



**FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**MANOMET, INC.**

Contents  
September 30, 2024 and 2023

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## Independent Auditor's Report

To the Board of Trustees of  
Manomet, Inc.:

### **Opinion**

We have audited the financial statements of Manomet, Inc. (a Massachusetts nonprofit corporation) (Manomet), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manomet, Inc. as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Manomet and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Manomet's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Manomet'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.

*AAFCPAs, Inc.*

Westborough, Massachusetts  
March 28, 2025

**MANOMET, INC.**Statements of Financial Position  
September 30, 2024 and 2023

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Current Assets:		
Cash	\$ 1,653,091	\$ 661,532
Current portion of grants and pledges receivable	1,544,137	2,258,017
Prepaid expenses and other	288,926	104,580
Property held for sale	-	24,474
Total current assets	3,486,154	3,048,603
Grants and Pledges Receivable, net	-	95,927
Investments	29,073,837	23,454,535
Property and Equipment, net	1,232,982	1,350,888
Construction in Process	258,466	-
Total assets	<u>\$ 34,051,439</u>	<u>\$ 27,949,953</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 744,362	\$ 378,169
Conditional grant advances	29,656	41,913
Total current liabilities	774,018	420,082
Net Assets:		
Without donor restrictions	6,384,010	5,083,902
With donor restrictions	26,893,411	22,445,969
Total net assets	33,277,421	27,529,871
Total liabilities and net assets	<u>\$ 34,051,439</u>	<u>\$ 27,949,953</u>

**MANOMET, INC.**Statements of Activities and Changes in Net Assets  
For the Years Ended September 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support:</b>						
Grants and contributions	\$ 3,282,464	\$ 3,049,341	\$ 6,331,805	\$ 2,863,109	\$ 2,101,541	\$ 4,964,650
Investment return designated for current operations	1,191,997	-	1,191,997	1,388,572	-	1,388,572
Gain on sale of property	1,175,526	-	1,175,526	-	-	-
Interest and other income	125,767	-	125,767	67,636	-	67,636
Net assets released from restrictions	2,567,177	(2,567,177)	-	2,225,230	(2,225,230)	-
Total operating revenue and support	<u>8,342,931</u>	<u>482,164</u>	<u>8,825,095</u>	<u>6,544,547</u>	<u>(123,689)</u>	<u>6,420,858</u>
<b>Operating Expenses:</b>						
Program services	6,163,680	-	6,163,680	5,383,109	-	5,383,109
General and administrative	1,276,023	-	1,276,023	1,171,119	-	1,171,119
Fundraising	313,710	-	313,710	268,253	-	268,253
Total operating expenses	<u>7,753,413</u>	<u>-</u>	<u>7,753,413</u>	<u>6,822,481</u>	<u>-</u>	<u>6,822,481</u>
Changes in net assets from operations	<u>589,518</u>	<u>482,164</u>	<u>1,071,682</u>	<u>(277,934)</u>	<u>(123,689)</u>	<u>(401,623)</u>
<b>Non-Operating Activities:</b>						
Investment return, net	871,190	4,981,675	5,852,865	351,338	2,457,098	2,808,436
Endowment contributions	-	15,000	15,000	-	120,000	120,000
Capital grants	-	-	-	119,089	-	119,089
Investment return designated for current operations	(160,600)	(1,031,397)	(1,191,997)	(187,041)	(1,201,531)	(1,388,572)
Total non-operating activities	<u>710,590</u>	<u>3,965,278</u>	<u>4,675,868</u>	<u>283,386</u>	<u>1,375,567</u>	<u>1,658,953</u>
Changes in net assets	<u>1,300,108</u>	<u>4,447,442</u>	<u>5,747,550</u>	<u>5,452</u>	<u>1,251,878</u>	<u>1,257,330</u>
<b>Net Assets:</b>						
Beginning of year	<u>5,083,902</u>	<u>22,445,969</u>	<u>27,529,871</u>	<u>5,078,450</u>	<u>21,194,091</u>	<u>26,272,541</u>
End of year	<u>\$ 6,384,010</u>	<u>\$ 26,893,411</u>	<u>\$ 33,277,421</u>	<u>\$ 5,083,902</u>	<u>\$ 22,445,969</u>	<u>\$ 27,529,871</u>

The accompanying notes are an integral part of these statements.

