



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
National Museum of Transportation

We have audited the accompanying financial statements of National Museum of Transportation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Museum of Transportation as of December 31, 2018, and the change 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.

June 27, 2019



SFW Partners, LLC

NATIONAL MUSEUM OF TRANSPORTATION

STATEMENT OF FINANCIAL POSITION

As of December 31, 2018

ASSETS

Assets:

Cash and cash equivalents	\$ 239,535
Investments	1,786,233
Inventories	66,571
Prepaid expenses	1,690
Property and equipment, net of accumulated depreciation and amortization	<u>5,676,968</u>
Total assets	<u><u>\$ 7,770,997</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$ 68,962
Deferred revenue	114,684
Total liabilities	<u>183,646</u>

Net assets:

Without donor restrictions	3,253,880
With donor restrictions (Note 7)	4,333,471
Total net assets	<u>7,587,351</u>

Total liabilities and net assets	<u><u>\$ 7,770,997</u></u>
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The accompanying notes to the financial statements  
are an integral part of this statement.

**NATIONAL MUSEUM OF TRANSPORTATION**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

**For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Program revenues:			
Gate fees	\$ 300,415	\$ -	\$ 300,415
Gift shop and concessions	201,891	-	201,891
Other program revenues	193,236	-	193,236
Membership dues	182,311	-	182,311
Total program revenues	877,853	-	877,853
Support and other revenues:			
Contributions	77,291	180,072	257,363
County transition fee	550,000	-	550,000
County stipend	63,000	-	63,000
Net investment return	24	(117,911)	(117,887)
Miscellaneous	23,483	-	23,483
Total support and other revenues	713,798	62,161	775,959
Total revenues and support	1,591,651	62,161	1,653,812
Net assets released from restrictions	200,157	(200,157)	-
Functional expenses:			
Program services:			
Gate fees, gift shop, concessions, and other program services	1,105,445	-	1,105,445
Museum maintenance and restoration	191,955	-	191,955
Capital campaign	106,920	-	106,920
Education and membership	83,359	-	83,359
Total program services	1,487,679	-	1,487,679
Supporting services:			
General and administrative	284,506	-	284,506
Fundraising	48,266	-	48,266
Total supporting services	332,772	-	332,772
Total functional expenses	1,820,451	-	1,820,451
Change in net assets	(28,643)	(137,996)	(166,639)
Net assets, beginning of the year (Note 10)	3,282,523	4,471,467	7,753,990
Net assets, end of the year	\$ 3,253,880	\$ 4,333,471	\$ 7,587,351

The accompanying notes to the financial statements  
are an integral part of this statement.

**NATIONAL MUSEUM OF TRANSPORTATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2018**

	Program Services			Supporting Services			Total
	Gate Fees, Gift Shop, Concessions, and Other Program Services	Museum Maintenance and Restoration	Capital Campaign	Education and Membership	General and Administrative	Fundraising	
Bank and investment charges	\$ -	\$ -	\$ -	\$ -	\$ 38,716	\$ -	\$ 38,716
Cost of sales:							
Concessions	37,459	-	-	-	-	-	37,459
Gift shop	91,230	-	-	-	-	-	91,230
Depreciation and amortization	82,701	-	-	-	46,520	-	129,221
Dues	-	-	-	-	1,120	-	1,120
Exhibit maintenance	-	142,176	-	-	-	-	142,176
Insurance	32,244	5,075	-	32,244	32,244	32,244	134,051
Miscellaneous	13,519	13,942	-	-	14,790	-	42,251
Occupancy	21,560	-	-	-	-	-	21,560
Office expenses	11,546	11,546	-	6,185	9,897	2,062	41,236
Personal aide	-	-	-	-	4,141	-	4,141
Postage	-	-	-	1,448	746	-	2,194
Printing	1,312	574	-	3,281	3,036	-	8,203
Professional fees	-	-	40,498	-	7,650	-	48,148
Promotion and public relations	9,202	9,202	43,245	-	12,817	1,643	76,109
Ride and other program expenses	49,052	-	-	-	-	-	49,052
Salaries and payroll taxes	628,192	-	23,177	33,990	97,457	10,829	793,645
Telephone	4,425	1,106	-	4,425	5,847	-	15,803
Utilities	114,371	-	-	-	-	-	114,371
Workers compensation insurance	8,632	8,334	-	1,786	9,525	1,488	29,765
	<u>\$1,105,445</u>	<u>\$ 191,955</u>	<u>\$106,920</u>	<u>\$ 83,359</u>	<u>\$ 284,506</u>	<u>\$ 48,266</u>	<u>\$1,820,451</u>

