



MAYMONT®

Consolidated Financial Statements
and
Accompanying Information

For the Year Ended
June 30, 2023

Mission:

Maymont Foundation is committed to creating experiences that delight, educate and inspire.

Guiding Principles:

As the organization entrusted with caring for this important public space, we believe in ...

Remaining true to the Dooleys' vision of Maymont as a Park and Museum for Everyone,
in this and future generations.

Serving as an exceptional asset to the City of Richmond and its citizens to help establish
Richmond among the great cities of this nation.

Fostering community engagement, citizen leadership and private philanthropy - the three
keys to ensuring Maymont's purpose endures.

MAYMONT FOUNDATION

1000 Westover Road
Richmond, Virginia 23220
Telephone: 804-358-7166
www.maymont.org

Contents

	Page
Independent Auditor’s Report	1
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Activities	4-5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Functional Expenses.....	7
Notes to Consolidated Financial Statements	8-20
2022-2023 Board of Directors	21
2023-2024 Board of Directors	22

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee of the Board of Directors of
Maymont Foundation
Richmond, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Maymont Foundation and Affiliate (collectively, the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Maymont Foundation and Affiliate as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Foundation 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.



December 14, 2023
Glen Allen, Virginia

MAYMONT FOUNDATION AND AFFILIATE

Consolidated Statement of Financial Position June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash and cash equivalents	\$ 771,592	\$ 836,768	\$ 1,608,360
Pledges and contributions receivable, net of allowance for doubtful accounts of \$25,000	114,570	920,752	1,035,322
Other receivables, net	309,485	-	309,485
Inventory, gift shop	55,702	-	55,702
Prepaid expenses	109,883	325	110,208
Assets held in charitable gift annuities	-	10,000	10,000
Investments	1,848,091	16,839,141	18,687,232
Intangible assets, net	807	-	807
Property and equipment, net	12,232,056	372,578	12,604,634
Total assets	\$ 15,442,186	\$ 18,979,564	\$ 34,421,750
Liabilities and net assets			
Liabilities			
Accounts payable	\$ 157,397	\$ 32,765	\$ 190,162
Accrued expenses	208,320	-	208,320
Charitable gift annuity obligations	-	4,785	4,785
Deferred revenue	176,255	-	176,255
Total liabilities	541,972	37,550	579,522
Net assets			
Without donor restrictions	14,900,214	-	14,900,214
With donor restrictions	-	18,942,014	18,942,014
Total net assets	14,900,214	18,942,014	33,842,228
Total liabilities and net assets	\$ 15,442,186	\$ 18,979,564	\$ 34,421,750

MAYMONT FOUNDATION AND AFFILIATE

Consolidated Statement of Activities For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Public support:			
Contributions			
Individuals	\$ 775,613	\$ 269,962	\$ 1,045,575
Corporate	96,414	60,498	156,912
Foundations	219,587	497,750	717,337
Sponsorships	265,000	75,000	340,000
Nonfinancial assets	73,485	-	73,485
Local governments	586,053	14,300	600,353
Other	296,793	-	296,793
Total public support	2,312,945	917,510	3,230,455
 Revenue			
Community events	1,081,480	-	1,081,480
Facility rentals	717,653	-	717,653
Tours and exhibition fees	367,801	-	367,801
Educational programs	259,623	-	259,623
Fundraising events	217,450	-	217,450
Gift shop sales	126,827	-	126,827
Memberships	117,699	-	117,699
Concessions	41,567	-	41,567
Miscellaneous	43,277	-	43,277
Total revenue	2,973,377	-	2,973,377
 Other income			
Interest and dividends	4,738	-	4,738
Realized/unrealized gain on investments, net	188,325	1,867,768	2,056,093
Change in value of split interest agreements	-	2,994	2,994
Total other income	193,063	1,870,762	2,063,825
 Total public support, revenue, and income	5,479,385	2,788,272	8,267,657
 Net assets released from restriction			
Satisfaction of restrictions	1,405,782	(1,405,782)	-
 Total public support, revenue, income and reclassifications	6,885,167	1,382,490	8,267,657

