WOODMERE ART
MUSEUM, INC.

Financial Statements
December 31, 2018 and 2017
WOODMERE ART MUSEUM, INC.
December 31, 2018 and 2017

CONTENTS

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

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</tr>
</tbody>
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Independent Auditors' Report

The Board of Trustees
Woodmere Art Museum, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Woodmere Art Museum, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 auditors consider 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 Woodmere Art Museum, Inc. as of December 31, 2018 and 2017, 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.

[Signature]

Horsham, Pennsylvania
June 6, 2019
WOODMERE ART MUSEUM, INC.

Statements of Financial Position
December 31, 2018 and 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$300,809</td>
<td>$177,615</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>390,583</td>
<td>734,457</td>
</tr>
<tr>
<td>Other assets</td>
<td>30,982</td>
<td>38,363</td>
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<tr>
<td>Total current assets</td>
<td>722,374</td>
<td>950,435</td>
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<tr>
<td>Long-term contributions receivable</td>
<td>200,000</td>
<td>-</td>
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<tr>
<td>Land, building and equipment, net</td>
<td>4,397,088</td>
<td>4,563,554</td>
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<tr>
<td>Investments</td>
<td>7,652,938</td>
<td>8,292,974</td>
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<tr>
<td>Beneficial interest in perpetual trust</td>
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<tr>
<td>Total assets</td>
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<table>
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<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
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<tr>
<td>Current liabilities:</td>
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<td></td>
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<tr>
<td>Current portion of long-term debt</td>
<td>$30,264</td>
<td>$31,462</td>
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<td>Line of credit</td>
<td>255,150</td>
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<td>Accounts payable and accrued expenses</td>
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<td>78,318</td>
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<td>Total current liabilities</td>
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<td>390,130</td>
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<td>Long-term debt, net of current portion</td>
<td>491,878</td>
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<td>Total liabilities and net assets</td>
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<td>911,079</td>
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<th>Net assets:</th>
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<th>2017</th>
</tr>
</thead>
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<td>Without donor restrictions:</td>
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<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>4,345,821</td>
<td>4,540,112</td>
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<tr>
<td>Designated by the Board</td>
<td>3,339,699</td>
<td>3,931,293</td>
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<tr>
<td>With donor restrictions</td>
<td>7,060,563</td>
<td>7,352,653</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>14,746,083</td>
<td>15,824,058</td>
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See accompanying notes to financial statements.
WOODMERE ART MUSEUM, INC.