The accompanying notes to the financial statements  
are an integral part of this statement.

# NATIONAL MUSEUM OF TRANSPORTATION

## STATEMENT OF CASH FLOWS For the Year Ended December 31, 2018

Cash flows from operating activities:	
Change in net assets	\$ (166,639)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	129,221
Gain on sales of securities	(40,162)
Net depreciation of investments	217,112
Non-cash donations	(41,351)
Changes in operating assets and liabilities:	
(Increase) decrease in assets:	
Inventories	10,652
Prepaid expenses	16,997
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(40,979)
Deferred revenue	(252)
Net cash provided by operating activities	<u>84,599</u>
Cash flows from investing activities:	
Proceeds from sales of investments	771,016
Purchases of investments	(667,361)
Purchases of property and equipment	(185,896)
Net cash used in investing activities	<u>(82,241)</u>
Net increase in cash and cash equivalents	2,358
Cash and cash equivalents, beginning of the year	<u>237,177</u>
Cash and cash equivalents, end of the year	<u><u>\$ 239,535</u></u>

The accompanying notes to the financial statements  
are an integral part of this statement.

# NATIONAL MUSEUM OF TRANSPORTATION

## NOTES TO THE FINANCIAL STATEMENTS

### (1) Operations

National Museum of Transportation (the "Organization") was incorporated in 1944 and is a not-for-profit corporation organized under the laws of the State of Missouri. The Organization's mission includes educating its members and the general public about transportation, operations of the Museum, and aiding in the preservation and restoration of artifacts related to the Museum's purpose.

On January 20, 2017, the Organization entered into a contract with the County to transfer all of the Museum's real and personal property relating to the operation of the Museum to the Organization until such time that the Museum ceases existence. The contract provides for the Organization to receive a stipend from the County for five years to assist in the operations of the Museum. The Organization assumed all liability related to operating the Museum. The Organization's programs are supported primarily by program revenues.

### (2) Summary of Significant Accounting Policies

#### *Basis of Accounting*

The Organization's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Investments*

Investments are adjusted to market value at year end. Gains or losses on the sale of investments are recognized on a specific identification basis. Unrealized holding gains or losses, realized gains or losses, and interest and dividend income earned on the investments are included in investment income, net of external and direct internal investment expenses on the statement of activities and change in net assets for the year ended December 31, 2018. Investment fees expensed for the year ended December 31, 2018 was \$20,221.

#### *Unconditional Promises-to-Give*

The Organization carries its unconditional promises-to-give at pledged amounts less an allowance for uncollectible promises if deemed necessary. On a periodic basis, the Organization evaluates its unconditional promises-to-give, estimates the allowance, and recognizes bad debts, based on an analysis of specific donors, taking into consideration the age of the past due accounts and an assessment of the donor's ability to pay. The Organization has no outstanding unconditional promises-to-give at December 31, 2018.

# NATIONAL MUSEUM OF TRANSPORTATION

## NOTES TO THE FINANCIAL STATEMENTS

### (2) Summary of Significant Accounting Policies (Continued)

#### *Inventory*

Inventory, which is primarily merchandise held for sale in the gift shop, is stated at the lower of cost or market with cost determined using the first-in, first-out method.

