	4,215	-	4,215	-	-	79,522	79,522	83,737
Interest	-	-	-	-	-	-	-	-	-	-	-	1,690	4,206	5,896	5,896
Technology	-	-	-	-	-	-	2,016	-	4,485	6,501	-	-	27,635	27,635	34,136
Bank and service fees	-	-	-	8,625	-	3,665	11,041	-	-	23,331	3,006	-	10,918	13,924	37,255
Meetings and staff development	-	10	-	-	300	-	-	-	-	310	-	-	1,237	1,237	1,547
Membership	-	-	-	-	-	-	-	-	-	-	9,539	-	-	9,539	9,539
Postage	-	-	-	-	-	-	-	-	-	-	-	-	5,028	5,028	5,028
In-kind services	-	-	-	-	-	-	-	-	-	-	11,874	-	-	11,874	11,874
Miscellaneous	-	-	23,522	-	-	-	532	-	-	24,054	-	-	36,385	36,385	60,439
Depreciation	16,764	16,764	131,713	16,764	35,922	11,974	33,785	9,578	-	273,264	-	-	-	-	273,264
<b>Total expenses</b>	<b>\$ 96,620</b>	<b>107,773</b>	<b>810,482</b>	<b>96,840</b>	<b>217,343</b>	<b>75,960</b>	<b>340,080</b>	<b>58,804</b>	<b>157,709</b>	<b>1,961,611</b>	<b>209,711</b>	<b>158,852</b>	<b>550,443</b>	<b>919,006</b>	<b>2,880,617</b>

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

**STRAWBERRY BANKE MUSEUM**  
**Statements of Cash Flows**  
**Years Ended March 31, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 3,405,651	5,002,766
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Change in value of assets held by others	(71,458)	(206,804)
Change in discount on pledges receivable	-	(3,340)
Net realized and unrealized (gains) losses on investments	(118,759)	(1,632,389)
SBA PPP loan forgiveness	-	(330,900)
Depreciation	305,295	273,264
Gifts with restrictions for long-term purposes	(4,039,620)	(2,595,628)
(Increase) decrease in:		
Accounts receivable	(15,474)	(72,305)
Pledges receivable	27,145	98,126
Inventory	5,515	1,068
Prepaid expenses	(26,043)	(5,191)
Other assets	(275)	-
Increase (decrease) in:		
Accounts payable	8,022	(42,775)
Annuity payable	(7,865)	(7,030)
Accrued payroll	(32,612)	1,969
Other current liabilities	3,351	11,090
Deferred revenue	12,493	(18,654)
Net cash and cash equivalents (used in) provided by operating activities	(544,634)	473,267
Cash flows from investing activities:		
Purchases of land, buildings and equipment	(733,443)	(923,697)
Purchases of investments	(1,861,342)	(785,470)
Proceeds from distributions of assets held by others	31,815	27,334
Proceeds from the sale of investments	54,301	175,810
Net cash and cash equivalents used in investing activities	(2,508,669)	(1,506,023)
Cash flows from financing activities:		
Gifts with restrictions for long-term purposes	4,039,620	2,595,628
Proceeds from issuance of SBA PPP loan payable	-	611,765
Proceeds from line of credit	-	(215,000)
Repayments of capital lease	(8,840)	(8,840)
Repayments of loan payable	(2,755)	(2,700)
Net cash and cash equivalents provided by financing activities	4,028,025	2,980,853
Net change in cash and cash equivalents	974,722	1,948,097
Cash and cash equivalents, beginning of year	2,663,760	715,663
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,638,482</b>	<b>2,663,760</b>
Cash and cash equivalents at end of year:		
Cash and cash equivalents	\$ 2,017,363	2,399,228
Cash and cash equivalents - restricted	1,621,119	264,532
<b>Total cash and cash equivalents</b>	<b>\$ 3,638,482</b>	<b>2,663,760</b>
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 55	5,896

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

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements**  
**March 31, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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**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 certificates of deposit held by investment companies and banks, and excludes any such items that are classified as investments.