MAYMONT FOUNDATION AND AFFILIATE

Consolidated Statement of Activities (concluded) For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Functional expenses			
Program services			
Historic resources	\$ 568,042	\$ -	\$ 568,042
Wildlife and animal habitats	1,430,748	-	1,430,748
Gardens & grounds	743,618	-	743,618
Education and community programs	3,473,652	-	3,473,652
Total program services	6,216,060	-	6,216,060
Supporting services			
Management and general	1,045,361	-	1,045,361
Fundraising	1,119,074	-	1,119,074
Total supporting services	2,164,435	-	2,164,435
Total functional expenses	8,380,495	-	8,380,495
Change in net assets	(1,495,328)	1,382,490	(112,838)
Net assets, beginning of year	16,395,542	17,559,524	33,955,066
Net assets, end of year	\$ 14,900,214	\$ 18,942,014	\$ 33,842,228

MAYMONT FOUNDATION AND AFFILIATE

Consolidated Statement of Cash Flows For the Year Ended June 30, 2023

Cash flows from operating activities:	
Change in net assets	\$ (112,838)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	1,988,839
Realized/unrealized gain on investments, net	(2,056,093)
Change in value of split interest agreements	(2,994)
Contributions restricted for long-term purposes	(250)
Changes in operating assets and liabilities:	
Pledges and contributions receivable	42,075
Other receivables	(285,971)
Gift shop inventory	(23,134)
Prepaid expenses	87,756
Accounts payable	(62,017)
Accrued expenses	(113,151)
Deferred revenue	43,717
	<hr/>
Net cash used in operating activities	(494,061)
Cash flows from investing activities:	
Purchases of property and equipment	(801,988)
Proceeds from sale of investments	814,648
	<hr/>
Net cash provided by investing activities	12,660
Cash flows from financing activities:	
Proceeds from termination of charitable gift annuity	21,402
Proceeds from contributions restricted for long-term purposes	250
	<hr/>
Net cash provided by financing activities	21,652
Net decrease in cash and cash equivalents	(459,749)
Cash and cash equivalents	
Beginning of year	<hr/> 2,068,109
End of year	<hr/> <hr/> \$ 1,608,360

MAYMONT FOUNDATION AND AFFILIATE

Consolidated Statement of Functional Expenses For the Year Ended June 30, 2023

	Program Services				Supporting Services		Total
	Historic Resources	Wildlife and Animal Habitats	Gardens & Grounds	Education and Community Programs	Management and General	Fundraising	
Human resources	\$ 122,533	\$ 494,057	\$ 358,378	\$ 1,636,695	\$ 612,072	\$ 544,332	\$ 3,768,067
Equipment, software, and technology	9,376	15,787	43,975	427,341	51,002	94,880	642,361
Supplies	45,734	99,563	51,597	90,492	23,976	321,102	632,464
Occupancy	56,459	86,741	40,867	236,235	66,045	15,535	501,882
Professional fees	46,738	39,123	67,998	118,481	87,350	70,010	429,700
Communications	-	-	-	142,073	-	25,072	167,145
Other	132	320	169	21,262	113,361	7,707	142,951
Cost of goods sold	-	-	-	107,086	-	-	107,086
Subtotal	280,972	735,591	562,984	2,779,665	953,806	1,078,638	6,391,656
Depreciation and amortization	287,070	695,157	180,634	693,987	91,555	40,436	1,988,839
Total	<u>\$ 568,042</u>	<u>\$ 1,430,748</u>	<u>\$ 743,618</u>	<u>\$ 3,473,652</u>	<u>\$ 1,045,361</u>	<u>\$ 1,119,074</u>	<u>\$ 8,380,495</u>

See notes to consolidated financial statements.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements June 30, 2023

Note 1 - Organization

Maymont is a 100-acre estate in Richmond, Virginia gifted to the City of Richmond (the “City”) by James Henry and Sallie May Dooley. The Dooleys completed their Gilded Age mansion in 1893 and spent the next three decades creating the gardens, landscapes and outbuildings. The property was given to the City in 1925 for everyone to enjoy as a park and museum. Since that time others have helped care for and enhance *Maymont*, including the additions of wildlife habitats, a nature center and a farm which is home to domestic farm animals.