Statements of Activities and Changes in Net Assets
Years Ended December 31, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018 Without Donor Restrictions</th>
<th>2018 With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>$ 909,039</td>
<td>$ 119,250</td>
<td>$ 1,028,289</td>
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<td>Foundation</td>
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<td>470,000</td>
<td>983,715</td>
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<tr>
<td>Corporate</td>
<td>26,529</td>
<td>-</td>
<td>26,529</td>
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<tr>
<td>Government</td>
<td>34,768</td>
<td>50,000</td>
<td>84,768</td>
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<tr>
<td>In-kind</td>
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<td>13,627</td>
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<tr>
<td>Membership</td>
<td>101,800</td>
<td>-</td>
<td>101,800</td>
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<tr>
<td>Education programs</td>
<td>214,879</td>
<td>-</td>
<td>214,879</td>
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<tr>
<td>Museum store sales</td>
<td>178,357</td>
<td>-</td>
<td>178,357</td>
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<tr>
<td>Programs</td>
<td>58,496</td>
<td>-</td>
<td>58,496</td>
</tr>
<tr>
<td>Distributions from perpetual trust</td>
<td>114,144</td>
<td>(114,144)</td>
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</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>184,164</td>
<td>(184,164)</td>
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</tr>
<tr>
<td>Net assets released from restrictions - other</td>
<td>116,303</td>
<td>(116,303)</td>
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<tr>
<td><strong>Total support and revenue</strong></td>
<td></td>
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<td>2,690,460</td>
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<tr>
<td></td>
<td>2,465,821</td>
<td>224,639</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,960,162</td>
<td>-</td>
<td>1,960,162</td>
</tr>
<tr>
<td>Depreciation</td>
<td>233,718</td>
<td>-</td>
<td>233,718</td>
</tr>
<tr>
<td>Management and general</td>
<td>155,962</td>
<td>-</td>
<td>155,962</td>
</tr>
<tr>
<td>Development and marketing</td>
<td>412,583</td>
<td>-</td>
<td>412,583</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,762,425</td>
<td>-</td>
<td>2,762,425</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets before other income (expenses)</strong></td>
<td>(296,604)</td>
<td>224,639</td>
<td>(71,965)</td>
</tr>
<tr>
<td>Other income (expenses):</td>
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<td></td>
</tr>
<tr>
<td>Net investment return (loss)</td>
<td>(217,455)</td>
<td>(288,683)</td>
<td>(506,138)</td>
</tr>
<tr>
<td>Change in value of perpetual trust</td>
<td>-</td>
<td>(228,046)</td>
<td>(228,046)</td>
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<tr>
<td>Cost of collection items purchased</td>
<td>(271,826)</td>
<td>-</td>
<td>(271,826)</td>
</tr>
<tr>
<td>Non-recoverable costs of construction-in-progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td></td>
<td></td>
<td>(1,077,975)</td>
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<tr>
<td></td>
<td>(785,885)</td>
<td>(292,090)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>8,471,405</td>
<td>7,352,653</td>
<td>15,824,058</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$ 7,685,520</td>
<td>$ 7,060,563</td>
<td>$ 14,746,083</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$957,113</td>
<td>$203,000</td>
<td>$1,160,113</td>
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<tr>
<td></td>
<td>$1,465,383</td>
<td>187,260</td>
<td>1,652,643</td>
</tr>
<tr>
<td></td>
<td>20,095</td>
<td>-</td>
<td>20,095</td>
</tr>
<tr>
<td></td>
<td>761,127</td>
<td>-</td>
<td>761,127</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>107,150</td>
<td>-</td>
<td>107,150</td>
</tr>
<tr>
<td></td>
<td>202,502</td>
<td>-</td>
<td>202,502</td>
</tr>
<tr>
<td></td>
<td>164,602</td>
<td>-</td>
<td>164,602</td>
</tr>
<tr>
<td></td>
<td>38,415</td>
<td>-</td>
<td>38,415</td>
</tr>
<tr>
<td></td>
<td>112,434 (112,434)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>173,156 (173,156)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>450,270 (450,270)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,452,247</td>
<td>(345,600)</td>
<td>4,106,647</td>
</tr>
<tr>
<td></td>
<td>2,081,877</td>
<td>-</td>
<td>2,081,877</td>
</tr>
<tr>
<td></td>
<td>183,417</td>
<td>-</td>
<td>183,417</td>
</tr>
<tr>
<td></td>
<td>110,189</td>
<td>-</td>
<td>110,189</td>
</tr>
<tr>
<td></td>
<td>315,029</td>
<td>-</td>
<td>315,029</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,690,512</td>
<td>-</td>
<td>2,690,512</td>
</tr>
<tr>
<td></td>
<td>1,761,735</td>
<td>(345,600)</td>
<td>1,416,135</td>
</tr>
<tr>
<td></td>
<td>403,129</td>
<td>524,055</td>
<td>927,184</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>350,212</td>
<td>350,212</td>
</tr>
<tr>
<td></td>
<td>(410,672)</td>
<td>-</td>
<td>(410,672)</td>
</tr>
<tr>
<td></td>
<td>(554,022)</td>
<td>-</td>
<td>(554,022)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,200,170</td>
<td>528,667</td>
<td>1,728,837</td>
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<tr>
<td></td>
<td>7,271,235</td>
<td>6,823,986</td>
<td>14,095,221</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,471,405</td>
<td>$7,352,653</td>
<td>$15,824,058</td>
</tr>
</tbody>
</table>

-3-
### Program Services

<table>
<thead>
<tr>
<th>Personnel:</th>
<th>Collection/ Curator</th>
<th>Education</th>
<th>Exhibitions</th>
<th>Historical Mansion</th>
<th>Total Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$254,459</td>
<td>$269,386</td>
<td>$135,763</td>
<td>$225,697</td>
<td>$885,305</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>29,678</td>
<td>9,288</td>
<td>13,296</td>
<td>7,005</td>
<td>59,267</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>21,963</td>
<td>22,646</td>
<td>8,670</td>
<td>19,920</td>
<td>73,199</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>306,100</strong></td>
<td><strong>301,320</strong></td>
<td><strong>157,729</strong></td>
<td><strong>252,622</strong></td>
<td><strong>1,017,771</strong></td>
</tr>
</tbody>
</table>

| Facilities: | | |
| Maintenance and repairs | 12,910 | 12,910 | - | 111,576 | 137,936 |
| Telephone | 1,442 | 1,905 | 887 | 1,041 | 5,275 |
| Utilities | 16,208 | 38,118 | 21,868 | 5,545 | 81,739 |
| **Total** | **30,560** | **52,933** | **22,755** | **118,162** | **224,410** |

| Supplies: | | |
| Office supplies and expense | 4,680 | 1,821 | 378 | 887 | 7,766 |
| Printing | 797 | 907 | - | 1,074 | 2,778 |
| Postage | 179 | - | - | - | 179 |
| **Total** | **5,656** | **2,728** | **378** | **1,961** | **10,723** |

| Services and exhibits: | | |
| Art classes | - | 5,169 | - | - | 5,169 |
| Conservation and curatorial | 65,963 | - | - | - | 65,963 |
| Photography | 2,582 | - | - | - | 2,582 |
| Music series | - | 54,115 | - | - | 54,115 |
| Exhibition expense | - | - | 150,720 | - | 150,720 |
| Programs | - | 90,496 | - | - | 90,496 |
| **Total** | **68,545** | **149,780** | **150,720** | - | **369,045** |

