

**THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY
MUSEUM & HOUSE**

FINANCIAL STATEMENTS

MAY 31, 2023

**THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Susan B. Anthony House
d/b/a National Susan B. Anthony Museum & House
Rochester, New York

Opinion

We have audited the accompanying financial statements of The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House (a nonprofit organization), which comprise the statements of financial position as of May 31, 2023, and the related statements of activities, cash flows and functional expenses for the year 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 The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House as of May 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House'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 The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Susan B. Anthony House d/b/a National Susan B. Anthony Museum & House's 2022 financial statements, and we expressed an unmodified audit opinion in our report dated June 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
May 3, 2024

THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Statements of Financial Position
May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 666,574	\$ 1,593,329
Accounts receivable	364,316	160,707
Current portion of contributions receivable	9,956	294,527
Inventory	30,208	23,762
Other assets	11,819	12,079
Total current assets	1,082,873	2,084,404
Property and Equipment		
Property and equipment	2,829,439	1,209,132
Less accumulated depreciation	(734,353)	(705,123)
Property and equipment - net	2,095,086	504,009
Other Assets		
Assets held by community foundation	432,514	443,804
Contributions receivable - net	15,100	42,305
Grants receivable - net	709,461	-
Total other assets	1,157,075	486,109
Total Assets	\$ 4,335,034	\$ 3,074,522
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 80,322	\$ 53,312
Current portion of note payable	16,599	23,839
Accrued expenses	20,746	40,094
Total current liabilities	117,667	117,245
Note Payable - Net of Current Portion	-	16,605
Total Liabilities	117,667	133,850
Net Assets		
Without donor restrictions	1,797,348	737,110
With donor restrictions	2,420,019	2,203,562
Total net assets	4,217,367	2,940,672
Total Liabilities and Net Assets	\$ 4,335,034	\$ 3,074,522

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

THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Statement of Activities
For the Year Ended May 31, 2023
(With Comparative Totals for the Year Ended May 31, 2022)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2023</u>	<u>Total 2022</u>
Support and Revenue				
Support				
Donations	\$ 735,509	\$ 851,223	\$ 1,586,732	\$ 1,415,253
Donations - Corporate	10,000	-	10,000	33,494
Membership	83,989	-	83,989	89,904
Government grants	780,211	-	780,211	196,839
Non-government grants	-	-	-	22,000
In-kind donations	33,000	-	33,000	27,500
Total support	<u>1,642,709</u>	<u>851,223</u>	<u>2,493,932</u>	<u>1,784,990</u>
Revenue				
Special events	127,234	-	127,234	140,937
Program	30,118	-	30,118	18,401
Admissions	64,406	-	64,406	56,403
Museum shop sales	60,086	-	60,086	56,955
Other income	31,621	-	31,621	104,865
Interest and dividends	2,581	-	2,581	1,142
Net assets released from restriction	272,056	(272,056)	-	-
Total revenue	<u>588,102</u>	<u>(272,056)</u>	<u>316,046</u>	<u>378,703</u>
Total Support and Revenue	<u>2,230,811</u>	<u>579,167</u>	<u>2,809,978</u>	<u>2,163,693</u>
Expenses				
Program	601,082	-	601,082	1,020,860
General and administrative	165,490	-	165,490	126,676
Fundraising	404,001	-	404,001	233,495
Total Expenses	<u>1,170,573</u>	<u>-</u>	<u>1,170,573</u>	<u>1,381,031</u>
Change in Net Assets Before Other Item	1,060,238	579,167	1,639,405	782,662
Other Items				
Bad debt expense	-	(351,420)	(351,420)	-
Change in assets held by community foundation	-	(11,290)	(11,290)	(57,500)
Total other items	<u>-</u>	<u>(362,710)</u>	<u>(362,710)</u>	<u>(57,500)</u>
Change in Net Assets	1,060,238	216,457	1,276,695	725,162
Net Assets - Beginning	<u>737,110</u>	<u>2,203,562</u>	<u>2,940,672</u>	<u>2,215,510</u>
Net Assets - Ending	<u>\$ 1,797,348</u>	<u>\$ 2,420,019</u>	<u>\$ 4,217,367</u>	<u>\$ 2,940,672</u>