Since 1975, Maymont Foundation (the “Foundation”) has operated and maintained *Maymont* under agreements with the City. The Foundation is a non-profit organization with the mission to create experiences that delight, educate and inspire. *Maymont* offers active and passive learning experiences through independent exploration as well as structured environments. Maymont educators also present a variety of historical, environmental and after-school programs which meet the *Virginia Standard of Learning* lesson plans for Central Virginia school children K-12.

The Foundation is responsible for the maintenance, operation and improvement of the estate and must raise funds to keep the property open to the public. The major sources of revenue are contributions from the public, local foundations and corporations, local government subsidies, fundraising events, and revenue generated from program fees, facility rentals, special events, concessions, and investments. The Foundation is registered with the Virginia Department of Agriculture and Consumer Services to conduct charitable solicitations in the Commonwealth of Virginia.

The current agreement between the City and the Foundation automatically terminates December 31, 2025, and may be terminated by the Foundation or the City upon 180 days’ notice subject to the provisions of the agreement. As of December 14, 2023, neither party has expressed an interest in termination of the contract, and management believes the probability of termination is remote.

Note 2 - Summary of significant accounting policies

Basis of presentation – The accompanying consolidated financial statements include the resources and the financial activities of the Foundation and its affiliate, MFREH, LLC, a Virginia limited liability company of which the Foundation is the sole member. MFREH, LLC was created in January 2014 to acquire real property in support of the Foundation’s strategic goals. Any such acquisitions are included in the property and equipment listed in Note 8. The consolidated financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as prescribed by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time. At June 30, 2023, net assets without restrictions were designated by the board of directors for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Quasi-endowment	\$ 1,246,981
Strategic initiatives:	
Staff development	91,620
EDA grant staff time	296,793
Technology and systems	245,016
Marketing and brand	208,688
	<u>\$ 2,089,098</u>

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Use of estimates - Management uses estimates and assumptions in preparing consolidated financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Future events and circumstances could alter those estimates.

Cash and cash equivalents - For cash flow reporting purposes, the Foundation's definition of cash and cash equivalents includes temporary investments of short-term, highly liquid investments with maturities of three months or less at the date of purchase.

Pledges receivable - Unconditional promises to give are recorded as receivables and revenue when received, and allowances are provided for amounts estimated to be uncollectible. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Inventory - Inventory consists of gift shop merchandise and is valued at the lower of cost (first-in, first-out) or net realizable value.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Investments - Investments and funds held in trust are reported at fair value in the consolidated statement of financial position and include assets held in with Commonfund Asset Management Company, Inc. (CAMC), Property Holdings IV, LLC (PHIV), and The Rohatyn Group (TRG). Donated stocks and other securities are recorded at fair value as of the date received. Interest, dividends, realized and unrealized gains and losses and expenses are reflected in the consolidated statement of activities.

Intangible assets - Intangible assets consists of two service marks, a stylized design of Maymont and a swan logo. The cost associated with registering these designs with the U.S. Patent and Trademark Office is being amortized on a straight-line basis over the ten-year term of the registration. Intangible assets are presented net of accumulated amortization and amounted to \$807 as of June 30, 2023. Amortization expense was \$881 for 2023. Amortization expense on the assets is expected to be \$807 in 2024.

Property and equipment - Under the operating agreement described in Note 1, the City has retained title to the property and assumes title to all improvements to the existing grounds and structures made by the Foundation. It is the policy of the Foundation to state improvements at cost, if purchased, or at fair value on the day of receipt, if contributed, in the consolidated financial statements in order to reflect the additions to *Maymont* made by the Foundation and its contributors. Equipment is also stated at cost if purchased, or at fair value if contributed. Both improvements and equipment are depreciated using the straight-line method. Previously, the useful life of certain assets was limited by the remaining term of the agreement noted above. Due to the proximity of the agreement term conclusion, beginning in 2023, the useful life is determined based on the asset or improvement class without further restriction. The estimated useful lives are as follows:

	Years
Improvements	5-35
Robins Nature and Visitor Center	10-25
Furniture, fixtures, and equipment	3-10
Mansion below stairs exhibit	5-7

Property and equipment also includes antiques and collections (Note 8) which consists of purchased antiques, exhibits, animals and tree replacements and are not depreciated.