| Organizational: | | |
| Advertising/public relations | - | - | - | - | - |
| Contractual fees | - | 79,651 | - | - | 79,651 |
| Director's expense | 8,521 | 2,840 | 5,680 | 2,840 | 19,881 |
| Insurance | 23,232 | 11,558 | 4,365 | 23,752 | 62,907 |
| Interest | 6,775 | - | 6,775 | - | 13,550 |
| Professional fees | - | - | - | 19,240 | 19,240 |
| Legal and accounting | - | - | - | - | - |
| Development operating | - | - | - | - | - |
| Miscellaneous | 5,038 | 4,291 | - | - | 9,329 |
| Museum store sales expenses | - | 105,194 | - | - | 105,194 |
| Subscriptions and dues | 1,080 | 1,080 | 1,080 | 250 | 3,490 |
| Software maintenance | 10,685 | 3,799 | 5,073 | 4,376 | 23,933 |
| Office furniture | 905 | - | - | - | 905 |
| Staff development | - | 133 | - | - | 133 |
| Trustee fees | - | - | - | - | - |
| **Total** | **56,236** | **208,546** | **22,973** | **50,458** | **338,213** |

Total expenses before depreciation | 467,097 | 715,307 | 354,555 | 423,203 | 1,960,162 |
Depreciation | 15,623 | - | 15,623 | 202,472 | 233,718 |
Total expenses | $482,720 | $715,307 | $370,178 | $625,675 | $2,193,880 |

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th>Support Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and General</td>
<td>Program and Support Services</td>
</tr>
<tr>
<td>Development and Marketing</td>
<td>Support Services</td>
</tr>
<tr>
<td>Management and General</td>
<td></td>
</tr>
<tr>
<td>$61,443</td>
<td>$1,228,934</td>
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<td>6,339</td>
<td>100,163</td>
</tr>
<tr>
<td>4,511</td>
<td>99,696</td>
</tr>
<tr>
<td>72,293</td>
<td>1,428,793</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
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<tr>
<td>4,253</td>
<td>11,496</td>
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<tr>
<td>6,400</td>
<td>90,714</td>
</tr>
<tr>
<td>10,653</td>
<td>239,606</td>
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<td>4,126</td>
<td>15,891</td>
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<td>1,922</td>
<td>7,725</td>
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<td>638</td>
<td>4,280</td>
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<td>6,686</td>
<td>27,896</td>
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<td>-</td>
<td>5,169</td>
</tr>
<tr>
<td>-</td>
<td>65,963</td>
</tr>
<tr>
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<td>2,582</td>
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<td>382,700</td>
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<tr>
<td>-</td>
<td>9,097</td>
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<td>79,651</td>
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<tr>
<td>2,840</td>
<td>28,401</td>
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<tr>
<td>5,668</td>
<td>71,477</td>
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<td>26,848</td>
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<tr>
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<td>28,050</td>
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<td>2,412</td>
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<td>4,748</td>
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<td>31,389</td>
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<td>1,077</td>
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<td>1,261</td>
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<tr>
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<tr>
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<td></td>
</tr>
<tr>
<td>$155,962</td>
<td>$2,762,425</td>
</tr>
</tbody>
</table>

-5-
## WOODMERE ART MUSEUM, INC.