#### *Property and Equipment*

Property and equipment are stated at cost if purchased or fair value if contributed, less an allowance for depreciation and amortization. Material expenditures for property acquisitions and those expenditures which substantially increase useful lives are capitalized. Expenditures for maintenance, repairs, and minor replacements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation or amortization are removed from the accounts and resulting gains or losses are included in income.

#### *Collections Held for Public Exhibition*

The primary focus of the collections held for public exhibition are to preserve, restore and exhibit artifacts related to transportation. Collections acquired either through purchase or donations are not capitalized. Purchases of collection items are recorded as decreases in unrestricted net assets if purchased with unrestricted assets and as decreases in net assets with donor restrictions if purchased with donor-restricted funds. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. Proceeds from deaccessions or insurance recoveries are reflected on the statements of activities based on the absence or existence and nature of donor-imposed restrictions.

#### *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) 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. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a 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 restriction, depending on the nature of the 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.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

#### (2) Summary of Significant Accounting Policies (Continued)

##### *Endowment Funds*

The Organization's donor restricted endowments consist of a fund established for the general operation of the Organization and a fund established for the archival preservation of historical papers and photographs. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Under the Not-for-Profit Organizations topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), a guideline is provided for identifying net asset classifications under generally accepted accounting principles. Under the terms of the Governing Documents, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board of Directors, in its sole discretion, shall determine. In accordance with Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the funds, the purpose of the organization and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the organization, and the investment policies of the organization.

As a result of the ability to distribute corpus, the Board of Directors has determined that all contributions received subject to the Governing Document, and subject to UPMIFA, are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Contributions that are subject to the other gift instruments may be recorded as with or without donor restrictions, depending on the specific terms of the agreement.

Generally, if the corpus of the contribution will at some future time become available for spending or if the corpus never becomes available for future spending, it is recorded as net assets with donor restriction. In addition, contributions that are promised to be given in a future period are presented as net assets with donor restrictions until the payments are due.

##### *Endowment Investment and Spending Policies*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization's spending and investment policies work together to achieve this objective. The investment policy is established by the Board of Directors and the investment agency and is re-evaluated on an annual basis. Actual returns in any given year may vary due to market conditions.

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

#### (2) Summary of Significant Accounting Policies (Continued)

The spending policy calculates the amount of money annually distributed from the Organization's endowed fund for maintenance and restoration of the facilities. The current spending policy is to distribute the income from investments as needed for operations, which is determined by the Board of Directors. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

#### *Revenue Recognition*

Contributions are recognized when the donor makes an unconditional promise-to-give to the Organization. Gifts of cash and other assets received are recorded as with or without donor restricted support depending on the existence or nature of any donor restrictions. All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor.

Membership dues are recorded as program revenues on a pro rata basis as they are earned, generally over one year. Deferred revenue represents the unearned portion of the annual membership fees collected.

#### *Depreciation and Amortization*

The Organization provides for depreciation and amortization using the straight-line method based upon the estimated useful lives of the assets as follows: buildings and leasehold improvements, 7 to 40 years; furniture and fixtures, 5 to 25 years; vehicles, 7 years; exhaustible exhibits, 5 to 15 years; gift shop equipment, 7 to 10 years.

#### *Program Services*

Program services include those expenses for programs and other items that enable the Organization to educate its members and the general public about transportation and aid in the acquisition, preservation, and restoration of facilities and artifacts related to the Museum's purpose.

#### *Gate Fees, Gift Shop, Concessions, and Other Program Services*

The Gate Fees, Gift Shop, Concessions, and Other Program Services provides the Organization with concessions, gift shop items, miniature train rides, trolley rides, and other program support.

#### *Museum Maintenance and Restoration*

Museum Maintenance and Restoration gives the Organization the ability to restore and maintain their rail and transit road vehicle and other collections. The Organization also maintains archival materials related to transportation.