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

THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Statement of Functional Expenses
For the Year Ended May 31, 2023
(With Comparative Totals for the Year Ended May 31, 2022)

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total 2023</u>	<u>Total 2022</u>
Advertising and public relations	\$ 22,359	\$ -	\$ 4,026	\$ 26,385	\$ 14,209
Bank and credit card fees	5,483	3,803	-	9,286	8,462
Campus expansion	-	-	223,040	223,040	494,303
Conferences, seminars and meetings	4,463	584	119	5,166	2,078
Conservation/collection expense	2,580	-	-	2,580	1,886
Depreciation	24,021	5,210	-	29,231	28,387
Development software	7,500	-	7,500	15,000	15,000
Employee benefits	21,102	5,475	9,875	36,452	37,881
Insurance	8,606	3,352	-	11,958	11,966
Interest expense	-	1,755	-	1,755	3,120
Legal and accounting	-	28,889	-	28,889	11,567
Miscellaneous	193	2,116	2	2,311	56,110
Museum shop	26,272	-	-	26,272	31,380
Occupancy	22,422	3,511	-	25,933	24,377
Organizational membership fees/dues	4,346	-	-	4,346	4,684
Payroll and payroll taxes	299,721	74,748	157,516	531,985	442,501
Postage	4,317	1,500	1,000	6,817	4,255
Printing and publications	5,246	3,289	-	8,535	8,041
Professional outside services	27,217	17,980	-	45,197	49,602
Program expenses	5,970	-	-	5,970	3,585
Repairs and maintenance	14,600	2,042	-	16,642	10,998
Software as service	15,037	2,346	549	17,932	19,310
Special events	64,614	-	-	64,614	74,757
Supplies	1,029	2,619	-	3,648	8,017
Telephone, internet and internet licenses	12,822	6,271	374	19,467	14,121
Volunteer services	1,162	-	-	1,162	434
Total functional expenses	<u>\$ 601,082</u>	<u>\$ 165,490</u>	<u>\$ 404,001</u>	<u>\$1,170,573</u>	<u>\$1,381,031</u>

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

THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Statements of Cash Flows
For the Years Ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,276,695	\$ 725,162
Adjustments		
Depreciation	29,231	28,387
Change in assets held by community foundation	2,946	37,538
Change in assets and liabilities		
Accounts receivable	(203,609)	(95,558)
Grants receivable	(709,461)	-
Contributions receivable - net	311,775	88,649
Inventory	(6,446)	6,279
Other assets	260	(2,826)
Accounts payable	27,010	46,724
Accrued expenses	(19,348)	21,185
Deferred grant revenue	-	(87,339)
Net cash flows from operating activities	<u>709,053</u>	<u>768,201</u>
Cash Flows from Investing Activities		
Transfer to assets held by community foundation	-	(55,253)
Distribution from assets held by community foundation	8,344	19,964
Purchase of property and equipment	(1,620,307)	(97,543)
Net cash flows from investing activities	<u>(1,611,963)</u>	<u>(132,832)</u>
Cash Flows from Financing Activities		
Repayment on note payable	<u>(23,845)</u>	<u>(22,478)</u>
Net Change in Cash and Cash Equivalents	(926,755)	612,891
Cash and Cash Equivalents - Beginning	<u>1,593,329</u>	<u>980,438</u>
Cash and Cash Equivalents - Ending	<u>\$ 666,574</u>	<u>\$ 1,593,329</u>

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

**THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies and Nature of the Organization

Nature of the Organization - The Susan B. Anthony House D/B/A National Susan B. Anthony Museum & House (the "Museum"), is a not-for-profit New York Education Corporation that owns and maintains The Susan B. Anthony House located in Rochester, New York. Susan B. Anthony, a pioneer leader for women's rights, lived in this house from 1866 to 1906. Today the house is a museum with National Landmark status. It contains many photographs, memorabilia, furnishings and furniture of its early, determined occupants. In addition to preserving the home, the Museum is dedicated to promoting national awareness of Susan B. Anthony's historical significance.