Contributions - All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions.

Advertising - The Foundation uses advertising to promote its programs among the visitors it serves. The costs of advertising are expensed as incurred. For the year ended June 30, 2023, advertising costs amounted to \$167,145.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 2 - Summary of significant accounting policies (continued)

Functional expenses - Functional expenses for programs and supporting services are determined by assigning expenses to departments and locations defined as cost centers. Direct expenses are charged to the cost center where incurred. Indirect expenses or those shared across multiple cost centers are distributed based on various allocation factors appropriate for the circumstances. This primarily involves salaries that are allocated on the basis of estimated time and effort. All accounting, information technology, human resources and fundraising staff costs are considered supporting services. Additionally, total expenses for the marketing and public relations department are allocated between program and supporting services functions based on estimated time and effort.

Contributions of nonfinancial assets – ASC Topic 958 prescribes a specific framework for not-for-profit entities to determine whether contributions qualify as a non-financial asset. Such donations are reported as contributions of nonfinancial assets and in the expense or asset categories, as appropriate (see Note 9). The value of donated services and assets is based on the fair market value of the services or assets as determined per agreement by the donor and management of the Foundation.

During 2023, approximately 1,226 volunteers donated significant amounts of their time to the Foundation. Although no amounts have been reflected in the consolidated financial statements because they did not meet the criteria for recognition under GAAP, the estimated hours for donated services are as follows:

Area	Hours
Gardens and grounds	2,961
Special events	2,476
Wildlife exhibits and farm	357
Robins Nature and Visitor Center	119
Guest Engagement	102
	<u>6,015</u>

Tax status - The Internal Revenue Service has determined that the Foundation is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible as defined by Section 170 of the Code. In addition, the Internal Revenue Service has determined that the Foundation is not a “private foundation” within the meaning of Section 509(a) (1) of the Code. MFREH, LLC is treated as a disregarded entity for tax purposes and its activities are treated as activities of the Foundation. The Foundation is a member in Property Holdings IV, LLC and a partner in TRG Forestry Fund 7-B, LP and TRG Forestry Fund 8-B, LP, and in pooled investment vehicles with Commonfund Asset Management Company, Inc. and reports its share of the investment income and loss on its income tax return.

Certain investment transactions or transactions of MFREH, LLC may produce income taxable to the Foundation. There is no known tax liability related to these investments as of June 30, 2023.

Management has concluded that the Foundation had no significant financial statement exposure to uncertain tax positions at June 30, 2023. The Foundation is not currently under audit by any tax jurisdiction.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 2 - Summary of significant accounting policies (continued)

Subsequent events –The Foundation has evaluated subsequent events for potential recognition and/or disclosure in the consolidated financial statements through December 14, 2023, the date the consolidated financial statements were available to be issued, and has determined that there are no subsequent events to be reported.

Note 3 – Liquidity and availability of resources

The Foundation’s goal is to maintain financial assets to meet 90 days of general expenditures. As part of the Foundation’s liquidity management, excess cash is invested in short-term investments including money market accounts.

As of June 30, 2023, the following financial assets that are without donor or other restrictions limiting their use, could be readily available within one year of the statement of financial position date to meet general expenditure:

Cash without donor restrictions	\$ 771,592
Pledges receivable, net (without purpose restriction)	114,570
Other receivables, net	309,485
Investments without donor restrictions	<u>1,848,091</u>
	3,043,738
Less: net assets with board designations	<u>(2,089,098)</u>
Financial assets available within one year for general expenditures	<u>\$ 954,640</u>

The Foundation board appropriates funds each year from endowments in accordance with the spending policy (Note 7). Amounts noted above do not include budgeted appropriation amounts for 2024 totaling \$690,853 from endowment and \$106,482 from reserves, which will be available for general expenditure.