**Statement of Functional Expenses**

**Year Ended December 31, 2017**

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Collection/ Curator</th>
<th>Education</th>
<th>Exhibitions</th>
<th>Historical Mansion</th>
<th>Total Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>$208,958</td>
<td>$292,318</td>
<td>$97,203</td>
<td>$329,479</td>
<td>$927,958</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>23,046</td>
<td>14,116</td>
<td>7,313</td>
<td>18,047</td>
<td>62,522</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>16,083</td>
<td>25,004</td>
<td>7,110</td>
<td>28,317</td>
<td>76,514</td>
</tr>
<tr>
<td><strong>Facilities:</strong></td>
<td>248,087</td>
<td>331,438</td>
<td>111,626</td>
<td>375,843</td>
<td>1,066,994</td>
</tr>
<tr>
<td>Maintenance and repairs</td>
<td>6,538</td>
<td>-</td>
<td>6,538</td>
<td>84,367</td>
<td>97,443</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,209</td>
<td>2,187</td>
<td>230</td>
<td>1,813</td>
<td>5,439</td>
</tr>
<tr>
<td>Utilities</td>
<td>3,117</td>
<td>-</td>
<td>3,117</td>
<td>97,553</td>
<td>103,787</td>
</tr>
<tr>
<td><strong>Supplies:</strong></td>
<td>10,864</td>
<td>2,187</td>
<td>9,885</td>
<td>183,733</td>
<td>206,659</td>
</tr>
<tr>
<td>Office supplies and expense</td>
<td>2,385</td>
<td>3,946</td>
<td>1,941</td>
<td>554</td>
<td>8,826</td>
</tr>
<tr>
<td>Printing</td>
<td>894</td>
<td>894</td>
<td>2,085</td>
<td>596</td>
<td>4,469</td>
</tr>
<tr>
<td>Postage</td>
<td>137</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>137</td>
</tr>
<tr>
<td><strong>Services and exhibits:</strong></td>
<td>3,416</td>
<td>4,840</td>
<td>4,026</td>
<td>1,150</td>
<td>13,432</td>
</tr>
<tr>
<td>Art classes</td>
<td>-</td>
<td>2,300</td>
<td>-</td>
<td>-</td>
<td>2,300</td>
</tr>
<tr>
<td>Conservation and curatorial</td>
<td>299</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>299</td>
</tr>
<tr>
<td>Art trips</td>
<td>-</td>
<td>1,997</td>
<td>-</td>
<td>-</td>
<td>1,997</td>
</tr>
<tr>
<td>Photography</td>
<td>1,470</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,470</td>
</tr>
<tr>
<td>Music series</td>
<td>-</td>
<td>56,772</td>
<td>-</td>
<td>-</td>
<td>56,772</td>
</tr>
<tr>
<td>Exhibition expense</td>
<td>-</td>
<td>-</td>
<td>275,764</td>
<td>-</td>
<td>275,764</td>
</tr>
<tr>
<td>Programs</td>
<td>-</td>
<td>96,165</td>
<td>-</td>
<td>-</td>
<td>96,165</td>
</tr>
<tr>
<td><strong>Organizational:</strong></td>
<td>1,769</td>
<td>157,234</td>
<td>275,764</td>
<td>-</td>
<td>434,767</td>
</tr>
<tr>
<td>Advertising/public relations</td>
<td>-</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>Contractual fees</td>
<td>-</td>
<td>77,535</td>
<td>-</td>
<td>-</td>
<td>77,535</td>
</tr>
<tr>
<td>Director's expense</td>
<td>5,935</td>
<td>1,978</td>
<td>3,957</td>
<td>1,978</td>
<td>13,848</td>
</tr>
<tr>
<td>Insurance</td>
<td>22,310</td>
<td>11,529</td>
<td>3,407</td>
<td>25,082</td>
<td>62,328</td>
</tr>
<tr>
<td>Interest</td>
<td>7,786</td>
<td>-</td>
<td>7,786</td>
<td>-</td>
<td>15,572</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,383</td>
<td>49,383</td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>-</td>
<td>-</td>
<td>595</td>
<td>-</td>
<td>595</td>
</tr>
<tr>
<td>Development operating</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,484</td>
<td>4,535</td>
<td>2,900</td>
<td>-</td>
<td>13,919</td>
</tr>
<tr>
<td>Museum store sales expenses</td>
<td>-</td>
<td>105,537</td>
<td>-</td>
<td>-</td>
<td>105,537</td>
</tr>
<tr>
<td>Subscriptions and dues</td>
<td>942</td>
<td>942</td>
<td>942</td>
<td>-</td>
<td>3,788</td>
</tr>
<tr>
<td>Software maintenance</td>
<td>3,834</td>
<td>3,294</td>
<td>3,294</td>
<td>3,294</td>
<td>13,716</td>
</tr>
<tr>
<td>Office furniture</td>
<td>-</td>
<td>371</td>
<td>-</td>
<td>-</td>
<td>371</td>
</tr>
<tr>
<td>Staff development</td>
<td>317</td>
<td>126</td>
<td>-</td>
<td>-</td>
<td>443</td>
</tr>
<tr>
<td>Trustee fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses before depreciation</strong></td>
<td>47,608</td>
<td>208,847</td>
<td>22,286</td>
<td>81,274</td>
<td>360,015</td>
</tr>
<tr>
<td>Total expenses</td>
<td>311,744</td>
<td>704,546</td>
<td>423,587</td>
<td>642,000</td>
<td>2,081,877</td>
</tr>
<tr>
<td>Depreciation</td>
<td>12,749</td>
<td>-</td>
<td>12,551</td>
<td>158,117</td>
<td>183,417</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$324,493</td>
<td>$704,546</td>
<td>$436,138</td>
<td>$800,117</td>
<td>$2,265,294</td>
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</table>

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th>Support Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and General</td>
<td>Development and Marketing</td>
</tr>
<tr>
<td>$ 35,678</td>
<td>$ 220,760</td>
</tr>
<tr>
<td>2,229</td>
<td>23,765</td>
</tr>
<tr>
<td>2,435</td>
<td>15,976</td>
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<tr>
<td>40,342</td>
<td>260,501</td>
</tr>
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<td></td>
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</tr>
<tr>
<td>3,628</td>
<td>1,813</td>
</tr>
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<td></td>
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<tr>
<td>3,628</td>
<td>1,813</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3,697</td>
<td>2,265</td>
</tr>
<tr>
<td>2,052</td>
<td>298</td>
</tr>
<tr>
<td>1,002</td>
<td>991</td>
</tr>
<tr>
<td>6,751</td>
<td>3,554</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,189</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1,978</td>
<td>3,957</td>
</tr>
<tr>
<td>6,271</td>
<td>2,223</td>
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<tr>
<td>12,162</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>19,350</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>14,222</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>628</td>
<td>942</td>
</tr>
<tr>
<td>2,766</td>
<td>7,144</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>484</td>
<td>573</td>
</tr>
<tr>
<td>1,607</td>
<td></td>
</tr>
<tr>
<td>59,468</td>
<td>49,161</td>
</tr>
<tr>
<td>110,189</td>
<td>315,029</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 110,189</td>
<td>$ 315,029</td>
</tr>
</tbody>
</table>
WOODMERE ART MUSEUM, INC.