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**MANOMET, INC.**

## Statements of Cash Flows

For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 5,747,550	\$ 1,257,330
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	147,906	125,157
Bad debt	95,992	4,400
Gain on sale of property	(1,175,526)	-
Change in discount on pledges receivable	(29,073)	5,441
Endowment contributions	(15,000)	(120,000)
Capital grants	-	(119,089)
Investment return, net	(5,852,865)	(2,808,436)
Changes in operating assets and liabilities:		
Grants and pledges receivable	742,888	(577,211)
Prepaid expenses and other	(184,346)	(25,786)
Accounts payable and accrued expenses	366,193	94,573
Conditional grant advances	(12,257)	(124,045)
Net cash used in operating activities	<u>(168,538)</u>	<u>(2,287,666)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sale of investments	4,848,353	2,765,018
Proceeds from sale of property	1,200,000	-
Purchase of property and equipment	(30,000)	(275,510)
Cash paid for construction in process	(258,466)	-
Purchase of investments	<u>(4,614,790)</u>	<u>(1,612,844)</u>
Net cash provided by investing activities	<u>1,145,097</u>	<u>876,664</u>
<b>Cash Flows from Financing Activities:</b>		
Endowment contributions	15,000	120,000
Capital grants	<u>-</u>	<u>119,089</u>
Net cash provided by financing activities	<u>15,000</u>	<u>239,089</u>
<b>Net Change in Cash</b>	991,559	(1,171,913)
<b>Cash:</b>		
Beginning of year	<u>661,532</u>	<u>1,833,445</u>
End of year	<u><u>\$ 1,653,091</u></u>	<u><u>\$ 661,532</u></u>

The accompanying notes are an integral part of these statements.

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**MANOMET, INC.**

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

	2024				2023			
	Program Services	General and Adminis- trative	Fundraising	Total	Program Services	General and Adminis- trative	Fundraising	Total
<b>Expenses:</b>								
Personnel and related:								
Salaries	\$ 2,498,013	\$ 509,969	\$ 246,118	\$ 3,254,100	\$ 2,293,330	\$ 437,600	\$ 202,189	\$ 2,933,119
Payroll taxes and fringe benefits	593,046	124,852	62,426	780,324	555,003	105,902	48,931	709,836
Total personnel and related	3,091,059	634,821	308,544	4,034,424	2,848,333	543,502	251,120	3,642,955
Other expenses:								
Professional fees and development	2,190,181	245,430	-	2,435,611	1,807,748	213,738	17,133	2,038,619
Travel	583,520	1,099	1,350	585,969	481,949	1,099	-	483,048
Office and other supplies	107,292	209,704	3,816	320,812	130,112	221,542	-	351,654
Depreciation	54,725	93,181	-	147,906	46,308	78,849	-	125,157
Bad debt	95,992	-	-	95,992	4,400	-	-	4,400
Equipment	20,499	34,904	-	55,403	30,790	34,803	-	65,593
Bank charges and fees	-	29,616	-	29,616	-	34,488	-	34,488
Insurance	7,362	12,536	-	19,898	23,321	39,708	-	63,029
Advertising	-	14,732	-	14,732	-	3,390	-	3,390
Miscellaneous	8,117	-	-	8,117	10,148	-	-	10,148
Facility and related expense	4,055	-	-	4,055	-	-	-	-
Interest expense	878	-	-	878	-	-	-	-
Total other expenses	3,072,621	641,202	5,166	3,718,989	2,534,776	627,617	17,133	3,179,526
Total expenses	<u>\$ 6,163,680</u>	<u>\$ 1,276,023</u>	<u>\$ 313,710</u>	<u>\$ 7,753,413</u>	<u>\$ 5,383,109</u>	<u>\$ 1,171,119</u>	<u>\$ 268,253</u>	<u>\$ 6,822,481</u>



**1. OPERATIONS AND NONPROFIT STATUS**

**Operations**

Manomet, Inc. (Manomet) is a Massachusetts nonprofit organization founded more than fifty years ago as a bird banding lab. Today, as a science-driven conservation organization, Manomet has teams in North and South America focused on improving the health of flyways and ecosystems challenged by climate change and human activities. Manomet's goal is to lessen the decline of shorebirds, promote coastal resilience, and empower the next generation of conservationists. From the northern slope of Alaska to the southern tip of Argentina, Manomet's scientists and staff look for opportunities to make the world, from rivers to rice fields, wetlands to working waterfronts, a more resilient place. To maximize the impact of Manomet's work, Manomet collaborates to form vital partnerships with businesses, food producers, and educators across the Western Hemisphere.