Note 4 - Pledges and contributions receivable

Pledges receivable for Foundation operations, capital campaign, and various other projects are reported as net assets with donor restrictions as of June 30, 2023. These unconditional promises to give are to be received during years subsequent to June 30, 2023.

Receivable in less than one year	\$ 554,670
Receivable in one to five years	415,000
Receivable in more than five years	<u>168,152</u>
	1,137,822
Less: Discounts to net present value	(77,500)
Allowance for doubtful accounts	<u>(25,000)</u>
Net pledges and contributions receivable	<u>\$ 1,035,322</u>

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 4 - Pledges and contributions receivable (continued)

Unconditional promises to give are primarily from individuals, foundations, and corporations located in metropolitan Richmond or from the City of Richmond, and are reflected at the present value of estimated future cash flows using a discount rate of 4.13% for receivables due within five years and 4.06% for the pledge receivable due over fifteen years.

During 2023, the Foundation was awarded an \$8 million grant from the U.S. Department of Commerce Economic Development Administration (“EDA”). Under the terms of the grant, the Foundation must also contribute \$2 million in matching share for a total project cost of \$10 million. The grant will be paid on a reimbursement basis only, based on actual costs incurred, after all specific preconditions have been met. As of June 30, 2023, the Foundation had not yet met the conditions for reimbursement and therefore no amounts receivable have been recorded. The project scope of work includes renovations to the Maymont Mansion and animal habitats.

Note 5 – Trusts and annuities

As of June 30, 2023, the Foundation had received contributions under three charitable gift annuity agreements. Under the terms of the contracts, the Foundation agrees to pay an annual annuity ranging from 8.0% to 9.0% of the original gift amount to the beneficiaries as long as they live.

Payments under the agreements began June 30, 2012, March 31, 2015 and September 30, 2016. All payments are distributed quarterly. Upon the death of the beneficiaries, any remaining assets are available for general endowment or for general use by the Foundation. The annuity assets are segregated as separate funds within the Foundation’s investments and are not to be applied to payment of the debts and obligations of the Foundation or any other purpose other than annuity benefits specified in the agreements. This portfolio of assets meets all requirements concerning permissible investments and mandated reserves as required by law.

Upon the death of the beneficiary of two of the annuities during 2023, the remaining net assets of \$21,402 were contributed to permanent endowment as directed by the annuitant.

Note 6 – Investments and fair value measurements

Current accounting standards establish a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The levels of the hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities traded in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

The Foundation determines fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value the Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 6 – Investments and fair value measurements (continued)

The Foundation has evaluated the various types of investment funds in its investment portfolio to determine an appropriate fair value hierarchy level based on trading activity and the observability of market inputs.

The majority of the Foundation’s long-term investments and assets restricted to charitable gift annuities are held in pooled investment vehicles held with Commonfund Asset Management Company, Inc. (CAMC), including an equity fund, a bond fund, and a private investment vehicle. The equity fund allocates assets across a broad spectrum of equity strategies, including common stock of U.S. companies and other equity securities of foreign companies in both developed and emerging markets. The fixed income fund allocates assets across a broad spectrum of fixed income sectors, including investing directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the U.S. bond market. Commonfund Capital Partners VIII, LP, a private fund investment with CAMC, includes investments in other pooled investment vehicles across industries. The remainder of the Foundation’s long-term investments are held in Property Holdings IV, LLC, TRG Forestry Fund 7-B, LP and TRG Forestry Fund 8-B, LP. These limited partnerships hold investments in real estate and timber investments.