**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 grants receivable at March 31, 2022 and 2021 were \$30,653 and \$28,523, respectively. At March 31, 2022 and 2021, 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, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**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, 2022 and 2021 amounted to \$25,860 and \$29,416, 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, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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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** - In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02 *Leases (Topic 842)*. Under ASU 2016-02, 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. Recently, the FASB issued ASU No. 2020-05, which delays the implementation date of ASU 2016-02, and revises the effective date for nonprofit organizations to be fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued 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. The effective date for nonprofit organizations is for fiscal years beginning after June 15, 2021.

The Museum is currently evaluating the impact of these ASU's on its financial statements.

During the year ended March 31, 2022, the Museum adopted the provisions of Statement on Auditing Standards (SAS) 134 thru 140, as applicable, which addresses the auditor's responsibility over the opinion of the financial statements and the form and content of the auditor's report, the concept of materiality, related party discussions, among other topics.

**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.

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

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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, 2022 and 2021, all cash accounts were insured up to \$250,000. As of March 31, 2022 and 2021, the Museum's uninsured cash balances totaled \$2,734,574 and \$2,253,982, respectively.

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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PLEDGES RECEIVABLE

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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>2022</u>	<u>2021</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 38,676	37,056
One year to five years	34,500	66,000
Thereafter	-	-
	73,176	103,056
Less: Current portion	(38,676)	(37,056)
Discount to present value	(2,225)	(4,960)
	<b>\$ 32,275</b>	<b>61,040</b>

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INVESTMENTS

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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>2022</u>	<u>2021</u>
Mutual funds	\$ 2,386,733	2,001,529
Exchange traded funds	4,508,294	4,737,279
Cash equivalents	1,967,398	197,817
	<b>\$ 8,862,425</b>	<b>6,936,625</b>

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ENDOWMENT

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At March 31, 2022 and 2021, the Museum held donor-restricted endowments amounting to \$6,935,030 and \$5,081,574, respectively. Additionally, the Museum held Board-designated endowments amounting to \$358,758 and \$355,371, 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. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of investment return,

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

ENDOWMENT, CONTINUED

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, 2022 or 2021.

**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, 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
<b>Totals</b>	<b>\$ 358,758</b>	<b>6,935,030</b>	<b>7,293,788</b>

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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ENDOWMENT, CONTINUED

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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)
<b>Endowment net assets, end of year</b>	<b>\$ 358,758</b>	<b>6,935,030</b>	<b>7,293,788</b>

The Museum's endowment balances were comprised of the following as of March 31, 2021:

	<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	\$ -	3,736,417	3,736,417
Accumulated investment gains (losses)	-	1,345,157	1,345,157
Board-designated endowments	355,371	-	355,371
<b>Totals</b>	<b>\$ 355,371</b>	<b>5,081,574</b>	<b>5,436,945</b>

Changes in the Museum's endowment balances for the year ended March 31, 2021 were as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 273,747	3,553,567	3,827,314
Contributions	-	-	-
Investment return, net	92,284	1,622,878	1,715,162
Transfers/reclassifications	-	173,425	173,425
Amounts appropriated for expenditure	(10,660)	(268,296)	(278,956)
<b>Endowment net assets, end of year</b>	<b>\$ 355,371</b>	<b>5,081,574</b>	<b>5,436,945</b>

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

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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, 2022 and 2021.

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 03/31/22 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
<b>Totals</b>	<b>\$ 8,862,425</b>	<b>8,862,425</b>

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

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	<u>Fair value measurements at 03/31/21 using:</u>	
	<u>Totals</u>	<u>Level 1</u>
Cash equivalents	\$ 197,817	197,817
Mutual funds:		
Real estate funds	588,546	588,546
Absolute return	237,255	237,255
Short-term bond funds	957,319	957,319
Other bond funds	33,577	33,577
Allocation funds	109,768	109,768
Index funds	75,064	75,064
Total mutual funds	2,001,529	2,001,529
Exchange traded funds:		
International exchange traded	4,737,279	4,737,279
Total exchange traded	4,737,279	4,737,279
<b>Totals</b>	<b>\$ 6,936,625</b>	<b>6,936,625</b>

There were no transfers between levels during the years ended March 31, 2022 and 2021.