**Nonprofit Status**

Manomet is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). Manomet is also exempt from state income taxes. Donors may deduct contributions made to Manomet within IRC requirements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Manomet prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

**Cash**

Cash consists of checking and savings accounts maintained at various financial institutions.

**Grants and Pledges Receivable and Allowance for Doubtful Accounts**

Grants and pledges are recorded at their net present value when unconditionally committed or at the invoiced contract amounts. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value, and those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included in revenue and support until the conditions are substantially met. An allowance for doubtful accounts, if any, is based on management's best estimate of amounts that may become uncollectible. There was no allowance at September 30, 2024 and 2023.

At September 30, 2024, all grants and pledges receivable are considered current and expected to be received in fiscal year 2025. At September 30, 2023, \$125,000 of grants and pledges receivable are due in 2025 and are shown as long-term assets in the accompanying statements of financial position. Grants and pledges receivable expected to be received after one year are discounted at a rate of 6.5% commensurate with the value Manomet earns on investments. At September 30, 2023, Manomet recognized a discount of \$29,073, on long-term pledges.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****Investments**

Investments are recorded in the financial statements at fair value. If an investment is directly held by Manomet and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Manomet's interests in private equity funds are generally reported at the net asset value (NAV) reported by fund managers, which is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. At September 30, 2024 and 2023, Manomet had no plans to sell investments at amounts different from NAV. A summary of inputs used in valuing Manomet's investments as of September 30, 2024 and 2023, is included in Note 4.

**Property and Equipment and Depreciation**

Property and equipment are recorded at cost, if purchased, or at estimated fair value, if donated. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 40 years
Furniture, fixtures and equipment	3 - 10 years
Software	3 - 5 years

From time-to-time Manomet has acquired building improvements and furniture, fixtures and equipment with funds received from the Commonwealth of Massachusetts who retains a reversionary interest in these assets.

Manomet accounts for the carrying value of its property and equipment in accordance with the requirements of ASC Topic 360, *Property, Plant and Equipment*. As of September 30, 2024 and 2023, Manomet has not recognized any reduction in the carrying value of its property and equipment in consideration of the requirement.

**Property Held for Sale**

Property held for sale is stated at the lower of carrying value or fair value. During fiscal year 2023, Manomet listed a building and lot of land located in Plymouth, Massachusetts (the Property) for sale. Accordingly, the Property was included in property held for sale at the carrying value of \$24,474 at September 30, 2023. During fiscal year 2024, the Property was sold for \$1,200,000 and Manomet recognized a gain on the sale of \$1,175,526, which is shown as gain on sale of property in the accompanying statement of activities and changes in net assets for the year ended September 30, 2024.

**Construction in Process**

Construction in process relates to projects not yet in service. These assets are not depreciated until they are placed in service. As of September 30, 2024, construction in process consists of predevelopment planning costs for a campus master plan (the Project) for their site in Plymouth, Massachusetts. The total budget and timeline for the Project is not yet known.

**MANOMET, INC.**

Notes to Financial Statements  
September 30, 2024 and 2023

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****Net Assets***Net Assets Without Donor Restrictions*

Net assets without donor restrictions represent resources which bear no external donor restrictions and are available to carry out Manomet's programs. Net assets without donor restrictions have been categorized as follows:

**Operating** - represents funds available to carry on the operations of Manomet and amounts invested in property and equipment. The balance of these net assets was \$1,580,510 and \$1,923,534 as of September 30, 2024 and 2023, respectively.

**Board designated endowment** - represents funds designated by the Board of Trustees to be used for the growth of programmatic activities. The balance of these net assets was \$3,775,429 and \$3,160,368 as of September 30, 2024 and 2023, respectively.

**Board designated reserve** - represents funds designated by the Board of Trustees to be used for the Project. The balance of these net assets was \$1,028,071 as of September 30, 2024. There was no balance in this reserve as of September 30, 2023.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions represent contributions received or pledged that have not yet been expended for their designated purpose or satisfied their time restriction and amounts received from donors with the stipulation that the principal will be held in perpetuity and only the investment income can be spent. In accordance with Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA), all earnings and appreciation of donor restricted endowments are restricted until released by the Board of Trustees.

