

Treasurer's Report 2022

The Society's annual meeting takes place in January. Our fiscal (budget) and tax years run from July through June. This report—prepared for the annual meeting—covers the past calendar year which spans the second half of fiscal year 2022 and the first half of 2023. Because we are using a different reporting period, this report doesn't match our tax year filings to the federal and state governments.

The treasurer's presentation at the annual meeting is boiled down into the four charts shown on the next page. The charts are condensed from standard accounting reports for nonprofits which are on the following pages. The charts are intended to answer general questions such as, "Is the Society solvent?" and "How much money came in and went out?" without overwhelming the membership with details.

The charts distort the financial picture for the Society. The town's property revaluation increased the value of Land and Buildings by \$184,800 from \$265,100 to \$449,900. A bequest for \$8,391 was transferred to the Society's account with the Maine Community Foundation to replenish our endowment. The Society received an educational grant of \$5,000 to fund a scholarship at Falmouth High School. These are large sums for a small non-profit whose operating budget (less \$3,000 for the scholarship) was \$9,900.

To obtain clearer view of the Society's financial picture, we track unrestricted net current assets which reflect a net loss of \$412 during 2022. The Society's performance against budget shows an overage of \$908 during 2022. The Society's activity statement reports that expenses exceeded revenue by \$2,022. The Society's liquidity has been reduced by a \$1,689 investment in new merchandise.

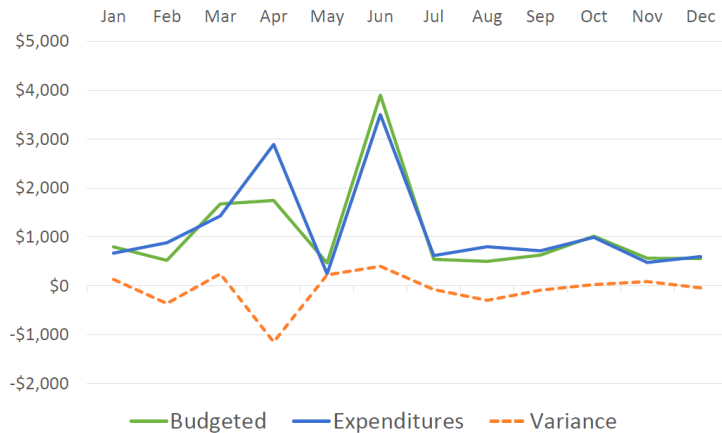
A close examination of the financial reports reveals that the Society is solvent, but it skates along the line between being in the black or the red. At present, donations are \$1,200 below projections and expenses are \$800 above. We're in the red.

Questions about the treasurer's report should be sent to info@thefhs.org.

Falmouth Historical Society — Financial Summary at a Glance

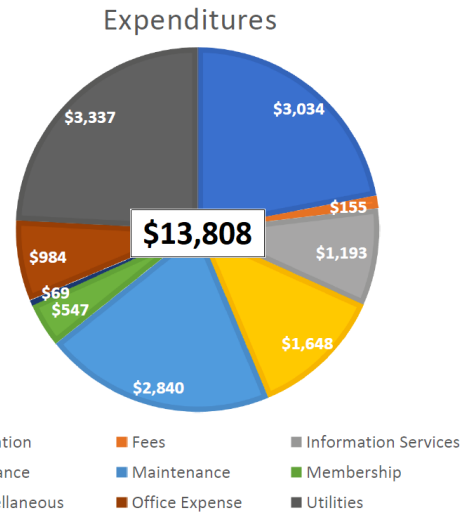
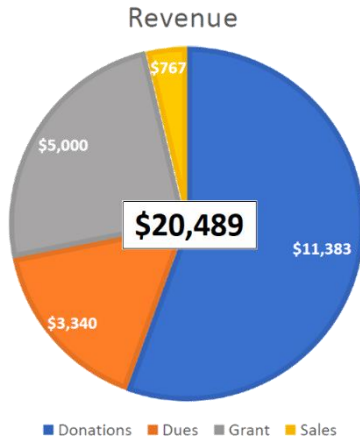
FINANCIAL POSITION	
December 31, 2022	
Assets	
Operating Accounts	8,819
Inventory	4,744
Land and Buildings	449,900
Fire Truck	35,000
Investments	21,538
Total Assets	520,001
Liabilities	
Accounts Payable	518
Sales Tax Payable	68
Total Liabilities	586
Net Assets	
Net Assets Beginning of Year	330,949
Change in Net Assets	188,466
Total Liabilities and Net Assets	520,001

