The Bolling Haxall House Foundation

Financial Statements
for years ended
April 30, 2024 and 2023

The Bolling Haxall House Foundation

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Frank Barcalow CPA, P.L.L.C
Certified Public Accountant

Independent Auditor's Report

The Board of Directors
The Bolling Haxall House Foundation
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Bolling Haxall House Foundation (a nonprofit organization), which comprise the statement of financial position as of April 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bolling Haxall House Foundation as of April 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Bolling Haxall House Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bolling Haxall House Foundation'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, including omissions, 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 Bolling Haxall House Foundation'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 Bolling Haxall House Foundation'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.

Frank Barcalow CPA, P.L.L.C.

Frank Barcalow CPA, P.L.L.C.
Richmond, Virginia
October 9, 2024

The Bolling Haxall House Foundation

Statements of Financial Position
April 30, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 505,537	$ 389,533
Cash and cash equivalents - Endowments	63,517	172,871
Total cash and cash equivalents	569,054	562,404
Investments	36,993	208,908
Contribution receivable, net of discount	58,584	100
Prepaid expenses	515	2,352
Total current assets	665,146	773,764
Long-term assets		
Contribution receivable, net of discount	52,643	-
Investments - Endowments	1,246,017	997,704
Property and equipment:		
Land and improvements	181,876	181,876
Building and improvements	4,007,798	4,007,798
Office furniture and equipment	2,493	2,493
Artwork	101,857	101,857
Furnishings	161,814	161,814
	4,455,838	4,455,838
Less: accumulated depreciation	2,868,498	2,791,304
	1,587,340	1,664,534
Total long-term assets	2,886,000	2,662,238
Total assets	$ 3,551,146	$ 3,436,002
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 40,127	$ 5,795
Total current liabilities	40,127	5,795
Net Assets		
Without donor restrictions		
Unrestricted	465,925	595,098
Property and equipment	1,587,340	1,664,534
	2,053,265	2,259,632
With donor restrictions		
Other	111,227	-
Endowment	1,346,527	1,170,575
	1,457,754	1,170,575
Total net assets	3,511,019	3,430,207
Total liabilities and net assets	$ 3,551,146	$ 3,436,002

See notes to financial statements.

The Bolling Haxall House Foundation

Statements of Activities
For the Years Ended April 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions	$ 183,464	$ 196,725	$ 380,189	$ 430,370	$ -	$ 430,370
Endowment contributions	-	-	-	-	1,000	1,000
Woman's Club Contributions	-	-	-	2,500	-	2,500
Special events	42,375	-	42,375	40,626	-	40,626
Other income	2,566	-	2,566	100	-	100
Rental income	3,738	-	3,738	3,888	-	3,888
	232,143	196,725	428,868	477,484	1,000	478,484
Net assets released from restrictions	69,426	(69,426)	-	5,000	(5,000)	-
Total support and revenue	301,569	127,299	428,868	482,484	(4,000)	478,484
Functional Expenses						
Program services	471,979	-	471,979	192,474	-	192,474
Management and general	24,739	-	24,739	11,931	-	11,931
Fundraising	68,908	-	68,908	123,470	-	123,470
Total functional expenses	565,626	-	565,626	327,875	-	327,875
Income (loss) from operations	(264,057)	127,299	(136,758)	154,609	(4,000)	150,609
Other income (loss)						
Contributions	83,500	-	83,500	-	-	-
Dividends and interest	7,777	29,009	36,786	3,713	37,555	41,268
Realized gain (loss) on disposal of investments	18,369	9,631	28,000	11,001	18,680	29,681
Unrealized gain (loss) on investments	(51,956)	121,240	69,284	(9,689)	(49,215)	(58,904)
Total other income (loss)	57,690	159,880	217,570	5,025	7,020	12,045
Change in net assets	(206,367)	287,179	80,812	159,634	3,020	162,654
Net assets at beginning of year	2,259,632	1,170,575	3,430,207	2,099,998	1,167,555	3,267,553
Net assets at end of year	$ 2,053,265	$ 1,457,754	$ 3,511,019	$ 2,259,632	$ 1,170,575	$ 3,430,207

See notes to financial statements.