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>2022</u>	<u>2021</u>
Beneficial interest in assets held by others	\$ 803,081	763,438
<b>Total</b>	<b>\$ 803,081</b>	<b>763,438</b>

As discussed in the Beneficial Interest in Assets Held by Others note, 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 Trust Funds note.

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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**BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

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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, 2022 and 2021, totaled \$31,815 and \$27,334, respectively. Total market value of the assets held in these funds amounted to \$803,081 and \$763,438 at March 31, 2022 and 2021, respectively.

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**TRUST FUNDS**

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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, 2022 and 2021, the Museum received \$86,332 and \$83,070, respectively, from these trusts. Total market value of the assets held in these trusts amounted to \$2,410,448 and \$2,354,297 at March 31, 2022 and 2021, respectively.

The Museum is also an income beneficiary of three revocable/amendable trusts with total assets amounting to \$4,323,396 and \$3,645,213, at March 31, 2022 and 2021, respectively. During the years ended March 31, 2022 and 2021, the Museum received \$298,712 and \$287,778, 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 \$119,421 and \$110,823 at March 31, 2022 and 2021, respectively. The present value of annuities payable using a discount rate of 3.0% and a life expectancy of 7.1 and 5.1 for each of the respective annuities, amounted to \$32,926 at March 31, 2022, and \$40,791 at March 31, 2021, respectively.

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

**LOAN PAYABLE**

In March, 2013 the Museum entered into an uncollateralized loan agreement with the City of Portsmouth, NH for an amount totaling \$25,240. Ten payments of principal and interest, at 2% per annum, are due annually on April 1. This was paid off during the year ended March 31, 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 3.50% and 3.25% at March 31, 2022 and 2021, respectively. At March 31, 2022 and 2021, the Museum had \$0 and \$0 outstanding on this line of credit, respectively, and paid interest on the line in the amount of \$0 and \$4,096, respectively. 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.

**LEASES**

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 \$547,462 and \$512,700, respectively, for the years ended March 31, 2022 and 2021. Cost basis and accumulated depreciation information on the buildings with rental space was as follows at March 31:

	<u>2022</u>	<u>2021</u>
Buildings - cost	\$ 4,888,728	4,156,251
<u>Less accumulated depreciation</u>	<u>(1,298,520)</u>	<u>(1,135,432)</u>
<b>Net</b>	<b>\$ 3,590,208</b>	<b>3,020,819</b>

As of March 31, 2022 and 2021, 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.

**CAPITAL LEASE OBLIGATIONS**

At March 31, 2022 and 2021, the Museum held certain equipment subject to capital leases. Accordingly, the Museum has capitalized equipment in the amount of \$44,198 with related accumulated depreciation on this equipment amounting to \$30,203 and \$21,363, respectively, at March 31, 2022 and 2021. Future minimum lease payments required under this lease at March 31 are as follows:

2023	\$ 8,840
<u>2024</u>	<u>5,156</u>
Subtotal	13,996
<u>Current portion</u>	<u>(8,840)</u>
<b>Capital lease, non-current</b>	<b>\$ 5,156</b>

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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REVENUE RECOGNITION

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During the years ended March 31, 2022 and 2021, the Museum had contract revenue consisting of the following:

	<u>2022</u>	<u>2021</u>
Admissions	\$ 400,099	79,246
Programs	43,482	7,268
Memberships	145,055	97,217
Special events	242,520	126,063
Labrie family skate	407,398	408,103
Rent	570,213	518,630
Museum store sales	22,070	4,079
<b><u>Total contract revenue</u></b>	<b><u>\$ 1,830,837</u></b>	<b><u>1,240,606</u></b>