Net assets with donor restrictions activity is as follows:

	<u>Balance at October 1, 2023</u>	<u>Investment Income and Grants</u>	<u>Released from Restrictions/ Designated for Operations</u>	<u>Balance at September 30, 2024</u>
Program restricted	\$ 2,144,373	\$ 3,049,341	\$ (2,317,177)	\$ 2,876,537
Time restricted	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Total program and time restricted	<u>2,394,373</u>	<u>3,049,341</u>	<u>(2,567,177)</u>	<u>2,876,537</u>
Endowment principal	16,214,234	15,000	-	16,229,234
Appreciation on endowment	<u>3,837,362</u>	<u>4,981,675</u>	<u>(1,031,397)</u>	<u>7,787,640</u>
Total restricted endowment	<u>20,051,596</u>	<u>4,996,675</u>	<u>(1,031,397)</u>	<u>24,016,874</u>
	<u>\$ 22,445,969</u>	<u>\$ 8,046,016</u>	<u>\$ (3,598,574)</u>	<u>\$ 26,893,411</u>

**MANOMET, INC.**

Notes to Financial Statements  
September 30, 2024 and 2023

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****Net Assets (Continued)***Net Assets With Donor Restrictions (Continued)*

	<b>Balance at October 1, 2022</b>	<b>Investment Income and Grants</b>	<b>Released from Restrictions/ Designated for Operations</b>	<b>Balance at September 30, 2023</b>
Program restricted	\$ 2,518,062	\$ 1,851,541	\$ (2,225,230)	\$ 2,144,373
Time restricted	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total program and time restricted	<u>2,518,062</u>	<u>2,101,541</u>	<u>(2,225,230)</u>	<u>2,394,373</u>
Endowment principal	16,094,234	120,000	-	16,214,234
Appreciation on endowment	<u>2,581,795</u>	<u>2,457,098</u>	<u>(1,201,531)</u>	<u>3,837,362</u>
Total restricted endowment	<u>18,676,029</u>	<u>2,577,098</u>	<u>(1,201,531)</u>	<u>20,051,596</u>
	<u>\$ 21,194,091</u>	<u>\$ 4,678,639</u>	<u>\$ (3,426,761)</u>	<u>\$ 22,445,969</u>

**Endowment Net Assets**

Manomet's endowment consists of approximately thirty individual funds established for a variety of purposes and includes donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowment. Bequests over \$50,000 are automatically added to Board designated funds functioning as endowment. A reconciliation of endowment activity, including funds functioning as endowment for September 30, 2024 and 2023, is as follows:

	<b>Board Designated</b>	<b>Donor Restricted</b>	<b>Total</b>
<b>Endowment net assets, September 30, 2022</b>	\$ 2,925,017	\$ 18,676,029	\$ 21,601,046
Grants and appropriations	71,054	120,000	191,054
Designated for operations	(187,041)	(1,201,531)	(1,388,572)
Investment return	<u>351,338</u>	<u>2,457,098</u>	<u>2,808,436</u>
<b>Endowment net assets, September 30, 2023</b>	3,160,368	20,051,596	23,211,964
Grants and appropriations	-	15,000	15,000
Designated for operations	(160,600)	(1,031,397)	(1,191,997)
Investment return	<u>775,661</u>	<u>4,981,675</u>	<u>5,757,336</u>
<b>Endowment net assets, September 30, 2024</b>	<u>\$ 3,775,429</u>	<u>\$ 24,016,874</u>	<u>\$ 27,792,303</u>

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds intended for perpetual duration may fall below the original gift value. The deficiencies result from unfavorable market conditions and continued appropriation for expenditure in accordance with donor intentions and the spending policies that were deemed prudent by the Board of Trustees and UPMIFA.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Endowment Net Assets (Continued)**

*Endowment Spending Policy*

UPMIFA allows appropriation of a donor-restricted endowment based on the prudent practices of the Board of Trustees. The Board of Trustees has voted to allow for the use of a portion of total investment return (see Note 4) for operations each year between 4% and 5% of the previous twelve quarter trailing investment average. Additional appropriations are allowed at the discretion of the Board of Trustees. Transfers to net assets without donor restrictions, in accordance with this policy, are reflected in the accompanying statements of activities and changes in net assets as investment return designated for current operations.

Manomet appropriated \$1,031,397 and \$1,201,531 of appreciation on the donor-restricted endowment net assets to be used for operations in accordance with its spending policy for the years ended September 30, 2024 and 2023, respectively.

*Investment Return Objectives and Risk Parameters*

The investment portfolio (see Note 4) is managed to provide for the long-term support of Manomet. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk.