The Bolling Haxall House Foundation

Statements of Functional Expenses
For the Years Ended April 30, 2024 and 2023

	2024				2023			
	Program Service	Management and General	Fundraising	Total	Program Service	Management and General	Fundraising	Total
Salaries and wages	$ 67,846	$ 7,539	$ 31,201	$ 106,585	$ -	$ -	$ 62,805	$ 62,805
Payroll taxes	5,190	577	2,427	8,194	-	-	5,126	5,126
Employee benefits	-	-	6,721	6,721	-	-	20,903	20,903
Insurance	20,108	-	687	20,795	16,703	-	609	17,312
Professional fees	-	11,453	-	11,453	-	10,997	-	10,997
Newsletter, postage and printing	2,291	-	-	2,291	820	-	-	820
Taxes and licenses	10,377	69	-	10,446	10,481	630	-	11,111
Depreciation	77,194	-	-	77,194	79,346	-	-	79,346
Supplies	-	-	5,467	5,467	-	-	8,571	8,571
Miscellaneous	3,260	5,102	15,440	23,802	183	304	14,897	15,384
Repairs and maintenance	285,713	-	-	285,713	84,941	-	-	84,941
Annual giving	-	-	3,189	3,189	-	-	6,166	6,166
Marketing	-	-	3,776	3,776	-	-	4,393	4,393
	$ 471,979	$ 24,739	$ 68,908	$ 565,626	$ 192,474	$ 11,931	$ 123,470	$ 327,875

See notes to financial statements.

The Bolling Haxall House Foundation

Statements of Cash Flows
For the Years Ended April 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 80,812	$ 162,654
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	77,193	79,346
Donated assets	-	(750)
(Gain) loss on sale of investments	(28,000)	(29,681)
Unrealized loss (gain) from investments	(69,284)	58,904
(Increase) decrease in contributions receivable	(111,127)	1,000
(Increase) decrease in prepaid expenses	1,837	(2,092)
Increase (decrease) in accounts payable	34,332	853
Net cash (used by) provided by operations	(14,237)	270,234
Cash flows used in investing activities		
Additions to property and equipment	-	(7,654)
Purchases of investments	(837,396)	(619,183)
Proceeds from sale of investments	858,283	538,145
Net cash provided (used in) investing activities	20,887	(88,692)
Net increase (decrease) in cash and cash equivalents	6,650	181,542
Cash and cash equivalents at beginning of year	562,404	380,862
Cash and cash equivalents at end of year	$ 569,054	$ 562,404

See notes to financial statements

Notes to Financial Statements
April 30, 2024 and 2023

Note 1 - Nature of activities and summary of significant accounting policies

Nature of activities

The Bolling Haxall House Foundation (the Foundation) is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia. The Foundation preserves and maintains The Bolling Haxall House, which is listed in the National Register of Historical Places. The House is open and available to the public for tours and events. It serves as the headquarters of The Woman's Club (the Club).

Basis of accounting and presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under generally accepted accounting principles of the United States, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed stipulations, that can be fulfilled by the actions of the Organization pursuant to those stipulations or that expire by the passage of time. Net assets without donor restrictions are assets that are no subject to or are no longer subject to donor-imposed stipulations. .

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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates that were used.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts reported in the statements of financial position approximate fair values.

Investments

Investments are composed of equity securities, certificate of deposits, money market funds, exchange traded funds, and mutual funds. Investments in marketable securities, exchange traded funds, and mutual funds with readily determinable fair values are reported at their fair values in the Statements of Financial Position. Unrealized and realized gains and losses are reflected in the Statements of Activities.

Deferred Revenue

Deferred revenue consists of funds received for the next year's programs or received in advance.

Donated services

A number of volunteers have donated time for The Bolling Haxall House Foundation and provide support for its program services. However, there is no objective basis to measure the value of donated time; therefore, no dollar value has been recorded in the financial statements.