Method of Accounting - The Museum maintains its books and prepares its financial statements on the accrual basis of accounting.

Basis of Presentation - The Museum's financial statements are presented in accordance with the provisions of (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." The Museum is required to report information regarding its net assets and changes therein in the following categories:

Net Assets Without Donor Restriction - Net assets without donor restriction represent net assets that are not subject to donor imposed stipulations and are generally available for support of the Museum's activities. The Board of Directors has discretionary control over these resources to carry out the operations of the Museum in accordance with its by-laws.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent net assets that are subject to donor imposed stipulations permitting the Museum to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Museum. Income earned on net assets with donor restrictions is held in the donor restricted net asset group until donor imposed restrictions are met. When a donor restriction is met, donor restricted net assets are reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash - For the purposes of the statements of financial position and the statements of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid instruments with maturities of three months or less. The Museum maintains cash and cash equivalents at financial institutions which may periodically exceed federally insured limits.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable are uncollateralized donor and grantor obligations due under normal trade terms. Accounts receivable are stated at the amount management expects to collect from donors and grantors.

The Museum has no accounts accruing interest charges or non-accrual accounts as of May 31, 2023 and 2022. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to receivables.

The Museum accounts for its receivables at the outstanding principle balance, adjusted for allowance for doubtful accounts, if applicable. The Museum estimates its allowance for doubtful accounts and bad debts based upon management's assessment of the collectability of receivables and prior experience. Management expects to collect all accounts receivables as of May 31, 2023 and 2022, therefore has not established an allowance for doubtful accounts.

**THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Notes to Financial Statements**

Contributions Receivable - Contributions receivable represent amounts due to the Museum under the terms of unconditional promises to give. Contributions receivable are recorded at their estimated net present value, based on anticipated cash flow, discounted to reflect the time value of money. Per review of the accounts, management has determined an allowance for contributions receivable has been recorded of \$8,000 and \$- for the years ended May 31, 2023 and 2022. For the years ended May 31, 2023 and 2022, outstanding contributions receivable were \$25,056 and \$336,832, respectively.

Inventory - The inventory consists of gift shop items and is stated at the lower of cost, using the first-out basis or net realizable value.

Property and Equipment - Property and equipment are stated at cost if purchased or at fair market value if donated. Major additions and improvements are capitalized by the Museum while expenditures for repairs, maintenance and improvements of a relatively minor nature are expensed. Fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation lives are as follows:

Buildings and improvements	20 - 40 Years
Furniture and equipment	5 - 10 Years

Assets Whose Use is Limited - Assets whose use is limited are comprised of assets set aside for contributions to the endowment not yet received. These contributions receivable amounted to \$3,366 and \$4,846 for the years ended May 31, 2023 and 2022, respectively.

Assets Held by Community Foundation - The Museum's investments are held by the Rochester Area Community Foundation. These investments are presented in the financial statements at fair market value as determined by the related professional managers. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 establishes a framework for measuring fair value in accounting principles generally accepted in the United States and expands disclosures about fair value measurements. The fair value of investments is disclosed in Note 2.

Endowment - The Museum's assets held by RACF and restricted cash comprise the Museum's permanently restricted funds (the "Endowment"). As required by generally accepted accounting principles, net assets associated with funds that are donor-restricted against expenditure on a current basis are classified and reported as endowment funds. The Museum has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

THE SUSAN B. ANTHONY HOUSE
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Notes to Financial Statements

In accordance with NYPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the Endowment,
2. The purposes of the Museum and the Endowment,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the Museum,
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the Endowment, giving due consideration to the effect that such alternatives may have on the Museum, and
8. The investment policies of the Museum.

Contributions, Grants and Pledges - The Museum accounts for contributions under the provisions of ASC 958-605. In accordance with ASC 958-605, contributions, grants and pledges are recorded as support in the appropriate class of net assets, based on applicable donor restrictions at the time the contribution is received or a non-revocable commitment is made. The Museum reports gifts of cash and other assets as restricted income if they are received with donor stipulations that limit the use of the donated assets.