During the years ended March 31, 2022 and 2021, the Museum had contract assets in the amount of \$6,737 and \$18,123, respectively, all of which pertained to rent. During the years ended March 31, 2022 and 2021, the Museum had contract liabilities in the amount of \$77,303 and \$64,810, respectively, which pertained to events, rent, site rentals, camps and sponsorships. During the year ended March 31, 2022, total contract liabilities of \$64,810 from the year ended March 31, 2021 were recognized as revenue. During the year ended March 31, 2021, total contract liabilities of \$83,464 from the year ended March 31, 2020 were recognized as revenue.

To best match the timing of the transfer of goods or services, the Museum recognizes revenue from contracts with customers 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. For each of the years ended March 31, 2022 and 2021, the greatest economic factor effecting contract revenue has been the COVID-19 pandemic.

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.

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IN-KIND CONTRIBUTIONS

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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. Donated services for the year ended March 31, 2022 and 2021 amounted to \$2,975 and \$11,874, respectively.

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.

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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**IN-KIND CONTRIBUTIONS, CONTINUED**

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Donated assets, such as donated marketable securities and other noncash donations, are recorded as contributions at their estimated fair values at the date of donation. During year ended March 31, 2021, the Museum received a donated nonfinancial asset (a building) with an estimated fair value of \$725,000, as listed on the purchase and sale agreement. This donation held no donor restriction, is held for use, and has been reflected in the accompanying financial statements as revenue and capitalized assets as donated goods. No such donations were received during the year ended March 31, 2022.

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**EMPLOYEE RETENTION CREDIT**

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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 is outstanding and included in accounts receivable on the accompanying statement of financial position at March 31, 2022.

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**PAYCHECK PROTECTION PROGRAM**

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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 loans pursuant to the Paycheck Protection Program (the PPP). The first loan was in the amount of \$330,900, with the second being for \$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 loans which were in the form of notes dated April 9, 2020 and February 3, 2021, respectively, mature on April 9, 2022 and February 3, 2023, respectively. Each bore interest at a rate of 1.00% per annum, payable monthly commencing ten months after the covered period has ended. The notes may be prepaid by the Museum at any time prior to maturity with no prepayment penalties. Funds from the loans may 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 each loan for the qualifying expenses. Under the terms of the PPP, amounts of the loans may be forgiven if they are used for qualifying expenses as described in the CARES Act. Prior to year-end, the Museum received notification of full forgiveness of the first loan, and thus has been released from an obligation for repayment of that loan. Accordingly, the first loan funding has been shown as "SBA PPP loan forgiveness" on the accompanying statement of activities. Forgiveness of the second loan had not been received as of year-end, but was received subsequently on April 26, 2022. As a result, the balance of the loan is shown as "SBA PPP loan payable" on the accompanying statement of financial position at March 31, 2022.

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**PENSION BENEFIT PLAN**

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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, 2022 and 2021, contributions to the plan were \$27,959 and \$28,124, respectively.

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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**RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES**

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

To be held in perpetuity:

	<u>2022</u>	<u>2021</u>
Endowment funds held in perpetuity	\$ 5,541,548	3,736,417
Beneficial interest in assets held by others	803,081	763,438
<b>Totals</b>	<b>\$ 6,344,629</b>	<b>4,499,855</b>

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

Cumulative endowment (losses) earnings	\$ 1,393,482	1,345,157
Contributions restricted for future program purposes	4,242,550	2,885,963
<b>Totals</b>	<b>\$ 5,636,032</b>	<b>4,231,120</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 11,980,661</b>	<b>8,730,975</b>

A more detailed description of net assets with donor restrictions, and changes therein, as of and for the years ended March 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Board-designated quasi endowment	\$ 358,758	355,371
<b>Totals</b>	<b>\$ 358,758</b>	<b>355,371</b>

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.