Notes to Financial Statements
April 30, 2024 and 2023

Note 1 - Summary of significant accounting policies (concluded)

Contributions

Contributions received are recorded as net assets without restrictions or net assets with restrictions support, depending on the existence and/or nature of any donor restrictions. Donated contributions are recorded at the fair value on the date of the gift.

All donor-restricted support is reported as an increase in net assets with restrictions or net assets without restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at risk-free rates applicable to the years in which the promises were received. At this time, there is no allowance established, as no significant write offs are anticipated.

Advertising

The Foundation expenses advertising costs as incurred. There were no advertising expenses for the current and prior year.

Income taxes

The Bolling Haxall House Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is also exempt from Virginia income taxes and, therefore, has made no provision for the federal or Virginia income taxes. In addition, the Internal Revenue Service has determined that the corporation is not a "private foundation" within the meaning of Section 509(a) of the Code. The Corporation's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. The Corporation has no uncertain tax positions for the current year or prior year.

Property and equipment

Property and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Depreciation is computed on the straight-line method over estimated useful lives of 5 to 40 years. Expenditures for maintenance and repairs are expensed currently, while expenditures for major additions and betterments greater than $1,000 are capitalized. Artwork and antique furnishings with investment value not depreciated. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in income.

Note 2 - Property and equipment

A summary of property and equipment follows:

	2024	2023
Property and equipment	$ 4 455 838	$ 4 455 838
Less: Accumulated depreciation	2 868 498	2 791 304
	$ 1 587 340	$ 1 664 534

Depreciation expense totaled $77,194 in 2024 and $79,346 in 2023.

Notes to Financial Statements
April 30, 2024 and 2023

Note 3 - Investments

Investments consisted of the following at April 30:

	Cost	2024 Gross Unrealized Gains	2024 Gross Unrealized Losses	Fair Value
Bond funds/U.S. Notes- unrestricted	$ 39 210	$ -	$ 2 217	$ 36 993
Bond funds/U,S. Notes - endowment	375 214	-	36 728	338 486
Exchange traded funds - endowment	574 272	120 597	-	694 869
Equity Mutual Funds - endowment	204 540	8 122	-	212 662
	$ 1 154 026	$ 128 719	$ 36 728	$ 1 246 017

	Cost	2023 Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bond funds/U.S. Notes- unrestricted	$ 304 480	$ 1 240	$ 2 179	$ 156 781
Equity Mutual Funds - unrestricted	11 561	-	1 179	10 382
Exchange traded funds - unrestricted	34 081	7 664	-	41 745
	$ 203 362	$ 8 904	$ 3 358	$ 208 908
Bond funds/U,S. Notes - endowment	304 490	-	27 808	276 682
Exchange traded funds - endowment	483 984	8 199	51 723	527 508
Equity Mutual Funds - endowment	217 539	4 302	28 327	193 514
	$ 1 006 013	$ 12 181	$ 107 858	$ 997 704

Included in the organization structure and investment income (loss) in the Statements of Activities is investment activity which includes the following at April 30:

	2024	2023
Interest and dividends	$ 36 786	$ 41 268
Realized gains (losses)	28 000	29 681
Unrealized gains (losses)	69 284	(58 904)
	$ 134 070	$ 12 045

Investment fees totaled $10,819 in 2024 and $5,917 in 2023.

Notes to Financial Statements
April 30, 2024 and 2023

Note 4 - Concentration of credit risk

Financial instruments which potentially subject The Foundation to concentration of credit risks consist principally of cash and cash equivalents. The Foundation maintains its cash balances in financial institutions located in central Virginia. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to $250,000. Balances may at times exceed the insured maximum, but management believes there is no significant credit risk.

The Foundation also has investments with a broker in the central Virginia area which is insured for up to $100,000 for cash balances and a total of $500,000 for cash and investment balances by the Securities Investor Protection Corporation (SIPC). The broker has also obtained additional insurance for accounts that have balances greater than the SIPC limit. The insurance does not cover losses caused by market value changes.