The investments with CAMC are in equity, bond, and private funds that report on a fair value basis. Based on the terms of the partnership agreements with Property Holdings IV, LLC, TRG Forestry Fund 7-B, LP and TRG Forestry Fund 8-B, LP for fair value measurement the Foundation views its investments as a single asset category. Therefore, as a practical expedient, the Foundation has estimated the fair value of all its investments on the basis of net asset value (“NAV”) per share of the investment (or its equivalent) because a) the underlying investment manager’s calculation of NAV is fair value based, and b) the NAV has been calculated as of the Foundation’s fiscal year end date. Therefore in accordance with accounting guidance, the value of these investments is excluded from the fair value hierarchy.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2023:

	Level 2	Total
Commonfund Institutional Multi-Strategy Bond Fund, LLC, excluding gift annuity assets	\$ -	\$ 3,816,724
Commonfund Institutional Multi-Strategy Equity Fund, LLC, excluding gift annuity assets	-	12,741,466
Commonfund Capital Partners VIII, LP	-	1,193,867
Property Holdings IV, LLC	-	925,428
TRG Forestry Fund 7-B, LP	-	1,571
TRG Forestry Fund 8-B, LP	-	8,176
Total investments	-	18,687,232
Pledges and contributions receivable, net	1,035,322	1,035,322
Gift annuity assets	-	10,000
Total at fair value	\$ 1,035,322	\$ 19,732,554

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 6 – Investments and fair value measurements (continued)

The following table summarizes the Foundation's investments measured at fair value using NAV per share as a practical expedient as of June 30, 2023:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Commonfund Institutional:				
Multi-Strategy Bond Fund, LLC	\$ 3,816,724	N/A	Monthly	5 days
Multi-Strategy Equity Fund, LLC	\$ 12,751,466	N/A	Monthly	5 days
Commonfund Capital Partners VIII, LP	\$ 1,193,867	\$ 1,015,000	N/A	N/A
Property Holdings IV, LLC	\$ 925,428	\$ 12,716	N/A	N/A
TRG Forestry Fund 7-B, LP	\$ 1,571	N/A	N/A	N/A
TRG Forestry Fund 8-B, LP	\$ 8,176	N/A	N/A	N/A

Note 7 – Endowment

The Foundation's endowment consists of nine individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board has interpreted the Uniform Prudent Management of Institutional Funds Act (the Act) 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 stipulation to the contrary.

As a result of this interpretation, the Foundation 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 donated 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. Donor-restricted endowment funds are released from restriction when appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The mission of the Foundation and the purpose of 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 Foundation
- The investment policies of the Foundation

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 7 – Endowment (continued)

Endowment net assets consist of the following at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Perpetual restriction	\$ -	\$ 10,999,775	\$ 10,999,775
Endowment earnings		2,418,003	2,418,003
Board-designated endowment funds	1,246,981	-	1,246,981
Total endowment net assets	\$ 1,246,981	\$ 13,417,778	\$ 14,664,759

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	\$ 1,113,680	\$ 12,489,321	\$ 13,603,001
Contributions and designations	26,000	21,652	47,652
Investment return	154,635	1,572,147	1,726,782
Appropriation of endowment net assets for expenditure	(47,334)	(665,342)	(712,676)
Endowment net assets, June 30, 2023	\$ 1,246,981	\$ 13,417,778	\$ 14,664,759

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 the Act require the Foundation to retain as a fund of perpetual duration in accordance with GAAP. The Foundation allows spending from underwater endowments in accordance with its spending policy. There were no underwater endowments at June 30, 2023.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 7 – Endowment (continued)

The Foundation has adopted investment and spending policies in conjunction with a comprehensive review of the returns and risks associated with various investment strategies in relation to current and projected financial requirements. The financial objectives are:

- Provide the funding support for the Foundation’s mission
- Preserve the purchasing power of the endowment’s current assets and all future contributions
- Achieve the return objective within reasonable and prudent levels of risk
- Maintain an appropriate asset allocation policy that is compatible with spending policy and return objective, while still having the potential to produce positive returns
- Retain flexibility in determining the future level of disbursements that may be affected by extraordinary market conditions or unexpected needs in the community
- Control the costs of administering the endowment and managing the investments
- Ensure that the management of the investment assets will be in strict compliance with all provisions of relevant legislation

To satisfy these objectives, the Foundation 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).

To minimize risk, the Foundation targets an investment portfolio constructed and maintained to provide prudent diversification with regard to concentration of holdings in individual issues, corporations or industries.