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**LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,017,363	2,399,228
Accounts receivable, net	126,910	111,436
<b>Total</b>	<b>\$ 2,144,273</b>	<b>2,510,664</b>

**STRAWBERRY BANKE MUSEUM**  
**Notes to Financial Statements, Continued**  
**March 31, 2022 and 2021**

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**LIQUIDITY AND AVAILABILITY OF RESOURCES, CONTINUED**

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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, 2022 or 2021. 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.

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**METHOD USED FOR ALLOCATION OF EXPENSES**

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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% to Collections, 6% to Horticulture, 49% to Property, 5% to Visitors Services, 13% to Education, 4% to Special events, 12% to Labrie Family Skate, and 4% to Heritage House for fiscal 2022 and 2021, which represents management's estimate of use across each functional category.

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**SUBSEQUENT EVENTS**

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In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through December 2, 2022, which is the date these financial statements were available to be issued.

Subsequent to year end, on April 26, 2022, the Museum received notice from the SBA that their second PPP loan in the amount of \$280,865, had been forgiven in full.

**STRAWBERRY BANKE MUSEUM**  
**Schedules of Revenue and Support**  
**Years Ended March 31, 2022 and 2021**

	2022	2021
Museum activities:		
Admissions	\$ 400,099	79,246
Grants	42,899	17,734
Programs	43,482	7,268
Events	234,708	126,063
Total museum activities	721,188	230,311
Labrie family skate	415,210	408,103
Development and fundraising:		
Memberships	145,055	97,217
Contributed income	3,975,984	4,126,974
Corporate sponsorship	74,150	58,350
Total development and fundraising	4,195,189	4,282,541
Investment income:		
Net investment (losses) gains	190,217	1,839,193
Investment income	153,450	117,028
Total investment (loss) income	343,667	1,956,221
Other income:		
Rent	570,213	518,630
Museum store	22,070	4,415
Government grants	-	330,900
Employee retention credits	201,216	2,063
Miscellaneous	172,185	150,199
Total other income	965,684	1,006,207
<b>Total revenue and support</b>	<b>\$ 6,640,938</b>	<b>7,883,383</b>

*See independent auditor's report.*

**STRAWBERRY BANKE MUSEUM**  
**Schedule of Changes in Net Assets With Donor Restrictions**  
**Years Ended March 31, 2022 and 2021**