Statements of Cash Flows  
Years Ended December 31, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$(1,077,975)</td>
<td>$1,728,837</td>
</tr>
<tr>
<td>Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>233,718</td>
<td>183,417</td>
</tr>
<tr>
<td>Net realized and unrealized (gain) loss on investments</td>
<td>618,471</td>
<td>(842,071)</td>
</tr>
<tr>
<td>(Increase) decrease in beneficial interest in perpetual trust</td>
<td>342,190</td>
<td>(237,778)</td>
</tr>
<tr>
<td>Non-recoverable costs of construction-in-progress</td>
<td>-</td>
<td>554,022</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>143,874</td>
<td>(326,496)</td>
</tr>
<tr>
<td>Other assets</td>
<td>7,381</td>
<td>(12,552)</td>
</tr>
<tr>
<td>Decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(43,309)</td>
<td>(283,738)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>224,350</td>
<td>763,641</td>
</tr>
</tbody>
</table>

Cash flows from investing activities:  
Purchase of land, building and equipment | (67,252) | (502,286) |
Proceeds from sale of investments        | 1,379,994 | 2,445,635 |
Purchase of investments                   | (1,358,429) | (2,427,635) |
Net cash used in investing activities     | (45,687) | (484,286) |

Cash flows from financing activities:  
Net repayments of line of credit          | (25,200) | (25,200) |
Net repayments of construction line of credit | -      | (384,306) |
Repayments of long-term debt              | (30,269) | (30,269) |
Net cash used in financing activities     | (55,469) | (439,775) |

Net increase (decrease) in cash          | 123,194  | (160,420) |
Cash, beginning of year                   | 177,615  | 338,035  |
Cash, end of year                         | $300,809 | $177,615 |

Supplemental disclosure of cash flow information:  
Cash paid during the year for interest   | $26,848  | $27,734  |

See accompanying notes to financial statements.
WOODMERE ART MUSEUM, INC.

Notes to Financial Statements
December 31, 2018 and 2017

(1) Nature of Organization

Woodmere Art Museum (the Museum) is a not-for-profit institution whose official mission statement is as follows: to inspire creativity, learning, and self-expression through experiences with the art and artists of Philadelphia and the region.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The Museum's financial statements have been prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. The significant accounting and reporting policies used by the Museum are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Presentation

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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

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.

The Museum reports 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 purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, 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 statements of activities as net assets released from restrictions.

Continued...
(2) Summary of Significant Accounting Policies, Continued

Accounting Pronouncement Adopted

In 2018, the Museum implemented the requirements of the FASB's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). The accompanying 2017 financial statements have been reclassified to conform to the 2018 presentation and disclosures requirements of ASU 2016-14. ASU 2016-14 requires certain changes to the presentation of financial statements of not-for-profit entities and additional new disclosures. Key changes required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. There was no impact to total net asset balances.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which updates the accounting guidance on revenue recognition. This standard is intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and improve disclosure requirements.

On June 21, 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides guidance to not-for-profit entities as they adopt FASB ASU 2014-09, *Revenue from Contracts with Customers*, specifically as it relates to grants and contracts. The new guidance applies to all entities that receive or make contributions, including business entities.

Both of the revenue recognition standards are effective for the Museum's year ending December 31, 2019. Management is evaluating the potential impact of these ASUs on the financial statements. The Museum has not adopted this guidance for 2018 and is currently evaluating the impact of adoption.

Continued...
(2) Summary of Significant Accounting Policies, Continued

Recent Accounting Pronouncements

Updating the Definition of Collections

In March 2019, the FASB issued ASU 2019-03, *Updating the Definition of Collections*. This ASU modifies the definition of the term collections and requires that a collection-holding entity disclose its policy for the use of proceeds from when collection items are removed from a collection. The amendments in this update modify the condition so that proceeds from collection items can be used to support the direct care of existing collections in addition to the current requirement that proceeds from sale of collection items be used to acquire other items for collections. This standard is effective for the Museum's December 31, 2020 year end. The Museum has not adopted this guidance for 2018 and is currently evaluating the impact.

Contributions Receivable

Promises to give are recorded as revenue when the donor makes a promise to give to the Museum, that is, in substance, unconditional. Conditioned promises to give are recognized when the conditions on which they depend are substantially met.

Land, Building and Equipment

The Museum records land, building and equipment additions over $2,000 at cost. Donated property and equipment are recorded at their fair value at the date of receipt. Costs for maintenance and repairs are charged to expense. Depreciation of property and equipment is provided on a straight-line basis over each asset's estimated useful life, ranging from 3 to 40 years.

Due to design changes and delay in the Museum's construction campaign, management determined that some project costs associated with the new addition needed to be revised. Accordingly, certain costs incurred to date associated with the construction campaign were re-evaluated and reviewed. Based on this evaluation, as of December 31, 2017, management determined that $554,022 of legal, architectural, and engineering costs had no future benefit to the construction plans and recorded these costs as non-recoverable costs of construction in progress in the accompanying statements of activities and changes in net assets.

Continued...
(2) Summary of Significant Accounting Policies, Continued

Investments

Investments in mutual funds and exchange traded funds (ETFs) with readily determinable fair values are stated at fair value in the statements of financial position. Certificates of deposit are valued at amortized cost. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less direct internal investment expenses.