2022 Performance Against Budget



Change in Net Assets is distorted by a bequest, property revaluation, and a pass-through educational grant

Maintenance expenses exceeded budget by \$1,228 due to a catastrophic failure of the sump pump in April



- **Donations included an \$8,391 bequest**
- **Total does not include subtractions shown on Statement of Activity (transfer of bequest to endowment, minor fees, discounts) which reduced total revenue to \$12,666**
- **Grant (\$5,000) is restricted for scholarship**

Education expenses included a \$3,000 grant-funded scholarship

Kindly refer to the following pages for the complete picture of the Society's finances.

STATEMENT OF FINANCIAL POSITION AS OF 31 DEC 2022

Assets	Without Donor Restrictions	With Donor Restrictions	Total
Checking	2,022		2,022
Savings	1,641	5,000	6,641
Inventory	4,744		4,744
Petty Cash	156		156
Undeposited Funds	0		0
Accounts Receivable	0		0
Total Current Assets	8,563	5,000	13,563
Land and Buildings	449,900		449,900
Fire Truck	35,000		35,000
Investments	21,538		21,538
Total Long-Term Assets	506,438		506,438
Total Assets	515,001	5,000	520,001
Liabilities			
Accounts Payable	518		518
Maine Revenue Service Payable	68		68
Total Current Liabilities	586		586
Total Liabilities	586		586
Net Assets			
Net Assets Beginning of Year	327,949	3,000	330,949
Change in Net Assets	186,465	2,000	188,465
Current Net Assets	514,414	5,000	519,414
Total Liabilities and Net Assets	515,001	5,000	520,001
Change in Net Current Assets	-412	2,500	2,088

1. Period is calendar year for annual report; fiscal/tax year is Jul-Jun.

2. Form 990 would include a net accrual adjustment to current unrestricted assets.

ACCOUNT BALANCES AS OF 31 DEC 2022

Checking—Society	Checking—Internet	Savings—Museum
\$1,795.92	\$176.15	\$6,640.97
		Maine Community Foundation—The FHS Fund
		\$21,537.62
		PayPal
		\$50.07
		Venmo
		\$0.25

Accounts receivable = **\$0.00**

Accounts payable = **\$518.10**

Sales tax payable = **\$68.37**

LIQUIDITY AS OF 31 DEC 2022

Operating Accounts Balance	\$8,663
Plus Accounts Receivable	\$0
Less Accounts Payable + Sales Tax	\$586
Less Remaining Budgeted Expenses	\$6,190
Less Grant Restrictions	\$5,000
Plus Estimated Revenue from Dues/Donations	\$3,240
Projected Fiscal Year-End Balance	\$127

Days Cash on Hand	196
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The liquidity report projects the balance in the Society’s operating (cash) accounts at the end of the fiscal year as well as how long that balance would carry over into the next fiscal year. Liquidity gives the Board of Directors an assessment of the Society’s solvency.

