WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.

FINANCIAL STATEMENTS

June 30, 2026 and 2025

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Wegner CPAs

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
Wenham Historical Association & Museum, Inc.
Wenham, Massachusetts

We have reviewed the accompanying financial statements of Wenham Historical Association & Museum, Inc., which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Wenham Historical Association & Museum, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
October 12, 2026

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2026 and 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 156,121	$ 162,145
Unconditional promises to give	83,415	9,390
Investments	1,091,286	1,034,792
Inventories	13,170	29,695
Prepaid expenses	1,397	6,592
Total current assets	1,345,389	1,242,614
OTHER ASSETS		
Property and equipment, net	591,608	591,509
Operating lease right-of-use assets	-	5,871
Financing lease right-of-use assets	-	2,867
Total assets	$ 1,936,997	$ 1,842,861
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 121,419	$ 59,763
Deferred revenue	45,087	53,981
Line of credit	20,000	-
Current portion of operating lease liability	-	5,871
Current portion of financing lease liability	-	2,936
Total current liabilities	186,506	122,551
NET ASSETS		
Without donor restrictions		
Undesignated	(32,922)	(53,890)
Invested in property and equipment	591,608	591,509
Designated by Board	702,707	690,862
Total net assets without donor restrictions	1,261,393	1,228,481
With donor restrictions	489,098	491,829
Total net assets	1,750,491	1,720,310
Total liabilities and net assets	$ 1,936,997	$ 1,842,861

See accompanying notes.

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 269,671	$ 18,297	287,968
Membership fees	88,338	-	88,338
Admissions	96,737	-	96,737
Program income	43,737	-	43,737
Shop sales	22,560	-	22,560
Rental income	29,915	-	29,915
Investment return, net	119,408	57,618	177,026
Other income	64	-	64
Insurance proceeds	40,938	-	40,938
Loss on disposal of property and equipment	(15,761)	-	(15,761)
Net assets released from restrictions and appropriation of cumulative gains	78,646	(78,646)	-
Total revenue and support	774,253	(2,731)	771,522
EXPENSES			
Program	441,519	-	441,519
Management and general	167,257	-	167,257
Fundraising	132,565	-	132,565
Total expenses	741,341	-	741,341
Change in net assets	32,912	(2,731)	30,181
Net assets at beginning of year	1,228,481	491,829	1,720,310
Net assets at end of year	$ 1,261,393	$ 489,098	$ 1,750,491

See accompanying notes.

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 140,292	49,499	$ 189,791
Special events	31,075	-	31,075
Membership fees	81,737	-	81,737
Admissions	108,461	-	108,461
Program income	137,726	-	137,726
Shop sales	66,750	-	66,750
Rental income	24,347	-	24,347
Investment return, net	83,753	41,937	125,690
Other income	846	-	846
Loss on disposal of property and equipment	(2,002)	-	(2,002)
Net assets released from restrictions and appropriation of cumulative gains	74,172	(74,172)	-
Total revenue and support	747,157	17,264	764,421
EXPENSES			
Program	508,034	-	508,034
Management and general	322,900	-	322,900
Fundraising	49,100	-	49,100
Total expenses	880,034	-	880,034
Change in net assets	(132,877)	17,264	(115,613)
Net assets at beginning of year	1,361,358	474,565	1,835,923
Net assets at end of year	$ 1,228,481	$ 491,829	$ 1,720,310

See accompanying notes.

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2026

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 180,826	$ 62,867	$ 63,403	$ 307,096
Depreciation	45,172	15,370	15,839	76,381
Repairs and maintenance	28,959	9,853	10,153	48,965
Collection, exhibit and program	48,316	-	-	48,316
Professional fees	22,206	13,830	7,693	43,729
Shop cost of goods sold	16,133	-	-	16,133
Insurance	24,501	8,336	8,591	41,428
Payroll taxes	13,675	14,706	4,830	33,211
Occupancy	20,248	6,889	7,100	34,237
Casual labor	8,965	-	-	8,965
Office expense	9,397	3,198	3,295	15,890
Bank charges	-	22,146	-	22,146
Events	-	-	8,199	8,199
Marketing	13,246	-	-	13,246
Miscellaneous	5,968	2,595	2,092	10,655
Dues and fees	3,907	1,329	1,370	6,606
Credit loss expense	-	5,590	-	5,590
Interest	-	548	-	548
Total expenses	$ 441,519	$ 167,257	$ 132,565	$ 741,341

See accompanying notes.