The Board is allowed to appropriate so much of the net appreciation of the endowment funds as is prudent considering the Museum's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Museum with specific programs and various committee assignments. Donated services are not recognized in the financial statements unless the services create or enhance a non-financial asset or require specialized skills and would typically need to be purchased if not donated. The Museum recorded donated services totaling $13,627 for the year ended December 31, 2018.

Contributions

Contributions received are recorded as increases in net assets with donor restrictions or net assets without restrictions depending on the existence and/or nature of any donor restrictions.

Collections

The Museum's collections are made up of works of art, artifacts of historical significance, and art objects that are held for educational and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

Continued...
(2) Summary of Significant Accounting Policies, Continued

Collections, Continued

In conformity with the practice adopted by many museums and in accordance with the provisions of FASB ASC 958-605, the Museum does not capitalize donated works of art and collections or recognize them as revenues or gains. FASB ASC 958-605 provides that such donations need not be recognized if they are added to collections that are held for public exhibition, education, or protected unencumbered, cared for, and preserved. The Museum has a policy that requires the proceeds from sales of collection items to be used to acquire other items for its collection. The cost of all objects purchased is reported as a separate program expense. All such items on hand are currently insured for approximately $18,000,000.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel and certain organizational costs are allocated based on time and effort. Facility costs are allocated based on square footage.

Use of Estimates

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

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

Continued...
(2) Summary of Significant Accounting Policies, Continued

Fair Value Measurements, Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Museum believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Concentrations of Credit Risk

Financial instruments which potentially subject the Museum to concentrations of credit risk consist principally of cash and investments. The Museum's cash is secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. From time to time, the Museum maintains cash balances in excess of insured limits. However, management does not believe it is exposed to any significant credit risk on cash.

The Museum invests in various investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statements of financial position. The Board of Trustees has implemented an investment policy intended to mitigate the investment risk. The policy sets forth the range of asset allocation to consist of 57-77% of equity investments, 10-30% of fixed income securities, 0-20% of cash, and 0-18% of alternative investments.

Income Tax Status

The Museum is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) as described in Section 509(a)(2) of the IRC and similar state statutes; therefore, no provision for income taxes is included in the accompanying financial statements.

Continued…
(2) Summary of Significant Accounting Policies, Continued

Income Tax Status, Continued

The Museum files Federal Form 990, Return of Organization Exempt from Income Tax, on an annual basis and is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2015. Based on the Museum's assessment of many factors, including past experience, the Museum does not currently anticipate significant changes in its tax positions over the next 12 months.

Reclassification

Certain items in the accompanying 2017 financial statements were reclassified to conform to the current year presentation.

Subsequent Events

The Museum has performed an evaluation of subsequent events through June 6, 2019, which is the date the financial statements were available to be issued.

(3) Liquidity and Availability

For purposes of identifying assets available to meet expenditures over the next 12-month period, the Museum considers anticipated expenditures budgeted to meet the operational and programmatic goals for the forthcoming year.

As of December 31, 2018, the Museum's financial assets available for general expenditure, that is, without donor restriction or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$300,809</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>390,583</td>
</tr>
<tr>
<td>Distributions from beneficial interest in assets held by others</td>
<td>113,916</td>
</tr>
<tr>
<td>Endowment spending-rate distributions and appropriations</td>
<td>367,010</td>
</tr>
</tbody>
</table>

Less those unavailable for general expenditures within one year

due to donor-imposed restrictions:

Restricted for 2019 exhibitions                                              | (50,000) |

$ 1,122,318

Continued...
WOODMERE ART MUSEUM, INC.

Notes to Financial Statements
December 31, 2018 and 2017

(3) Liquidity and Availability, Continued

The Museum receives contributions with donor restrictions to be used in accordance with
the associated purpose restrictions. It also receives gifts to establish endowments that will
exist in perpetuity; the income generated from such endowments is used to fund
programs. In addition to financial assets available to meet general expenditures over the
next 12 months, the Museum operates with a balanced budget and anticipates collecting
sufficient revenue to cover budgeted expenditures.

As part of the Museum’s liquidity management plan, the Museum invests cash in excess of
daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus for capital
improvements and other future projects, which was $2,073,858 at December 31, 2018. This
fund can be drawn upon in the event of financial distress or an immediate liquidity need
resulting from events outside of the typical life cycle of converting financial assets to cash
or settling financial liabilities. In the event of an unanticipated liquidity need, the Museum
could also draw upon the $400,000 available line of credit (as further discussed in Note 7).