STATEMENT OF ACTIVITY FOR 2022

	JAN 2022	FEB 2022	MAR 2022	APR 2022	MAY 2022	JUN 2022	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	TOTAL
Revenue													
Discounts given		-7.59			-1.89	-1.89	-5.69	-11.30	-7.61	-8.45	-1.90	-26.55	\$ -72.87
Donations	135.00	122.60	75.20	225.00	250.00	428.49	8,555.91	61.00	234.20	230.99	250.00	814.18	\$11,382.57
Dues	310.00	190.00	460.00	30.00	200.00	240.00	190.00	100.00	100.00	850.00	540.00	130.00	\$3,340.00
Grant			2,500.00								2,500.00		\$5,000.00
Investments	0.26	0.23	0.29	0.25	0.22	0.14	-8,391.29	0.14	0.12	0.12	0.13	0.17	\$ -8,389.22
Sales		39.81			53.07	81.51	60.66	63.51	140.30	192.68	6.63		\$638.17
Sales of Product Revenue		66.36					23.70	23.70	163.05	109.01	164.93	216.12	\$766.87
Total Revenue	\$445.26	\$411.41	\$3,035.49	\$255.25	\$501.40	\$748.25	\$433.29	\$237.05	\$630.06	\$1,374.35	\$3,459.79	\$1,133.92	\$12,665.52
Cost of Goods Sold													
Cost of Goods Sold		76.86			44.80	68.80	65.97	41.97	189.66	144.43	76.29	184.92	\$893.70
Inventory Shrinkage								-14.40					\$ -14.40
Total Cost of Goods Sold	\$0.00	\$76.86	\$0.00	\$0.00	\$44.80	\$68.80	\$65.97	\$27.57	\$189.66	\$144.43	\$76.29	\$184.92	\$879.30
GROSS PROFIT	\$445.26	\$334.55	\$3,035.49	\$255.25	\$456.60	\$679.45	\$367.32	\$209.48	\$440.40	\$1,229.92	\$3,383.50	\$949.00	\$11,786.22
Expenditures													
Education						3,000.00			34.20				\$3,034.20
Fees		35.00	0.32					99.90			20.00		\$155.22
Information Services		165.36	1,028.00										\$1,193.36
Insurance				1,423.00								225.00	\$1,648.00
Maintenance				1,230.10		162.00		332.62	429.92	685.56			\$2,840.20
Membership	95.00	195.00				40.00					217.00		\$547.00
Misc	6.43	2.63	6.55	3.94	1.15	8.14	10.73	3.25	2.48	5.80	2.70	14.71	\$68.51
Office Expense	235.00	122.00				66.49	374.58	116.34		70.00			\$984.41
Utilities	330.07	360.49	394.98	236.47	241.14	225.28	231.89	246.43	248.14	228.33	236.12	358.10	\$3,337.44
Total Expenditures	\$666.50	\$880.48	\$1,429.85	\$2,893.51	\$242.29	\$3,501.91	\$617.20	\$798.54	\$714.74	\$989.69	\$475.82	\$597.81	\$13,808.34
NET OPERATING REVENUE	\$ -221.24	\$ -545.93	\$1,605.64	\$ -2,638.26	\$214.31	\$ -2,822.46	\$ -249.88	\$ -589.06	\$ -274.34	\$240.23	\$2,907.68	\$351.19	\$ -2,022.12

BUDGET VS. EXPENSE FOR 2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Variance
Education						3,000			34				3,034	3,000	34
Fees		35						100			20		155	155	0
Information Services		165	1,028										1,193	1,193	0
Insurance				1,423								225	1,648	1,850	202
Maintenance				1,230		162		333	430	686			2,840	1,612	1,228
Membership	95	195				40					217		547	308	239
Miscellaneous	6	3	7	4	1	8	11	3	2	6	3	15	69	60	9
Office Expense	235	122				66	375	116		70			984	966	18
Utilities	330	360	395	236	241	225	232	246	248	228	236	358	3,337	3,082	255
Total Actual	667	880	1,430	2,894	242	3,502	617	799	715	990	476	598	13,808	12,900	908
Total Budget	795	519	1,673	1,745	465	3,900	540	500	627	1,016	563	557	12,900		
Variance	129	361	243	1,149	223	398	77	299	88	26	87	41	908		

Budget is the approved budget for the second half of fiscal year 2021 and the first half of fiscal year 2022 plus \$674 in “directed donations” (donated reimbursable expenses or in-kind donations).

Expenses for 2022 were \$908 above the approved budget. The overage was due to \$1,228 in unplanned maintenance expenses arising from the catastrophic failure of the sump pump in April. Slightly higher-than-expected utility costs were offset by having a \$225 insurance bill budgeted for January 2022 actually incurred in December 2021 (which was within the same fiscal year).

NEW MERCHANDISE INVESTMENT AS OF 31 DEC 2022

<i>As of December 31, 2022</i>	<i>Beanies</i>	<i>Totes</i>	<i>Savory</i>	<i>Sweet</i>	<i>Total</i>
New Inventory	35	35	7	7	
Transfer of Cash to Inventory	\$480.03	\$516.95	\$152.32	\$171.29	\$1,320.59
Expense from Inventory					
Cost of Goods Sold	\$137.18	\$192.01	\$87.04	\$97.88	\$514.11
Income to Cash					
Margin on Goods Sold	\$52.42	\$112.29	\$15.32	\$15.88	\$195.91
Donation	\$75.00	\$75.00			\$150.00
Net					
Cash Tied Up in Inventory	\$290.43	\$212.65	\$49.96	\$57.53	\$610.57
Profit					\$0.00
Remaining Inventory	25	22	3	3	

Standard accounting considers the cost of goods fully paid off when the last item is sold. This cost recovery chart shows when COGS + margin crosses the breakeven point.