The following represents the long-term asset allocation policy:

<u>Asset Class</u>	<u>Long Term Desired Range</u>
Equity	40 to 80%
Fixed income	10 to 45%
Private capital	0 to 30%
Cash	0 to 10%
Alternatives	0 to 10%

The targeted annual appropriation rate for distribution from endowment funds is a maximum of 6% of the average three-year fair value (calculated by averaging the previous twelve quarters’ fair values through the calendar-year-end proceeding the fiscal year in which the distribution is planned). Single endowment gifts greater than \$2 million may be subject to an accelerated schedule during the first three years. The distribution is based on the gift value at December 31 and is calculated by subtracting 125 basis points and 75 basis points from the current target distribution rate in the first and second years respectively. In the third year the distribution is based on the average value over the existence of the gift and is calculated using the current target rate.

Accordingly, the Foundation expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate approximating planned payouts. Additional growth will be provided through new gifts and any excess investment returns. In the event of extreme situations, the board may elect to suspend or alter the targeted annual appropriation rate or the method of calculation. For the year ended June 30, 2023, the appropriation rate was 5% with no adjustment to the method of calculation.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 8 - Property and equipment

Property and equipment consists of the following at June 30, 2023:

Land	\$	1,103,799
Improvements		19,744,039
Robins Nature and Visitor Center		10,617,783
Furniture, fixtures, and equipment		3,059,396
Mansion below stairs exhibit		181,608
Antiques and collections		733,678
Construction-in-process		404,938
		<u>35,845,241</u>
Less: accumulated depreciation		<u>23,240,607</u>
	\$	<u>12,604,634</u>

Depreciation expense on property and equipment totaled \$1,987,958 for 2023.

Note 9 – Contributions of nonfinancial assets

The Foundation received contributions of nonfinancial assets. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recognizes in-kind contribution revenue and corresponding expense in an amount approximating the estimated fair value at the time of the donation. Donated services and assets are valued at the standard market rates charged for those services or assets to cash-paying customers.

During 2023, contributions of nonfinancial assets including supplies and auction items for the Vintage Maymont fundraising event totaled \$73,485. All donated assets were utilized by the Foundation. There were no donor-imposed restrictions associated with the donated assets.

Note 10 – Leasing activities

The Foundation leases office equipment under various operating leases. Rental expense totaled \$12,132 for 2023. Minimum future payments under the operating leases, as of June 30, 2023 are as follows:

2024	\$	13,810
2025		13,810
2026		7,744
2027		1,678
2028		1,678
Total	\$	<u>38,720</u>

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

June 30, 2023

Note 11 – Available financing

On April 15, 2022, the Foundation entered a \$1,500,000 unsecured line of credit available through April 15, 2023. Borrowings were charged interest at the Wall Street Journal Prime Rate less 0.75% points, subject to a floor of 2.75%.

Subsequent to year end, on July 14, 2023, the Foundation extended this line of credit through July 14, 2024. Under the new agreement, interest is charged at the Wall Street Journal Prime Rate less 1.0%, subject to a floor of 2.5%. The Foundation also entered a second unsecured line of credit with available borrowings up to \$1,000,000 through July 14, 2025 and subject to the same interest terms.

Note 12 – Retirement plan

The Maymont Foundation Retirement and Savings Plan is a 403(b) defined contribution salary deferral plan covering all eligible employees. Under the plan, a discretionary match up to a percentage of pay or other discretionary contributions determined by the Foundation may be contributed for eligible employees. For the year ended June 30, 2023, the Foundation matched 100% of the elective contributions made by participants up to a maximum of 2% of compensation. Expenses incurred for these contributions amounted to \$28,093.