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 209,240	$ 154,194	$ 16,714	$ 380,148
Depreciation	74,757	4,153	4,153	83,063
Repairs and maintenance	68,171	3,787	3,787	75,745
Collection, exhibit and program	36,077	-	-	36,077
Professional fees	48	37,380	15	37,443
Shop cost of goods sold	29,610	-	-	29,610
Insurance	-	36,139	-	36,139
Payroll taxes	19,062	13,922	1,616	34,600
Occupancy	33,685	1,871	1,871	37,427
Casual labor	5,500	5,150	1,500	12,150
Office expense	231	17,731	790	18,752
Bank charges	-	22,578	-	22,578
Events	3,515	-	17,365	20,880
Marketing	17,901	-	-	17,901
Miscellaneous	9,042	9,346	502	18,890
Dues and fees	1,195	3,645	787	5,627
Credit loss expense	-	11,000	-	11,000
Interest	-	2,004	-	2,004
Total expenses	$ 508,034	$ 322,900	$ 49,100	$ 880,034

See accompanying notes.

WENHAM HISTORICAL ASSOCIATION & MUSEUM, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 30,181	$ (115,613)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	76,381	83,063
Loss on disposal of property and equipment	15,761	2,002
Net realized and unrealized gains on investments	(148,002)	(97,985)
Interest reinvested in investments	(28,895)	(27,707)
Amortization of operating lease right-of-use assets	5,871	5,598
Amortization of finance lease right-of-use assets	2,867	2,867
(Increase) decrease in assets		
Grants receivable	-	5,000
Unconditional promises to give	(74,025)	2,360
Inventories	16,525	673
Prepaid expenses	5,195	(2,087)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	61,656	(14,618)
Deferred revenue	(8,894)	(65,244)
Operating lease liability	(5,871)	(5,598)
Net cash flows from operating activities	(51,250)	(227,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(92,241)	(25,623)
Payments on finance lease	(2,936)	(2,799)
Proceeds from sale of investments	175,403	137,822
Purchases of investments	(55,000)	-
Net cash flows from investing activities	25,226	109,400
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	20,000	-
Change in cash	(6,024)	(117,889)
Cash at beginning of year	162,145	280,034
Cash at end of year	$ 156,121	$ 162,145
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 548	$ 2,004

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wenham Historical Association & Museum, Inc. (Museum) is a donor and visitor supported nonprofit institution located in Wenham, Massachusetts. The Museum was created in 1922 under the auspices of the Wenham Village Improvement Society and separately incorporated in 1953. The mission of the Museum is to celebrate childhood, interpret history, and explore culture for the enrichment of all generations in the greater North Shore community and beyond. The Museum's facilities include the Claflin-Gerrish-Richards House, which is listed on the National Register of Historic Places and is one of the earliest surviving dwellings on the North Shore. On an annual basis, the Museum offers various exhibits, programs, and special events that advance its mission. The Museum is primarily supported by contributions and program fees. During the year ended June 30, 2026 and 2025, the Museum served approximately 27,000 and 32,000 visitors from across the region.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. At June 30, 2026 and 2025, all promises to give are receivable within one year.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Investments

The Museum reports its investments pursuant to U.S. generally accepted accounting principles. Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at fair value in the statement of financial position. Net realized and unrealized gains or losses in the fair value of the investments are reflected in the statement of activities.