**Fair Value Measurements**

Manomet follows the accounting and disclosure standards pertaining to ASC Topic 820, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that Manomet would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

Manomet uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of Manomet. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable, and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Estimates**

The preparation of financial statements in accordance with U.S. GAAP 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. Actual results could differ from those estimates.

**Revenue Recognition**

*Grants and Contributions*

In accordance with ASC 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, Manomet recognizes grants and contributions when unconditionally pledged or received. Manomet reports gifts of cash or other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Manomet also receives funding from various governmental agencies to assist with program expenses and operating costs. These grants and contracts have been expended in accordance with the respective terms contained in the agreements and are subject to possible final audit determination by certain governmental agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of Manomet as of September 30, 2024 and 2023, or on its changes in net assets for the years then ended.

In accordance with Topic 958, Manomet must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that Manomet should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 10 for disclosure of Manomet's conditional grants as of September 30, 2024 and 2023.

*Investment Return*

Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Realized gains and losses on investment transactions are recorded on the basis of specific shares' historical cost. Unrealized gains and losses are recognized based on market value changes during the period (see Note 4).

All other revenue is recorded when it is earned.

**Advertising**

Manomet expenses advertising costs as incurred.

## MANOMET, INC.

Notes to Financial Statements  
September 30, 2024 and 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

The financial statements contain certain categories of expenses that are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and insurance, which are allocated based on square-footage, and personnel and related costs, travel, and office and other supplies, which are allocated based on estimates of time and effort spent on each program or support function.

#### Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of operating programs are reported as operating revenue and support and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating activities include investment return and appropriation, endowment contributions, and capital grants.

#### Accounting for Uncertainty in Income Taxes

Manomet accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. Manomet has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at September 30, 2024 and 2023. Manomet's information and tax returns are subject to examination by the Federal and state jurisdictions.

#### Subsequent Events

Manomet has evaluated subsequent events through March 28, 2025, the date the financial statements were approved and authorized to be issued. See Note 11 for an event that met the criteria for disclosure in the accompanying financial statements.

### 3. PROPERTY AND EQUIPMENT

Property and equipment, excluding property held for sale, as of September 30, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 495,248	\$ 495,248
Buildings and improvements	2,534,862	2,504,862
Furniture, fixtures and equipment	588,311	588,311
Software	392,894	392,894
	<u>4,011,315</u>	<u>3,981,315</u>
Less - accumulated depreciation	<u>2,778,333</u>	<u>2,630,427</u>
	<u>\$ 1,232,982</u>	<u>\$ 1,350,888</u>

**MANOMET, INC.**

Notes to Financial Statements  
September 30, 2024 and 2023

**4. INVESTMENTS**

A description of the valuation methodologies used for assets measured at fair value is included in Note 2. The following table sets forth, by level within the fair value hierarchy, Manomet's investments at fair value as of September 30, 2024 and 2023:

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 12,541,767	\$ -	\$ -	\$ 12,541,767
Domestic equities	9,633,368	-	-	9,633,369
Government and corporate bonds	-	2,055,464	-	2,055,464
Cash and cash equivalents	1,671,982	-	-	1,671,982
International equities	61,906	-	-	61,906
	<u>\$ 23,909,023</u>	<u>\$ 2,055,464</u>	<u>\$ -</u>	25,964,487
Alternative investments*				<u>3,109,350</u>
Total investments				<u>\$ 29,073,837</u>

  

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 10,442,227	\$ 167,000	\$ -	\$ 10,609,227
Domestic equities	8,705,054	-	-	8,705,054
Government and corporate bonds	-	2,170,985	-	2,170,985
Cash and cash equivalents	268,307	-	-	268,307
International equities	174,684	-	-	174,684
	<u>\$ 19,590,272</u>	<u>\$ 2,337,985</u>	<u>\$ -</u>	21,928,257
Alternative investments*				<u>1,526,278</u>
Total investments				<u>\$ 23,454,535</u>

\* In accordance with ASC Topic, *Fair Value Measurements*, certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amount presented in the accompanying statements of financial position.

Alternative investments are in the form of partnerships and joint ventures for which there are no readily determinable market values. The value of the partnerships and joint ventures is held at the manager's reported NAV, unless information becomes available indicating the reported NAV may require adjustment. The methods used to assess the NAV reported by these fund managers vary by asset class. Manomet monitors the valuation methodologies and practices of these managers.