	2022			2021				
	Net asset balances March 31, 2021	Income	Net assets released from restrictions	Net asset balances March 31, 2022	Net asset balances March 31, 2020	Income	Net assets released from restrictions	Net asset balances March 31, 2021
<b>Education:</b>								
Elizabeth P. Nowers Fund	\$ 2,227	-	-	2,227	2,227	-	-	2,227
Dawnland storyfest	-	2,050	(2,050)	-	-	-	-	-
TBA - Children's theater	-	5,900	-	5,900	-	-	-	-
On-line curriculum pilot	-	-	-	-	3,156	-	(3,156)	-
History Within Reach/Time Travel Workshops	8,484	2,080	(6,027)	4,537	8,817	321	(654)	8,484
History Within Reach Lunch Program	10,000	-	-	10,000	10,000	-	-	10,000
IMLS Grant	-	41,349	(41,349)	-	514	16,002	(16,516)	-
NH State Council on the Arts	-	8,000	(8,000)	-	-	-	-	-
Boat Shop Project	2,917	7,955	(9,639)	1,233	2,020	1,000	(103)	2,917
<b>Total education</b>	<b>23,628</b>	<b>67,334</b>	<b>(67,065)</b>	<b>23,897</b>	<b>26,734</b>	<b>17,323</b>	<b>(20,429)</b>	<b>23,628</b>
<b>Restoration and maintenance:</b>								
Archaeology	-	-	-	-	-	1,200	(1,200)	-
Heritage House project	-	600,000	(600,000)	-	22,183	10,500	(32,683)	-
Labrie Family Skate	14,250	24,188	(14,672)	23,766	27,962	14,250	(27,962)	14,250
Labrie Family Skate pledges	2,875	4,995	(2,875)	4,995	7,000	2,875	(7,000)	2,875
Sherburne Restoration	-	-	-	-	4,068	-	(4,068)	-
House Painting	22,800	-	(3,000)	19,800	22,800	-	-	22,800
Picnic Tables	(655)	-	655	-	(655)	-	-	(655)
Cotton Tenant House - Project	48,529	-	(48,529)	-	48,529	-	-	48,529
Penhallow - LCHIP	-	-	-	-	-	-	-	-
Memorial Landscape Project	4,652	283	(3,348)	1,587	28,923	10,550	(34,821)	4,652
Stoodley's Tavern	750	-	-	750	750	-	-	750
TBA Restorations	300	-	-	300	300	-	-	300
<b>Total restoration and maintenance</b>	<b>93,501</b>	<b>629,466</b>	<b>(671,769)</b>	<b>51,198</b>	<b>161,860</b>	<b>39,375</b>	<b>(107,734)</b>	<b>93,501</b>
<b>Collections:</b>								
Collections	302	-	-	302	302	-	-	302
Deaccession Fund	610	-	-	610	610	-	-	610
Acquisitions	4,476	-	-	4,476	4,476	-	-	4,476
Rising Sea Level Initiative	-	97,914	(31,199)	66,715	-	-	-	-
Interpretation of Cotton Tenant House	242	-	(242)	-	242	-	-	242
Library (Fales)	3,149	-	-	3,149	3,149	-	-	3,149
Furniture for Yeaton Welch	10,000	-	-	10,000	10,000	-	-	10,000
FEMA Grant	345	-	(345)	-	345	-	-	345
Exhibits	1,069	-	-	1,069	1,069	-	-	1,069
<b>Total collections</b>	<b>20,193</b>	<b>97,914</b>	<b>(31,786)</b>	<b>86,321</b>	<b>20,193</b>	<b>-</b>	<b>-</b>	<b>20,193</b>

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

	2022			2021				
	Net asset balances		Net assets released from restrictions	Net asset balances	Net asset balances	Net assets released from restrictions	Net asset balances	
	March 31, 2021	Income		March 31, 2022	March 31, 2020	Income	March 31, 2021	
<b>Horticulture:</b>								
Horticulture	1,303	250	-	1,553	2,103	-	(800)	1,303
Children's garden	1,383	-	(102)	1,281	1,383	-	-	1,383
NHCF TBA Garden	30	-	-	30	30	-	-	30
Center for Heirloom Gardens	5,039	-	-	5,039	5,039	-	-	5,039
Herb garden arbor	-	-	-	-	-	-	-	-
Community garden	515	160	-	675	550	-	(35)	515
Shapiro garden	310	-	-	310	310	-	-	310
<b>Total horticulture</b>	<b>8,580</b>	<b>410</b>	<b>(102)</b>	<b>8,888</b>	<b>9,415</b>	<b>-</b>	<b>(835)</b>	<b>8,580</b>
<b>Discretionary funds:</b>								
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	280	1,632	-	1,912	-	280	-	280
Green Museum	642	-	-	642	642	-	-	642
Vehicles	23,000	-	(23,000)	-	23,000	-	-	23,000
<b>Total discretionary funds</b>	<b>40,130</b>	<b>1,632</b>	<b>(23,000)</b>	<b>18,762</b>	<b>39,850</b>	<b>280</b>	<b>-</b>	<b>40,130</b>
<b>Pledges receivable:</b>								
Unrestricted contributions	-	-	-	-	7,000	-	(7,000)	-
<b>Total pledges receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>(7,000)</b>	<b>-</b>
<b>Capital Campaign:</b>								
CC Pledge Receivables	78,500	-	(31,500)	47,000	129,500	-	(51,000)	78,500
CC Donations and Bequests	-	1,469,548	(84,495)	1,385,053	-	-	-	-
Undesignated	2,621,431	-	-	2,621,431	226,852	2,565,984	(171,405)	2,621,431
<b>Total capital campaign</b>	<b>2,699,931</b>	<b>1,469,548</b>	<b>(115,995)</b>	<b>4,053,484</b>	<b>356,352</b>	<b>2,565,984</b>	<b>(222,405)</b>	<b>2,699,931</b>
<b>Accumulated Endowment Earnings</b>	<b>1,345,157</b>	<b>243,165</b>	<b>(194,840)</b>	<b>1,393,482</b>	<b>(182,850)</b>	<b>1,623,878</b>	<b>(95,871)</b>	<b>1,345,157</b>