#### *Capital Campaign*

The Organizations capital campaign will build upon the museum's principles of education, preservation, restoration and exhibition to ensure a bright future for a historic past by bringing the museum into a new era. The funds raised will be used to expand the visitor center, provide a tethered balloon ride, include a new preservation facility, build an artifact pavilion, and complete installation for a trolley platform.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

#### (2) Summary of Significant Accounting Policies (Continued)

##### *Education and Membership*

The Organization offers education programs to enrich the lives of children including creation station and S.T.E.A.M. learning. The Organization strives to provide an enjoyable and content-rich educational experience for students, extend outreach into area schools, provide special events geared towards families, and generate funding through outreach and increased community attendance.

##### *Supporting Services*

Supporting services include the functions necessary to administer the employment program, provide coordination and articulation of the Organization's program strategy, secure proper administrative function of the Board of Directors, and manage the financial and budgetary responsibilities of the Organization, including fundraising.

##### *Functional Allocation of Expenses*

The costs associated with providing the Organization's activities have been summarized on the functional basis. Certain expenses represent costs associated with multiple activities and require allocation among the program and supporting services benefited. Such allocations are based on relevant factors that represent management's best estimate of time and effort which include salaries and related payroll expenses. All other expenses are allocated based on usage.

##### *Income Taxes*

The Internal Revenue Service has advised the Organization that it is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's management does not believe that its exempt status has been significantly affected by any changes in its activities since the date of the most recent determination letter received. Accordingly, no provision for income taxes has been included in these financial statements.

The Organization accounts for any uncertain tax positions in accordance with the Income Taxes topic of the FASB ASC. The topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. In evaluating the Organization's exempt status, interpretations and tax planning strategies are considered. The Organization believes it is not exposed to any current or future tax liability based on its current operations.

##### *Concentration of Credit Risk*

The Organization, on occasion, maintains cash deposits with a bank that include funds greater than FDIC limits. The Organization has not experienced any losses in such accounts. The Board of Directors believes the Organization is not exposed to any significant credit risk related to cash. The amounts on deposit at December 31, 2018 did not exceed the insured limits.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

**(2) Summary of Significant Accounting Policies (Continued)**

The Organization maintains cash equivalents and investments with a trust company that include funds greater than the insured limit by the SIPC insured limit. SIPC protects against the loss of investments held at a SIPC-member brokerage firm, but does not protect against the decline in value of the investments. The Organization has not experienced any losses beyond normal market fluctuations. The Board of Directors believes the Organization is not exposed to any significant credit risk beyond normal market fluctuations related to cash equivalents and investments. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position. The brokerage accounts at December 31, 2018 exceeded the insured limit by \$884,353.

*Statement of Cash Flows*

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

*Subsequent Events*

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

**(3) Investments**

Cost and market value of investments consist of the following at December 31, 2018:

	Cost	Net Unrealized Holding Losses	Market Value
Fixed income funds	\$ 739,149	\$ (26,628)	\$ 712,521
Equity funds	1,157,373	(113,974)	1,043,399
Real assets	30,444	(131)	30,313
	\$ 1,926,966	\$ (140,733)	\$ 1,786,233

Net depreciation in fair value of investments was \$217,112 for the year ended December 31, 2018.

Based on management's evaluation and the Organization's ability and intent to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Organization considers these investments temporarily impaired at December 31, 2018. The investments currently in an unrealized holding loss position have a market value of \$1,773,756 at December 31, 2018 and have been in an unrealized loss position for less than 12 months.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

#### (4) Fair Value Measurements

Under the Fair Value Measurements and Disclosures topic of the FASB ASC, a guideline is provided for measuring fair value under generally accepted accounting principles. The topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority; Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical or similar assets or liabilities, or inputs that are observable or can be corroborated by observable market data or other means for substantially the full term of the asset or liability; and Level 3 inputs have the lowest priority and are based on prices or valuation techniques that are unobservable and not corroborated by market data. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets and liabilities. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization uses Level 2 inputs when an active market comparable is not available and Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