Revenue Recognition and Contributions - On May 1, 2020, the Museum adopted ASU 2014-09, "Revenue from Contracts with Customers", which provides guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605, Revenue Recognition ("Topic 605") and most industry specific guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Museum expects to be entitled in exchange for these goods or services. The Museum utilizes a five-step framework as identified in ASU 2014-09. The Museum derives its support mainly from grants and contributions.

Contributions are recorded as revenue when earned. The Museum accounts for contributions in accordance with the recommendations of ASC 958-605. In accordance with ASC 958-605, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Funding sources may, at their discretion, amend the grant and contract amounts. In addition, reimbursement for expenses or return of funds, or both, may be requested as a result of noncompliance by the Museum with the terms of the grants and contracts. The Museum records such amendments, reimbursements, and returns of funds as an adjustment to revenue in the year of the amendment.

Program fees are recorded as revenue in the period that services are performed.

Memberships recorded as revenue are received and recorded without donor restrictions. Certain benefits are provided to individuals and their families who pay at membership levels when visiting the Museum and are not bifurcated from the contributory nature of the membership revenue.

Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows unless such a discount is deemed to be immaterial.

Conditional promises to give are not included as support until the conditions are substantially met. Contributions and sponsorships for special events are recognized when the special event takes place.

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Notes to Financial Statements

Management periodically reviews the sufficiency of the allowance for uncollectible contributions receivable, taking into consideration its historical losses and existing economic conditions, and makes adjustments to the allowance as it considers necessary. Contributions receivable are charged off against the allowance for doubtful accounts in the period in which the collection efforts are exhausted. Management has determined that no allowance is necessary at May 31, 2023 and 2022.

Government grant revenue includes loan funding under the paycheck protection program administered by the U.S. Small Business Administration (the "SBA") in response to the COVID-19 pandemic. These loans were eligible to be forgiven if the funding was spent in accordance with government stipulations and when the request for forgiveness was approved by the SBA, see Note 14.

The timing of revenue recognition, billings and cash collections could result in accounts receivable and deferred grant revenue on the Statements of Financial Position. Amounts from contracts with customers were as follows at May 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 364,316	\$ 160,707	\$ 65,149
Contributions receivable - net	<u>\$ 25,056</u>	<u>\$ 336,832</u>	<u>\$ 425,481</u>

Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to the program and supporting services.

Income Taxes - The Museum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Museum's tax-exempt purpose could be subject to taxation as unrelated business income.

In accordance with ASC 740-15-50, the Museum recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Museum is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecorded tax benefits has been included on the Museum's financial statements. The exempt Museum's informational returns are subject to audit by various taxing authorities.

Advertising - The Museum expenses all advertising costs as incurred. Advertising costs were \$26,385 and \$14,209 for the years ended May 31, 2023 and 2022, respectively.

Comparative Financial Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Museum's financial statements for the year ended May 31, 2022, from which summarized information was derived.

Subsequent Events - Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

THE SUSAN B. ANTHONY HOUSE
D/B/A NATIONAL SUSAN B. ANTHONY MUSEUM & HOUSE
Notes to Financial Statements

Note 2. Fair Value Measurements - Assets Held by Community Foundation

The Museum's Board of Trustees established the Susan B. Anthony House Standing Fund with the Rochester Area Community Foundation ("RACF") in a pooled investment portfolio which is utilized by charitable organizations for similar endowment purposes. The RACF invests the funds with an investment approach which seeks to grow the assets over time, preserve the purchasing power of the asset, control risk, and provide for the spending needs of the Museum. The RACF may employ one or more investment managers of varying styles and philosophies to attain the objectives.

The Museum measures investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 price such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value:

Assets Held by Community Foundation - Valued using unobservable inputs developed with an advisor's judgment about the assumptions that a market participant would use in pricing the pooled investment portfolio (level 3).

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

The reporting of the changes of the assets held by the RACF is based on the fair value of the Museum's inputs (Level 3) are utilized in determining fair value is as follows for the year ended May 31, 2023:

Balance, beginning of year	\$ 443,804
Investment return, net	(2,946)
Contributions	-
Withdrawals	(8,344)
Balance, end of year	<u>\$ 432,514</u>

The investment return, net, of the Assets Held by Community Foundation during the year ended May 31, 2023 reflects changes in market value and administrative costs.