(4) Land, Building and Equipment

Land, building and equipment consists of the following as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, building and improvements</td>
<td>$5,237,835</td>
<td>$5,212,155</td>
</tr>
<tr>
<td>Parking lot /Stormwater</td>
<td>1,686,577</td>
<td>1,673,351</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>72,380</td>
<td>72,380</td>
</tr>
<tr>
<td>Equipment</td>
<td>133,910</td>
<td>105,564</td>
</tr>
<tr>
<td>Vehicle</td>
<td>18,944</td>
<td>18,944</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,149,646</td>
<td>7,082,394</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,752,558)</td>
<td>(2,518,840)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,397,088</td>
<td>$4,563,554</td>
</tr>
</tbody>
</table>
(5) Fair Value Measurements

The following is a summary of assets measured at fair value on a recurring basis and the valuation inputs used to value them at December 31:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$1,896,862</td>
<td>$</td>
<td>$1,896,862</td>
<td>$</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>1,284,625</td>
<td>1,284,625</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>2,292,084</td>
<td>2,292,084</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International</td>
<td>1,711,554</td>
<td>1,711,554</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Commodities ETFs</td>
<td>173,822</td>
<td>173,822</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real estate ETFs</td>
<td>293,991</td>
<td>293,991</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perpetual trust</td>
<td>2,585,984</td>
<td>-</td>
<td>-</td>
<td>2,585,984</td>
</tr>
<tr>
<td><strong>Total assets at fair value</strong></td>
<td>$10,238,922</td>
<td>$5,756,076</td>
<td>$1,896,862</td>
<td>$2,585,984</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$1,927,268</td>
<td>$</td>
<td>$1,927,268</td>
<td>$</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>1,506,011</td>
<td>1,506,011</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>2,533,086</td>
<td>2,533,086</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International</td>
<td>1,865,191</td>
<td>1,865,191</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Commodities ETFs</td>
<td>198,421</td>
<td>198,421</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real estate ETFs</td>
<td>262,997</td>
<td>262,997</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perpetual trust</td>
<td>2,928,174</td>
<td>-</td>
<td>-</td>
<td>2,928,174</td>
</tr>
<tr>
<td><strong>Total assets at fair value</strong></td>
<td>$11,221,148</td>
<td>$6,365,706</td>
<td>$1,927,268</td>
<td>$2,928,174</td>
</tr>
</tbody>
</table>

The Museum's investments in commodities ETFs and real estate ETFs are valued at the closing price reported on the active market in which the investments are traded.

The Museum's mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Museum are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Museum are deemed to be actively traded.

The Museum invests in certificate of deposits (CDs), which are traded in the financial markets. Those CDs are valued by the custodians of the securities using price models based on credit quality, time to maturity, stated interest rates, and market assumptions, and are classified within Level 2.
WOODMERE ART MUSEUM, INC.

Notes to Financial Statements
December 31, 2018 and 2017

(5) Fair Value Measurements, Continued

The fair value of the beneficial interest in perpetual trust is based on the fair value of the assets held by the trust.

A summary of changes in the fair value of the Museum's level 3 assets is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$2,928,174</td>
<td>$2,690,396</td>
</tr>
<tr>
<td>Distributions</td>
<td>(114,144)</td>
<td>(112,434)</td>
</tr>
<tr>
<td>Change in fair value of perpetual trust</td>
<td>(228,046)</td>
<td>350,212</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$2,585,984</td>
<td>$2,928,174</td>
</tr>
</tbody>
</table>

(6) Beneficial Interest in Perpetual Trust

Woodmere is the beneficiary under a trust administered by Wells Fargo Bank. The bank is to invest and manage the trust assets in perpetuity. The Museum is the sole beneficiary of the trust, and each year will receive a bank approved percentage (currently 4.0%) of the total trust assets held in perpetuity. The Museum has recorded the interest in the trust at fair value as a net asset with donor restrictions. Fair value is determined based on the underlying assets of the trust. Changes in the fair value of the assets and related investment income are recognized as an increase (decrease) in fair value of perpetual trust in the accompanying statements of activities.

(7) Lines of Credit

The Museum has a $400,000 bank line of credit. Interest on outstanding borrowings is payable monthly at an annual rate of 5.5%. Borrowings are collateralized by a deposit account at the bank for $400,000. The outstanding borrowings under the line of credit are $255,150 and $280,350 at December 31, 2018 and 2017, respectively. The line of credit expires on August 31, 2019.
(8) Long-term Debt

The Museum has a $730,000 mortgage, with a balance of $522,142 and $552,411 at December 31, 2018 and 2017, respectively, due in equal monthly principal installments of $2,522, plus interest with a balloon payment due on March 29, 2021. Interest on the note is at a fixed rate of 2.7%. The note is collateralized by a deposit account at the bank that approximates the outstanding balance. Management expects to apply future funding from the Museum's capital campaign to repay the principal balance.

Aggregate future maturities of long-term debt are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 30,264</td>
</tr>
<tr>
<td>2020</td>
<td>30,264</td>
</tr>
<tr>
<td>2021</td>
<td>461,614</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 522,142</strong></td>
</tr>
</tbody>
</table>

(9) Board Designated Assets

Board designated net assets are designated for the following purposes at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of art for permanent collection</td>
<td>$ 334,736</td>
<td>$ 635,287</td>
</tr>
<tr>
<td>Building improvements and operations</td>
<td>3,004,963</td>
<td>3,296,006</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 3,339,699</strong></td>
<td><strong>$ 3,931,293</strong></td>
</tr>
</tbody>
</table>
WOODMERE ART MUSEUM, INC.