Dividends, interest and net gains and losses on investments are reported as increases in net assets with donor restrictions if the terms of the underlying gift require that they be added to the principal of a donor-restricted endowment fund, or if the terms of the underlying gift or relevant state law

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

impose restrictions on the use of the income or net gains. Income and net gains on board designated funds are reported as an increase in net assets without donor restrictions.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. Inventories consist principally of gift items held for sale in the Museum shop.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Gifts of property and equipment are stated at fair market value at the date of donation. Depreciation is computed using the straight-line method to amortize the cost of the assets over their estimated useful lives.

Leases

The Museum does not recognize short-term leases in the statement of financial position. For these leases, the Museum recognizes the lease payments in the change in net assets on a straightline basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Museum also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit is the lease is not readily determinable, the Museum uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Revenue

Under FASB ASC Topic 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services (the performance obligation) in an amount that reflects the consideration expected to be received in exchange for those goods or services (the transaction price).

Revenues from performance obligations satisfied over time consist of membership and program fees. These revenues are recognized using an output method on the basis of time elapsed divided by the period the membership or program service is provided. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Revenues from performance obligations satisfied over time amounted to approximately $132,000 and $219,000 for the years ended June 30, 2026, and 2025, respectively.

Membership and program fees paid to the Museum in advance represent contract liabilities and are recorded as deferred revenue. Amounts billed but unpaid are contract assets and recorded as accounts receivable. Deferred revenue at June 30, 2026 and 2025, were as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	2026	2025
Deferred revenue at beginning of year	$ 53,981	$ 41,886
Deferred revenue at end of year	45,087	53,981

Revenues from performance obligations satisfied at a point in time consist of special event revenue, shop sales, admissions, and summer camps. Revenues are recognized when earned. Revenues from performance obligations satisfied at a point in time amounted to approximately $127,000 and $206,000 for the years ended June 30, 2026, and 2025, respectively. Deferred revenue at June 30, 2026 and 2025, were as follows:

	2026	2025
Deferred revenue at beginning of year	$ -	$ 77,339
Deferred revenue at end of year	-	-

Collections

In conformity with the practice followed by most museums, historical objects purchased and donated are not capitalized. Collections that belong to the Museum include antique dolls, dollhouses and other toys. Part of the Museum is a 17th century house complete with period furnishings. The cost of all objects purchased, together with the value of objects acquired by gift if any, less proceeds from deaccessions of objects, is reported as a separate expense. There were no deaccessions of collections during the years ended June 30, 2026 and 2025.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, depreciation, professional fees, insurance, occupancy, bank charges, dues and fees, and miscellaneous, all of which are allocated on the basis of time and effort.

Advertising Costs

The Museum expenses advertising costs as incurred. Advertising expense amounted to approximately $13,000 and $18,000 during the years ended June 30, 2026 and 2025, respectively.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Internal Revenue Service has recognized the Museum as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code which provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes and whose net earnings do not inure to the benefit of any private shareholder or individual.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through October 12, 2026, the date which the financial statements were available to be issued.

NOTE 2 – LINE OF CREDIT

The Museum has a revolving line of credit agreement with a bank. The maximum borrowings available under the agreement are $150,000. The agreement provides that any borrowings are due on demand, and bear interest at the bank's prevailing prime lending rate plus 0.25%. The interest rate at June 30, 2026 and 2025 was 7.00% and 7.25%, respectively. The agreement is collateralized by substantially all assets of the Museum. At June 30, 2026, the outstanding balance was $20,000. There was no outstanding balance at June 30, 2025.

The Museum is subject to certain covenants relating to the achievement of certain financial ratios, including a minimum debt service coverage ratio of 1.25, and must also maintain a zero balance for thirty consecutive days each fiscal year. As of June 30, 2026, the Museum is not aware of any violations to its covenants.

NOTE 3 – INVESTMENTS

Investments are comprised of the following:

	2026	2025
Cash and cash equivalents	$ 51,466	$ 5,755
Stock investments	788,078	805,276
Corporate bonds	251,742	223,761
	$ 1,091,286	$ 1,034,792

NOTE 3 – INVESTMENTS (continued)

The Museum's primary objective is long-term capital appreciation which together with income will provide for the growth of the endowment while allowing support for current activities. To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

NOTE 4 – ENDOWMENT

The Museum's endowment consists of three individual funds established to fund the Museum's operational needs based on the individual fund's annual spending policies. Its endowment includes both the donor-restricted endowment fund and funds designated by the Board of Trustees to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Museum has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Museum classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 net assets is those amounts subject to being appropriated for expenditure by the Museum.