**THE SUSAN B. ANTHONY HOUSE
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Notes to Financial Statements**

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

The Museum's policy is to recognize all investment income in operations. For the years ended May 31, 2023 and 2022, the change in the assets held by a community foundation was a decrease of \$11,290 and \$57,500, respectively.

Note 3. Contributions Receivable

The Museum raises support for a variety of capital, operating, and endowment activities. Contributions receivable have been reflected in the accompanying statement of financial position in accordance with donor restrictions, at their discounted value based on the estimated payment schedule at the Museum's estimated borrowing rate (approximately 3.25% at May 31, 2023). No discount is reported at May 31, 2023 due to the immaterial amount.

Contributions receivable consists of the following at May 31:

	<u>2023</u>	<u>2022</u>
Contributions receivable	\$ 33,056	\$ 336,832
Less, allowance for doubtful accounts	(8,000)	-
Less, current portion	<u>(9,956)</u>	<u>(294,527)</u>
Contributions receivable - net	<u>\$ 15,100</u>	<u>\$ 42,305</u>

Estimated future collections from contributions receivable are as follows:

2024	\$ 9,956
2025	8,450
2026	<u>6,650</u>
Total	<u>\$ 25,056</u>

Note 4. Endowment

The Museum's assets held by RACF and restricted cash comprise the Museum's permanently restricted funds (the "Endowment"). See Note 2 for reporting of the changes of the assets held by the RACF.

The Museum has adopted additional investment and spending policies that apply to both endowment and board-designated investment funds. As required by generally accepted accounting principles, net assets associated with funds that are donor-restricted against expenditure on a current basis are classified and reported as endowment funds.

The Museum has funds that reside at the Rochester Area Community Foundation in The Susan B. Anthony House Standing Fund. The Museum specified that the Rochester Area Community Foundation distribute the funds to the Museum based on the spending policy defined below. The Museum has recognized this investment in assets held by the community foundation.

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Funds with Deficiencies - 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 NYPMIFA requires the Museum to retain as a fund of perpetual duration. In accordance with GAAP, there were no funds with deficiencies as of May 31, 2023 and 2022. These deficiencies may result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters - The Museum has adopted investment and spending policies of the RACF, approved by its Board of Trustees, for investment assets that attempt to provide a predictable stream of funding for programs supported by these investments while also maintaining the purchasing power of those assets over the long-term. Accordingly, the investment process seeks to achieve an after cost total real rate of return, including investment income as well as capital appreciation, which exceeds annual distributions with acceptable levels of risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Board of Trustees of the Museum has adopted the Investment Policy Statement (“IPS”) for the Endowment. The IPS documents a prudent process that provides diversification with the appropriate level of assumed risk and return necessary to achieve the stated objectives which include the following:

- To provide income and appreciation of investment sufficient to support the services and programs provided by the Museum.
- To maximize return within reasonable and prudent levels of risk.
- To maintain an appropriate asset allocation based on total return needs compatible with the spending policy.

Note 5. Property and Equipment

Property and equipment consisted of the following at May 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 84,085	\$ 83,685
Buildings and improvements	991,329	952,382
Furniture and equipment	167,755	165,720
Construction in progress	1,586,270	7,345
Subtotal	2,829,439	1,209,132
Less, accumulated depreciation	(734,353)	(705,123)
Property and equipment – net	\$ 2,095,086	\$ 504,009

Depreciation expense was \$29,231 and \$28,387 for the years ended May 31, 2023 and 2022, respectively. The House and certain other items are considered part of the Collection and are not reported in property and equipment, see Note 11.

Note 6. Line of Credit

The Museum maintained a line of credit with Key Bank, N.A. (the “Bank”) which provides for maximum borrowings of \$50,000, with interest payable at 1% below the Bank’s prime rate. At May 31, 2023 and 2022, the prime rate was 8.25% and 4.00%, respectively.

There were no amounts outstanding on the line of credit at both May 31, 2023 and 2022. The line of credit is secured by substantially all assets of the Museum.