MANUFACTURING INVESTMENT AS OF 31 DEC 2022

<i>As of December 31, 2022</i>	<i>Total Purchased</i>	<i>Current Material</i>	<i>Total Requisitioned</i>	<i>Current Finished Goods</i>	<i>Wastage</i>	<i>Total Delivered</i>	<i>Total Current + Delivered</i>	<i>Remaining Volumes</i>
Paper stock (sheets)	8,750	6,875	1,750	375	135	1,365	8,615	74
Binders	47	0	47	33		14	47	33
Insert stock	100	0	100	70		30	100	22
Divider stock	250	50	200	158		42	250	69
Ink	0	0	0	2		14	16	
Total cost	\$1,368.53	\$631.00	\$737.53	\$447.30 ¹		\$323.61	\$1,367.82	
Less unbilled ink/toner expense				\$413.21 ²				
Cash Tied Up in Manufacturing	\$1,078.30							

¹ Value based on physical inventory of material

² Value in ledgers (due to unbilled ink/toner)

The Society has invested \$2,365 in new merchandise since December 2021. A year later, it has recouped \$677 of that investment. These charts give the Board of Directors an assessment of the Society's progress in recovering the cost of new merchandise.

SALES ACTIVITY FOR 2022

	TOTAL						
	QUANTITY	AMOUNT	% OF SALES	AVG PRICE	COGS	GROSS MARGIN	GROSS MARGIN %
Books							
Betsy	2.00	28.44	2.16 %	14.22	22.40	6.04	21.24 %
Connecting Maine	2.00	47.40	3.60 %	23.70	40.00	7.40	15.61 %
Falmouth Cookbook V1 (Savory)	4.00	102.36	7.78 %	25.59	87.04	15.32	14.97 %
Falmouth Cookbook V2 (Sweet)	4.00	113.76	8.65 %	28.44	97.88	15.88	13.96 %
Falmouth Images	8.00	166.80	12.68 %	20.85	140.80	26.00	15.59 %
Falmouth Images [2F]	5.00	104.25	7.92 %	20.85	0.00	0.00	
Lavinia's Shoes	1.00	14.22	1.08 %	14.22	11.20	3.02	21.24 %
Mainers West	4.00	75.84	5.76 %	18.96	48.00	27.84	36.71 %
Miss Apple	3.00	41.71	3.17 %	13.9033333	33.60	8.11	19.44 %
Wallace History	10.00	94.80	7.21 %	9.48	80.00	14.80	15.61 %
Total Books		789.58	60.01 %		560.92		
Clothing							
Falmouth Fleece-lined Beanie	6.00	113.76	8.65 %	18.96	82.31	31.45	27.65 %
Hats-Red	1.00	11.37	0.86 %	11.37	9.60	1.77	15.57 %
T-shirts-Red (M)	1.00	11.37	0.86 %	11.37	9.60	1.77	15.57 %
Total Clothing		136.50	10.37 %		101.51		
Magnets							
Town Hall Magnet	2.00	5.68	0.43 %	2.84	4.80	0.88	15.49 %
Total Magnets		5.68	0.43 %		4.80		
Maps							
1871 Map	2.00	13.28	1.01 %	6.64	11.20	2.08	15.66 %
Total Maps		13.28	1.01 %		11.20		
Other							
Other Merchandise (Uninventoried)	1.00	18.96	1.44 %	18.96			
Plaque	3.00	12.32	0.94 %	4.1066667	9.60	2.72	22.08 %
Uninventoried Merchandise	1.00	39.81	3.03 %	39.81	7.20	32.61	81.91 %
Total Other		71.09	5.40 %		16.80		
Throw/Coverlets							
Traditional Throw-Black	1.00	42.65	3.24 %	42.65	36.00	6.65	15.59 %
Total Throw/Coverlets		42.65	3.24 %		36.00		
Totes							
Falmouth Jute Rope Tote	11.00	256.90	19.53 %	23.3545455	162.47	94.43	36.76 %
Total Totes		256.90	19.53 %		162.47		
TOTAL		\$1,315.68	100.00 %		\$893.70		

Report does not include \$89.36 received in royalties from Falmouth Images book.

Uninventoried merchandise are items such as note cards which have not been added to the service catalog.