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. The purposes of the Museum and the donor-restricted endowment fund
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. The investment policies of the Museum

NOTE 4 – ENDOWMENT (continued)

The endowment net asset composition by type of fund as of June 30 is as follows:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund:			
Loring fund	$ -	$ 388,578	$ 388,578
Board-designated endowment funds	652,592	-	652,592
Total funds	$ 652,592	$ 388,578	$ 1,041,170

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund:			
Loring fund	$ -	$ 343,960	$ 343,960
Board-designated endowment funds	687,687	-	687,687
Total funds	$ 687,687	$ 343,960	$ 1,031,647

The changes in endowment net assets for the year ended June 30 is as follows:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 687,687	$ 343,960	$ 1,031,647
Investment income, net	110,758	57,618	168,376
Annual appropriation of cumulative gains	(145,853)	(13,000)	(158,853)
Endowment net assets at end of year	$ 652,592	$ 388,578	$ 1,041,170

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 567,595	$ 343,455	$ 911,050
Investment income, net	81,495	41,937	123,432
Annual appropriation of cumulative gains	38,597	(41,432)	(2,835)
Endowment net assets at end of year	$ 687,687	$ 343,960	$ 1,031,647

NOTE 4 – ENDOWMENT (continued)

The board-designated endowment funds are made up of the Louis A. Dodge fund and the Ruth Simonds West fund. The Louis A. Dodge fund consists of monies collected in memory of Louis A. Dodge, a charter member, former trustee, and long-time friend of the Museum, for his loyalty and devotion to the Museum.

The Ruth Simonds West fund consists of monies received from a bequest from her estate in memory of her participation at the Museum as a long-time trustee, honorary trustee, and president of the Museum.

NOTE 5 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Museum's assessment of the quality, risk, or liquidity profile of the asset.

NOTE 5 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (continued)

Fair values of stock investments are based on the closing prices reported on the active market where the individual securities are traded and are Level 1 fair value measurements. Bonds are valued using a market approach that uses as inputs observed interest rates and yield curves, prices in active markets for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes, which are Level 2 fair value measurements.

The following table presents the assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following:

	2026			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stock investments	$ 788,078	$ 788,078	$ -	$ -
Corporate bonds	251,742	-	251,742	-
	$ 1,039,820	$ 788,078	$ 251,742	$ -

	2025			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stock investments	$ 805,276	$ 805,276	$ -	$ -
Corporate bonds	223,761	-	223,761	-
	$ 1,029,037	$ 805,276	$ 223,761	$ -

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30 is comprised of the following:

	2026	2025
Buildings and improvements	$ 2,253,110	$ 2,211,701
Equipment	23,418	21,495
Furniture and fixtures	99,049	98,521
	2,375,577	2,331,717
Less accumulated depreciation	1,783,969	1,740,208
Property and equipment, net	$ 591,608	$ 591,509

NOTE 7 – BOARD DESIGNATED NET ASSETS

Board designated net assets consist of amounts segregated by the Board to fund certain programs and future expenses. At June 30, board designated net assets consist of the following:

	2026	2025
Board designated endowment funds	$ 652,592	$ 687,687
Operating reserve fund	50,115	3,175
	$ 702,707	$ 690,862

The Board of Trustees established the operating reserve fund to help ensure the long-term financial stability of the Museum and position it to respond to varying economic conditions and unexpected circumstances. The Board's goal is to maintain an amount equal to 5% to 25% of the Museum's annual budgeted cash operating expenses.

The Museum has adopted a spending policy for board designated endowment funds whereby the amount available for distribution for operations will be a percentage of the average market value of the board designated endowment funds for the preceding twelve quarters calculated as of June 30 of the current fiscal year. For the years ended June 30, 2026, and 2025, the Museum elected to use a percentage of 4.0%.