Note 5 - Related party transactions

The Woman's Club contributed $0 in 2024 and $2,500 in 2023 to The Bolling Haxall House Foundation (The Foundation). All directors of The Foundation are members of The Club.

The Foundation leases its facilities to The Woman's Club under the terms of a lease arrangement dated May 21, 2008. The lease expired on December 31, 2012, and automatically renews on a year to year basis until terminated by either party with 30 days' notice. Rent is 50% of the real estate taxes assessed against the property per year. In addition to rent, The Club pays for utilities, insurance and certain repairs and maintenance. Rent for the year ended April 30, 2024 was $3,733 and for 2023 totaled $3,888.

The Woman's Club incurs certain payroll costs related to the Director of Development and the Executive Director for the benefit of The Foundation for which The Woman's Club is reimbursed. Payroll expenses for 2024 totaled $121,500 and for 2023 was $88,834. The Women's Club owes the Foundation $39,182 for payroll costs and rental costs.

The Foundation may purchase tickets from The Woman's Club for donors attending a Foundation reception. There was no expense in the current or prior year.

Note 6 - Fair value measurements

The Foundation adopted SFAS No. 157 "Fair Value Measurements" to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. SFAS 157 clarifies that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants. Three levels of the fair value hierarchy under SFAS 157 based on these three types of inputs are as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

All investments were measured at fair value by level one valuation.

Notes to Financial Statements
April 30, 2024 and 2023

Note 7 - Net assets with donor restrictions

Net assets with donor restrictions consist of an endowment fund established to support the upkeep of the Bolling Haxall House. Contributions to the endowment fund are to be held and invested by the Foundation indefinitely and income from the fund is to be expended as needed for the preservation of the property.

The Foundation has investment and spending policies for the endowment funds. The spending policy allows up to 4.5% of the fund to be withdrawn for emergency purposes only. Once the fund reaches $1,000,000, income from the fund may be withdrawn to maintain the property.

No distributions in excess of income generated by the endowment fund will be permitted except for emergencies. Recommendations for utilization of funds will be developed by the Executive Committee and will be approved by the Executive Committee and the Board of Directors in conjunction with the approval of the annual budget.

The investment policy establishes a return objective through diversification of assets classes, to include equity and debt securities. The investment process seeks to achieve a total rate of return in excess of various benchmarks. Investments are reviewed for return and risk based on benchmark performance.

Net assets with donor restrictions also consist of balances to be used for capital campaign purposes or funds received for next year's annual fund.

Net assets are restricted by donors for the following purposes as of April 30:

	2024	2023
Endowment funds	$ 1 346 527	$ 1 170 575
Annual Fund	-	-
Capital campaign	111 227	-
Total net assets with donor restrictions	$ 1 457 754	$ 1 170 575

Total net assets released from restrictions amounted $69,426 for restricted uses. Net assets with donor restrictions are comprise of cash equivalents as well as investments.

Note 8 - Subsequent events

In preparing these financial statements, The Foundation has evaluated events and transactions for potential recognition or disclosure through October 9, 2024 the date the financial statements were issued.

Notes to Financial Statements
April 30, 2024 and 2023

Note 9 - Pledges receivable

The pledges receivable from the annual campaign are net donor restricted net assets. These unconditional promises to give are to be received by the Foundation for year subsequent to April 30, 2024.

Receivable in less than one year	$ 60 333
Receivable in one to five years	56 667
	117 000
Less discounts to net present value	5 773
Net pledges receivable (non-current portion $111,227)	$ 111 227

Note 10 - Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

2024	2023	
Total financial assets, current assets	$ 664 631	$ 771 412
Less those available for general expenditures within one year due to:		
Purpose restrictions/capital campaign	58 584	-
Purpose restrictions/endowment funds	63 517	172 871
Financial assets available to meet cash needs for general expenditures within one year	$ 542 530	$ 598 541