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Note 7. Long-Term Debt

Long-term debt represents amounts payable on a loan payable issued to the Organization. Amounts due are summarized as follows at May 31:

	<u>2023</u>	<u>2022</u>
Note payable to bank, payable in monthly installments of \$2,133, including interest at 5.83%, due in January 2024.	\$ 16,599	\$ 40,444
Less, current portion	<u>(16,599)</u>	<u>(23,839)</u>
Note payable - net of current portion	<u>\$ -</u>	<u>\$ 16,605</u>

Future payments required under the loan are as follows as of May 31:

2024		<u>\$ 16,599</u>
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The note payable is secured by substantially all assets of the Museum and is subject to a prepayment penalty. Under the terms of the agreement, the Museum is required to maintain a deposit account with the Bank. The Museum was in compliance with all bank related covenants at May 31, 2023 and 2022.

Note 8. Volunteers

The Museum receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. Approximately 170 volunteers provided approximately 3,940 hours of service for the year ended May 31, 2023.

Note 9. Donated Materials and Services

Donated materials are recognized as contributions in the accompanying statements at their estimated fair market value at the date of receipt. Donated services that require specialized skills provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recognized as revenue and expenses when an objective basis is available to measure their value. In-kind donations amounted to \$33,000 and \$27,500 for the years ended May 31, 2023 and 2022, respectively.

Note 10. Retirement Plan

The Museum participates in a Tax Deferred Annuity Plan. The plan covers all regular employees, with a minimum of 18 years of age. The terms of the plan are intended to comply with Section 403(b) of the Internal Revenue Code. It is the Museum's policy to match the employee's contribution up to 3% of an eligible employee's salary. Retirement plan expenses amounted to \$11,572 and \$10,017 for the years ended May 31, 2023 and 2022, respectively.

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Note 11. Museum Collection

In conformity with accounting principles generally accepted in the United States of America and the practice followed by many museums, the Museum has elected not to include objects purchased or donated to the permanent collection in the balance sheet. It is impractical to determine a value for the Permanent Collection, as many items are irreplaceable.

Other museums often request to borrow particular items from the Permanent Collection, and the Museum is pleased to share its Collection with the public in this way, provided arrangements are made to assure appropriate care, security, and conservation during the course of the loan. A marble bust of Susan B. Anthony is on permanent loan to the Monroe County Hall of Justice, and copy of the *Trial of Susan B Anthony* is currently on loan to the U.S. Marshals Museum, Fort Smith, Arkansas.

In anticipation of the increased space and improved storage facilities that will be part of the campus expansion, the Anthony Museum is now accepting appropriate donations of objects, artifacts, print materials, and ephemera that are within the scope of the Museum's Collections Policy. During the fiscal year end May 31, 2023, several dozen items were accessioned into the permanent collection. Below is a listing of some of the most remarkable items:

- A bronze bust of Susan B. Anthony, by noted Puerto Rican sculptor, José Guillermet, originally commissioned by Diana Philips, and donated by her;
- The Mark and Patty Weidner Collection, including several dozen items deemed appropriate to the permanent Collection. Mark Wiedner was a lifelong friend of Grace Anthony, a niece of Susan's, and when the Wiedner purchased her home, these items were found on the property. Some items of particular value and significance:
 - A plaster mockette (statue) of a seated Susan B. Anthony, signed by sculptor Bessie Potter Vonnoh (1872-1955), whose works can be viewed in Central Park, the Metropolitan Museum in New York City, and other noted art museums. The "Life and Work of Susan B. Anthony" confirms that Anthony and Emily Gross sat for Mrs. Bessie Potter in 1895. This mockette may be from that sitting.
 - A Guestbook, which was at 17 Madison Street from 1904-1907. It includes signatures and comments from notable visitors, including Mary Church Terrell, Walter Rauschenbush, Hester Jeffrey, and many others. Because many visitors included their date of birth and/or address, this will be an excellent research tool to connect those who visited the Anthony sisters with historical context. After the Anthony sisters' died, the guestbook was in the possession of niece Lucy E. Anthony and her life partner, Rev. Anna Howard Shaw, at their home in Moyland, PA, and guests there also signed the book. Overall there are over 400 signatures on 94 pages.
 - Three slate chalkboards with signatures and comments credited to James Mott and Mrs. Parker Pillsbury.
 - A number of printed volumes (published books), in good condition. These volumes are not especially rare in themselves, but they are historically significant because of the penciled commentary that Grace Anthony entered in the margins, providing the reader with a critique from the perspective of a relative who may have witnessed some events first-hand.