Notes to Financial Statements
December 31, 2018 and 2017

(10) Net Assets with Donor Restrictions

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

<table>
<thead>
<tr>
<th>Subject to expenditure for specified purposes:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art acquisitions</td>
<td>$3,308</td>
<td>$10,658</td>
</tr>
<tr>
<td>Juried prizes</td>
<td>6,244</td>
<td>10,685</td>
</tr>
<tr>
<td>Art scholarships</td>
<td>3,600</td>
<td>8,157</td>
</tr>
<tr>
<td>Speakers</td>
<td>-</td>
<td>1,614</td>
</tr>
<tr>
<td>Education</td>
<td>109,203</td>
<td>4,736</td>
</tr>
<tr>
<td>Exhibits</td>
<td>138,670</td>
<td>18,670</td>
</tr>
<tr>
<td>Collections</td>
<td>44,805</td>
<td>-</td>
</tr>
<tr>
<td>Film series</td>
<td>6,262</td>
<td>6,794</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>312,092</strong></td>
<td><strong>61,314</strong></td>
</tr>
</tbody>
</table>

| Subject to the passage of time:               |       |       |
| Subsequent year operations                    | 400,000| 181,966|

Endowments:

<table>
<thead>
<tr>
<th>Subject to Museum's endowment spending policy and appropriation:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various department salaries</td>
<td>3,021,637</td>
<td>3,414,384</td>
</tr>
<tr>
<td>Scholarships</td>
<td>66,043</td>
<td>69,641</td>
</tr>
<tr>
<td>Juried prizes</td>
<td>60,605</td>
<td>60,605</td>
</tr>
<tr>
<td>Archives</td>
<td>212,821</td>
<td>240,666</td>
</tr>
<tr>
<td>Art conservation</td>
<td>115,131</td>
<td>123,964</td>
</tr>
<tr>
<td>Education</td>
<td>216,250</td>
<td>201,939</td>
</tr>
<tr>
<td>Other programs</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,762,487</strong></td>
<td><strong>4,181,199</strong></td>
</tr>
</tbody>
</table>

Not subject to spending policy or appropriation:

| Beneficial interest in a perpetual trust                    | 2,585,984       | 2,928,174       |

Total net assets with donor restrictions                     | $7,060,563      | $7,352,653      |
(11) Endowment

The Museum accounts for its endowment established by donors and its board designated funds in accordance with FASB Staff Position 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds* now incorporated in FASB ASC 958-205. The Commonwealth of Pennsylvania has not yet adopted the provisions of the UPMIFA, but the Museum is required by FASB ASC 958-205 to disclose certain matters associated with its endowment funds. Endowment funds subject to FASB ASC 958-205 include net assets with donor restrictions, with the exception of the beneficial interest in perpetual trust, and the income generated by certain net assets subject to donor restrictions and board designated net assets. Management of the Museum does not consider any other fund to be subject to FASB ASC 958-205.

The Museum used a 5.0% spending rate in 2018 and 2017, to determine the amount of donor-restricted endowment earnings to be allocated to operations, from internally managed endowments. The spending rate, which is subject to review by the Museum’s Board of Directors, is applied to a moving average of annual donor-restricted endowment levels over the period of three years. In addition, all distributions from outside trusts are credited to operations.

The use of income from certain donor restricted endowment funds is subject to donor-imposed restrictions. Dividends, interest, and net realized gains on these assets, net of withdrawn funds for unrestricted purposes, are recorded as increases in net assets without donor restrictions.

The following tables summarize the changes in endowment net assets for the years ended December 31:

<table>
<thead>
<tr>
<th>2018</th>
<th>Board Designated</th>
<th>With Donor Restrictions</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$3,931,293</td>
<td>$4,236,061</td>
<td>$8,167,354</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>41,750</td>
<td>41,750</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>(170,130)</td>
<td>(287,415)</td>
<td>(457,545)</td>
</tr>
<tr>
<td>Appropriations for expenditure</td>
<td>(182,964)</td>
<td>-</td>
<td>(182,964)</td>
</tr>
<tr>
<td>Appropriations for art acquisition and conservation</td>
<td>(238,500)</td>
<td>(191,964)</td>
<td>(430,464)</td>
</tr>
<tr>
<td>End of year</td>
<td>$3,339,699</td>
<td>$3,798,432</td>
<td>$7,138,131</td>
</tr>
</tbody>
</table>

Continued...
WOODMERE ART MUSEUM, INC.

Notes to Financial Statements
December 31, 2018 and 2017

(11) Endowment, Continued

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Board</td>
</tr>
<tr>
<td></td>
<td>Designated</td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$ 2,890,344</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,180,852</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>259,082</td>
</tr>
<tr>
<td>Appropriations for expenditure</td>
<td>(252,623)</td>
</tr>
<tr>
<td>Appropriations for art acquisition</td>
<td></td>
</tr>
<tr>
<td>and conservation</td>
<td>(146,362)</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 3,931,293</td>
</tr>
</tbody>
</table>

(12) Related Parties

The Museum's Board of Directors includes volunteers from the business community who provide assistance to the Museum. During the years ended December 31, 2018 and 2017, the Museum contracted to receive services from a company at which a Board member is employed.

There have been no excess benefits to Board members or management as a result of these relationships; the services were consummated on competitive business terms.