Investment return consists of the following for the years ended September 30:

	<b>2024</b>	<b>2023</b>
Unrealized gains	\$ 5,350,898	\$ 2,264,329
Interest and dividends	482,210	428,447
Net realized gains	156,898	246,816
Investment fees	<u>(137,141)</u>	<u>(131,156)</u>
	<u>\$ 5,852,865</u>	<u>\$ 2,808,436</u>



## MANOMET, INC.

Notes to Financial Statements  
September 30, 2024 and 2023

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### 4. INVESTMENTS (Continued)

Investments are reported as long-term in the accompanying statements of financial position based on management's intention to hold the assets for long-term purposes. Investments are not insured and are subject to ongoing market fluctuations.

Manomet engages four professional asset management firms to oversee its portfolio, and an independent advisor to assist the Investment Committee in making manager selection and asset allocation decisions.

### 5. RETIREMENT PLAN

Manomet has a qualified 403(b) defined contribution retirement plan (the Plan) for all eligible employees. Employee participants may elect to defer a portion of their compensation subject to Internal Revenue Service limitations. Manomet contributes between 4% and 6% of current year salary for eligible employees. Additional contributions to the Plan are at the discretion of the Board of Trustees but may not exceed the maximum amount permitted under the IRC. Manomet's contribution to the Plan was \$157,458 and \$151,440 for the years ended September 30, 2024 and 2023, respectively, and is included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

### 6. CONCENTRATION OF CREDIT RISK

Manomet maintains its cash accounts at various financial institutions which may, at times, exceed Federal Deposit Insurance Corporation insurance limits. Manomet has not experienced any losses in such accounts. Manomet has instituted a cash sweep product which spreads the cash on a daily basis across multiple banks to the maximum insured \$250,000. Manomet also maintains accounts at financial institutions which are insured 100% by the Depositors Insurance Fund. At September 30, 2024 and 2023, cash held at fully insured amounts total \$1,120,745 and \$431,297, respectively.

### 7. CONTINGENCIES

In the ordinary course of business, Manomet may be involved in various disputes. As matters arise, they are referred to Manomet's legal counsel and/or insurance carrier and Manomet takes action, as necessary. Manomet believes the outcomes of these disputes will not have a material adverse effect on their financial position.

### 8. LIQUIDITY

The following table reflects Manomet's financial assets as of September 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions. Amounts not available include net assets with purpose restrictions that are not associated with day-to-day operations and/or programs operated by Manomet.

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,653,091	\$ 661,532
Grants and pledges receivable	1,544,137	2,258,017
Expected designation of endowment for operations	<u>1,138,598</u>	<u>1,191,997</u>
	4,335,826	4,111,546
Less - assets with donor restrictions	<u>(2,876,537)</u>	<u>(2,394,373)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,459,289</u>	<u>\$ 1,717,173</u>

## **MANOMET, INC.**

Notes to Financial Statements  
September 30, 2024 and 2023

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### **8. LIQUIDITY (Continued)**

Manomet strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. If necessary, the Board designated portion of Manomet's endowment net assets could be used to meet cash needs above the approved endowment appropriation.

### **9. CONCENTRATIONS**

For the years ended September 30, 2024 and 2023, 9% and 11%, respectively, of grants and contributions (including capital grants and endowment contributions) and 11% and 26%, respectively, of grants and pledges receivable were from the National Fish and Wildlife Foundation. For the year ended September 30, 2024, 19% of grants and contributions were from a private donor. For the years ended September 30, 2024 and 2023, 13% and 11%, respectively, of grants and pledges receivable were due from one private donor.

### **10. CONDITIONAL GRANTS**

Manomet has been awarded multiple conditional commitments from various Federal and state agencies and private organizations, which contain funder-imposed conditions that must be complied with before Manomet can recognize them as revenue. Manomet recognizes related revenue from these conditional grants when funder-imposed conditions are substantially met (see Note 2). The funder-imposed conditions for these grants include the requirement that Manomet must also incur qualifying expenses. Manomet has commitments totaling \$3,143,382 and \$3,337,044, which are not yet included in the accompanying financial statements as of September 30, 2024 and 2023, respectively, as qualifying costs have not yet been incurred.

### **11. SUBSEQUENT EVENT**

Subsequent to September 30, 2024, Manomet entered into an agreement with the Wade Institute for Science Education, Inc. (a Massachusetts nonprofit corporation) (Wade Institute) to merge upon satisfaction of due diligence by Manomet and final board approval. The agreement will terminate on March 31, 2025, if no further action is taken.