Note 13 – Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2023:

Time or purpose:		
<i>The Spirit of Generosity Campaign</i>	\$	1,471,550
Robins Nature and Visitor Center		1,863,468
General endowment earnings		2,418,003
EDA grant projects		552,460
Historic resources		548,064
Garden and grounds		205,882
Perpetual:		
General endowment		5,140,542
Robins Nature and Visitor Center endowment		4,489,428
Mansion endowment		1,079,205
Markel endowment		100,000
Grounds and garden endowment		100,000
Marie's Butterfly Trail & Jack's Vegetable Garden		50,000
Ikebana endowment		30,000
Etsuko Phillips memorial endowment		10,600
	\$	<u>18,942,014</u>

Amounts released from restriction in 2023 relate to the passage of time, fulfillment of purpose-restricted gifts, and appropriation of spendable amounts from endowment funds.

MAYMONT FOUNDATION AND AFFILIATE

Notes to Consolidated Financial Statements (Continued) June 30, 2023

Note 14 – Commitments and concentrations

The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers substantially all depository accounts up to \$250,000 per institution. The Foundation from time to time may have amounts on deposit in excess of the insured limit. As of June 30, 2023, deposits at two banks exceeded the insured limit by a total of \$692,114.

The Foundation's pledges receivable are unsecured and potentially subject the Foundation to concentration of credit risk. The ability to collect pledges resulting from fundraising efforts is affected by the general economic conditions and the honoring of pledges by donors. Approximately 61% of pledges receivable at June 30, 2023 are from three donors.

Note 15 – Related party transactions

The Foundation is governed by an independent board of directors who receive no compensation for their services. The Foundation receives pledges from board members and during 2023 the total of such gifts was \$451,315. Pledges from board members outstanding at June 30, 2023 totaled \$46,320.

The Foundation engages in other related party transactions in the normal course of its activities which are immaterial to the Foundation's consolidated financial statements. All such transactions are conducted under terms and conditions similar to transactions with unrelated parties.

Note 16 – New accounting guidance

In June 2016, the FASB issued ASU 2016-13: Current Expected Credit Losses ("CECL"), which replaces the current incurred loss model used to measure impairment loss with the expected loss model for financial assets measured at amortized cost. The standard will be effective for non-profit entities with years beginning after December 15, 2022. The Foundation is currently evaluating the reporting and economic implications of the new standard.

MAYMONT FOUNDATION

2022-2023 Board of Directors

Officers

Mitch Haddon	President
John Vetovec	Vice President
Jill Livesay*	Treasurer
Sarah Bliley	Secretary

Life Trustee

E. Claiborne Robins, Jr.

Directors

Todd Bagwell	Paul Junod
Jon Balilies	Aurelia Lewis
Michael Barker	Jill Livesay
Sean Beard	Margaret Lundvall
Sarah T. Bliley	Stephanie A. Lynch
Jeff Bourne	Vik Murthy
Tara Carroll	Faye Prichard
Corey Durant	Jennifer Rowe
Shane Emmett	Aimee Perron Seibert
Rosa Finch	Judith Forehand Starkey
Chris Frelke	Hon. Frank J. Thornton
Krissy Gathright	Allison Vanderberg*
Ryan Glasgow	John Vetovec
Gary Gore	Jason Williams
Mitch Haddon	Theresa M. Wills

Executive Director

C. Parke Richeson

**Audit Committee*

MAYMONT FOUNDATION

2023-2024 Board of Directors

Officers

Mitch Haddon
Theresa Wils
Gary Gore
Jill Livesay
Corey Durant

Chair
Vice Chair/Chair-Elect
Past Chair
Treasurer
Secretary

Life Trustee

E. Claiborne Robins, Jr.

Directors

Tarpley Ashworth
Bridgette Bywater
Corey Durant
Chris Frekle
Gary Gore
Whitson Huffman
Jill Livesay
Stephanie Lynch
Mark Miller
Brian Pumphrey
Jennifer Rowe
Judith Forehand Starkey
Allison Vanderberg
Jason Williams

Todd Bagwell
Sean Beard
Rosa Rinch
Ryan Glasgow
Mitch Haddon
Aurelia Lewis
Margaret Lundvall
David Lyons
Vivek Murthy
E. Claiborne Robins, Jr.
Aimee Perron Seibert
Frank Thornton
John Vetovec
Theresa M. Wills

Executive Director

C. Parke Richeson