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

	2022			2021				
	Net asset balances March 31, 2021	Income	Net assets released from restrictions	Net asset balances March 31, 2022	Net asset balances March 31, 2020	Income	Net assets released from restrictions	Net asset balances March 31, 2021
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	91,775	12,000	-	103,775	91,775	-	-	91,775
Martha Fuller Clark and Dr. Geoffrey Clark	-	952,220	-	952,220	-	-	-	-
For General Endowment	-	830,911	-	830,911	-	-	-	-
Yeaton Walsh House	-	10,000	-	10,000	-	-	-	-
Campaign for Sustainability	1,628,959	-	-	1,628,959	1,628,959	-	-	1,628,959
<b>Total held in perpetuity - endowment corpus:</b>	<b>3,736,417</b>	<b>1,805,131</b>	<b>-</b>	<b>5,541,548</b>	<b>3,736,417</b>	<b>-</b>	<b>-</b>	<b>3,736,417</b>
Held in perpetuity - NHCF trust interest:								
NHCF – Thomas Bailey Aldrich Fund	187,679	9,736	-	197,415	143,562	44,117	-	187,679
NHCF – Guild of Strawberry Museum Fund	37,613	1,990	-	39,603	28,759	8,854	-	37,613
NHCF – Lawrence K. Grady Fund	538,146	27,917	-	566,063	411,647	126,499	-	538,146
<b>Total held in perpetuity</b>	<b>763,438</b>	<b>39,643</b>	<b>-</b>	<b>803,081</b>	<b>583,968</b>	<b>179,470</b>	<b>-</b>	<b>763,438</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 8,730,975</b>	<b>4,354,243</b>	<b>(1,104,557)</b>	<b>11,980,661</b>	<b>4,758,939</b>	<b>4,426,310</b>	<b>(454,274)</b>	<b>8,730,975</b>

*See independent auditor's report.*

**STRAWBERRY BANKE MUSEUM**  
**Schedules of Revenues and Operating Expenses - Budget Basis**  
**Years Ended March 31, 2022 and 2021**

	2022 (Unaudited)	2021 (Unaudited)
<b>REVENUES</b>		
Admission fees	\$ 393,750	75,440
School groups	6,350	3,810
Retail sales	22,070	4,420
Event revenue	218,510	36,960
Program revenue	409,470	352,010
Misc income	6,110	1,310
Annual fund	486,300	552,870
Individual memberships	145,060	97,220
Corporate support	126,700	121,600
Investment income	194,830	189,800
Trust income	101,470	91,620
Rental income	570,210	518,630
Grant and project income	820,700	633,560
Management fees	17,000	16,200
Restricted funds	208,260	205,930
<b>Total revenues</b>	<b>3,726,790</b>	<b>2,901,380</b>
<b>OPERATING EXPENSES</b>		
Salaries	1,195,470	1,159,220
Payroll taxes	81,730	5,610
Benefits	117,410	128,040
Insurance	85,870	77,380
Administrative office	121,040	52,020
Business & operations	842,090	636,480
Utilities	188,870	190,340
Grant and project income	673,900	233,680
Rental expense	167,360	156,390
<b>Total operating expenses</b>	<b>3,473,740</b>	<b>2,639,160</b>
<b>Excess (deficiency) of revenues over (under) operating expenses - budget basis</b>	<b>\$ 253,050</b>	<b>262,220</b>

*See independent auditor's report.*

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