##### *Level 1 Fair Value Measurements*

The fair value of the investments is based on quoted market prices. The Organization's investments reported at fair value in the accompanying statement of financial position consist of the following:

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<i>December 31, 2018</i>				
Fixed income funds	\$ 712,521	\$ 712,521	\$ -	\$ -
Equity mutual funds	1,043,399	1,043,399	-	-
Real assets	30,313	30,313	-	-
	\$ 1,786,233	\$ 1,786,233	\$ -	\$ -

**NATIONAL MUSEUM OF TRANSPORTATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(5) Property and Equipment**

Property and equipment consists of the following at December 31, 2018:

Land	\$ 2,619,600
Buildings and leasehold improvements	3,429,075
Furniture and fixtures	273,447
Vehicles	88,158
Exhaustible exhibits	49,872
Gift shop equipment	11,067
	6,471,219
Accumulated depreciation and amortization	(941,530)
	5,529,689
Construction in progress	147,279
	\$ 5,676,968

Depreciation and amortization expense for the year ended December 31, 2018 was \$129,221.

**(6) Endowments**

The endowments consists of 2 individual funds established by donors to provide annual funding for specific activities and general operations. At December 31, 2018, the Organization had the following endowment net asset composition:

Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 442,263
Accumulated investment gains	522,172
	\$ 964,435

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires to retain as a fund of perpetual duration. Deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift value of \$384,238, a current fair value of \$381,119, and a deficiency of \$3,119 as of December 31, 2018. This deficiency resulted from unfavorable market fluctuations that occurred during the year.

Changes in endowment net assets for the year ended December 31, 2018 is as follows:

Donor-restricted endowment funds, beginning of year	\$ 1,038,587
Investment loss, net	(74,152)
	\$ 964,435

**NATIONAL MUSEUM OF TRANSPORTATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(7) Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2018:

Subject to expenditure for specified purpose:	
Exhibit acquisition, maintenance, and restoration	\$ 499,436
Endowment funds:	
Subject to appropriation and expenditure when a specified event occurs:	
Available for general use	525,291
Subject to NFP endowment spending policy and appropriation:	
General operations	58,025
Archival preservation & historical papers	384,238
Underwater endowments	(3,119)
Perpetual - not subject to spending policy or appropriation:	
Land	2,619,600
Gift shop	250,000
	<u>\$ 4,333,471</u>

Net assets released from donor restrictions consist of the following at December 31, 2018:

Exhibit acquisition, maintenance, and restoration	\$ 67,615
Capital campaign	132,542
	<u>\$ 200,157</u>

The Organization conducts a capital campaign (*Experience Our Legacy in Motion*) for the expansion of the existing facilities and the preservation and restoration of artifacts. In 2018, the Organization began another capital campaign (*The Power to Move You*) for the expansion of existing facilities, building of additional facilities, and construction of a trolley platform.

**(8) Liquidity and Availability**

Financial assets available for general expenditures without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise of the following at December 31, 2018:

Cash	\$ 70,726
Operating investments	1,343,970
	<u>\$ 1,414,696</u>

The Organization's endowment funds consist of donor-restricted endowments. The donor-restricted endowment funds consist of investments whose basis is restricted. However, earnings from the endowment investment are available for use in general operations.

## NATIONAL MUSEUM OF TRANSPORTATION

### NOTES TO THE FINANCIAL STATEMENTS

#### **(9) Non-Cash Donations**

During the year ended December 31, 2018, the Organization received a caterpillar that had an estimated value of \$15,000, new computer equipment with an estimated value of \$9,777, donation canisters with an estimated value of \$2,437, and a copier with an estimated value of \$1,200. These donations are recorded in property and equipment at December 31, 2018. In addition, the Organization received stock donations totaling \$12,937 which are recorded in contribution revenue at fair market value on date of donation.

#### **(10) Reclassifications**

After the issuance of the December 31, 2017 financial statements, an error was discovered which understated previously reported income and understated cash. The correction has been made to net assets resulting in an increase of \$55,266.