NOTE 8 – LEASES

The Museum leased space for administrative purposes under an operating lease, with a term of 2 years. The Museum also leased a copier under a financing lease. Both the operating and finance leases expired in June 2026.

The Museum entered into a new finance lease agreement for a copier effective August 1, 2026. The lease has a noncancelable term of 60 months and requires total undiscounted lease payments over the lease term of approximately $14,500.

NOTE 8 – LEASES (continued)

The components of total lease cost are as follows:

	2026	2025
Finance lease cost		
Amortization of right-of-use assets	$ 2,867	$ 2,867
Interest on lease liabilities	64	201
Operating lease cost	6,000	6,000
Total lease cost	$ 8,931	$ 9,068

Other information related to leases is as follows:

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 76	$ 189
Operating cash flows from operating leases	6,000	6,000
Financing cash flows from finance leases	2,924	2,811
Right-of-use assets obtained in exchange for new finance lease liability	-	5,735
Right-of-use assets obtained in exchange for new operating lease liability	-	11,469
Weighted-average remaining lease term		
Finance lease	-	1 year
Operating lease	-	1 year
Weighted-average discount rate		
Finance lease	0.00%	4.77%
Operating lease	0.00%	4.77%

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2026	2025
Equestrian - Phases I & II	$ 34,430	$ 39,055
Accessions	16,206	16,206
Trains	24,647	21,797
Claflin-Gerrish-Richards House painting and repairs	923	2,081
Claflin House general expenses	7,500	-
Patton Archives	-	20,000
Art Grows Here	-	3,590
Clark Archive of the Wenham Community Band	2,150	2,150
Doll conservation	1,600	1,600
Storybook quilts	1,000	1,000
Albert Dodge fund	-	1,000
CPA grant - archivist	10,778	30,000
America 250	1,286	-
Restricted for future periods	-	9,390
	100,520	147,869
Restricted in perpetuity:		
Subject to endowment spending policy and appropriation:		
The Estate of Rosemary M. Loring	388,578	343,960
	$ 489,098	$ 491,829

In accordance with terms of the bequest from the Estate of Rosemary M. Loring, the amount available for distribution to operations will be the greater of (1) 4% of the average market value of the donor-restricted net assets for the preceding twelve quarters calculated as of June 30 of the current fiscal year, or (2) the earned income for the current fiscal year (further defined by the Wenham Museum Board of Trustees to be the interest, dividends, capital gains distributions, and net realized and unrealized capital gains (losses) earned by the donor-restricted net assets). The Museum has elected a policy whereby no distributions will be allowed if due to market conditions the market value of the fund is less than its donor-restricted balance.

NOTE 10 – LIQUIDITY AND AVAILABILITY

The Museum regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Museum has various sources of liquidity at its disposal. To help manage unanticipated liquidity needs, the Museum has a line of credit with available borrowings amounting to $150,000 which it could draw upon (see note 2 for additional information surrounding the line of credit). For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Museum considers all expenditures related to program, management and general and fundraising to be general expenditures. The Museum's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $200,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 10 – LIQUIDITY AND AVAILABILITY (continued)

The Museum's governing board has designated a portion of its unrestricted resources for endowment and other certain programs. Those amounts are identified as board designated investments in the table below. The funds are invested for long-term appreciation and current income but remain available and could be spent at the discretion of the Board. Financial assets available to meet general expenditures as of June 30 are as follows:

	2026	2025
Cash	$ 156,121	$ 162,145
Unconditional promises to give	83,415	9,390
Investments	1,091,286	1,034,792
Financial assets, at year-end	1,330,822	1,206,327
Less those unavailable for general expenditures within one year:		
Restricted by donor with purpose restrictions	(489,098)	(491,829)
Board-designated amounts	(702,707)	(690,862)
Financial assets available to meet cash needs for general expenditures within one year	$ 139,017	$ 23,636