The Museum periodically invests in restoration of the Susan B. Anthony House with restricted grants and contributions. Cumulative costs associated with restoration, including architectural planning, the physical restoration work, and furnishings are not reflected on the Balance Sheet, as they are not capitalized, as noted above.

No items were deaccessioned during the years ending May 31, 2023 or 2022.

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Note 12. Special Events

Special event revenue is reported including sponsorships and other contributions and in-kind donations related to special events. Donations received at the event or in response to an invitation to the event are reported as donations.

Details of this activity consisted of the following at May 31:

	<u>2023</u>	<u>2022</u>
Revenue from special events	\$ 127,234	\$ 140,937
Direct expenses	(64,614)	(74,757)
Total special events - net	<u>\$ 62,620</u>	<u>\$ 66,180</u>

Note 13. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at May 31, 2023:

	<u>Time and Purpose</u>	<u>Perpetuity</u>	<u>Total</u>
Assets in RACF	\$ 8,995	\$ 423,519	\$ 432,514
Endowment Contributions Receivable	-	3,366	3,366
Capital Campaign - Campus Expansion	1,422,994	-	1,422,994
Capital Campaign - General	515,794	-	515,794
Capital Campaign - Historic Properties	21,335	-	21,335
Garden Renovation	8,126	-	8,126
NYSCA	10,000	-	10,000
House Restorations	4,890	-	4,890
1872 Memorial	1,000	-	1,000
Total net assets with restrictions	<u>\$1,993,134</u>	<u>\$ 426,885</u>	<u>\$ 2,420,019</u>

The Museum is currently executing the *Susan B. Inspires Me Campaign* (the "Capital Campaign"). Strategic objectives of the Capital Campaign include:

- Solicitation of funds for the campus expansion
- Solicitation of permanent funds
- Solicitation of funds for the general campaign

Note 14. Government Grant Revenue

In February 2021, the Museum borrowed an additional \$87,339 from the Bank under the Paycheck Protection Program (the "PPP Loan 2"). The PPP Loan 2 had 1% interest rate and principal payments are deferred until earlier date on which amount is forgiven or where forgiveness is sought within the time frame required. The PPP Loan was secured by the unconditional guarantee of the Small Business Administration ("SBA"). The PPP Loan provided for potential forgiveness of debt, up to the principal plus accrued interest based on eligible uses of the PPP Loan 2 proceeds up to a 24 week period after the receipt of the proceeds. The proceeds received from the PPP Loan 2 were classified as deferred grant revenue on the accompanying statement of financial position at May 31, 2021. The PPP Loan 2 was forgiven in March 2022 and is reported as government grant income on the accompanying Statement of Activities during the year ended May 31, 2022.

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Note 15. Concentrations

The Museum received approximately 53% of its total support and revenue from one donor and a grant for a site gift for the capital campaign during the year ended May 31, 2023.

The Museum received approximately 56% of its total support and revenue from a donor for a site gift for the capital campaign during the year ended May 31, 2022. Contributions receivable from the donor were \$250,000 at May 31, 2022.

Note 16. Liquidity and Availability of Resources

The Museum has \$1,082,873 of financial assets available within one year of the statements of financial position date consisting of \$666,574 of cash and cash equivalents, \$364,316 of receivables, \$9,956 of contributions receivable and \$42,027 in inventory and other assets.

To assist management in managing liquidity, the Museum has an unused line of credit with the Bank with a maximum draw amount of \$50,000. At May 31, 2023, there were no amounts outstanding on the line of credit, see Note 6.

Note 17. Supplemental Cash Flow Information

	<u>2023</u>		<u>2022</u>
Cash paid during the year for:			
Interest	\$ 1,755	\$	3,120