



FINANCIAL STATEMENTS

June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United States Capitol Historical Society  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of United States Capitol Historical Society, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United States Capitol Historical Society as of June 30, 2025 and 2024, 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 United States Capitol Historical Society 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 United States Capitol Historical Society'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.

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 United States Capitol Historical Society'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 United States Capitol Historical Society'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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Alexandria, Virginia  
October 15, 2025

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash	\$ 1,410,729	\$ 1,056,535
Investments	2,331,807	2,115,425
Employee Retention Credit receivable	91,997	91,997
Accounts receivable, net	45,691	56,947
Unconditional promises to give	7,770	71,000
Inventory	257,039	367,158
Prepaid expenses and other assets	52,508	64,285
Finance lease right-of-use assets	6,647	12,196
Operating lease right-of-use asset	476,709	605,866
Property and equipment, net	158,067	128,836
<b>Total assets</b>	<u>\$ 4,838,964</u>	<u>\$ 4,570,245</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 100,686	\$ 86,700
Accrued payroll	49,892	53,831
Refundable advance	2,417	56,846
Financing lease liabilities	7,417	13,218
Operating lease liability	476,709	605,866
Economic Injury Disaster Loan	135,066	138,808
<b>Total liabilities</b>	772,187	955,269
<b>NET ASSETS</b>		
Without donor restrictions	3,113,582	3,031,930
With donor restrictions	953,195	583,046
<b>Total net assets</b>	<u>4,066,777</u>	<u>3,614,976</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,838,964</u>	<u>\$ 4,570,245</u>

See accompanying notes.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Sales of merchandise	\$ 1,124,761	\$ -	\$ 1,124,761	\$ 1,279,588	\$ -	\$ 1,279,588
Royalties	395	-	395	1,634	-	1,634
Other revenue	12,143	-	12,143	396	-	396
Contributions	1,058,415	999,344	2,057,759	889,314	530,150	1,419,464
In-kind contributions	57,133	-	57,133	-	-	-
Government grants	333,711	-	333,711	219,513	-	219,513
Investment return, net	221,035	-	221,035	210,019	-	210,019
<b>Total support and revenue</b>	<b>2,807,593</b>	<b>999,344</b>	<b>3,806,937</b>	<b>2,600,464</b>	<b>530,150</b>	<b>3,130,614</b>
<b>EXPENSES AND LOSSES</b>						
Program Services						
Educational Events and Publications	1,556,304	-	1,556,304	1,489,753	-	1,489,753
Retail Operations	945,425	-	945,425	872,805	-	872,805
Membership	172,338	-	172,338	127,379	-	127,379
<b>Total program services</b>	<b>2,674,067</b>	<b>-</b>	<b>2,674,067</b>	<b>2,489,937</b>	<b>-</b>	<b>2,489,937</b>
Supporting Activities						
Management and General	533,521	-	533,521	485,138	-	485,138
Fundraising	55,984	-	55,984	47,570	-	47,570
<b>Total expenses</b>	<b>3,263,572</b>	<b>-</b>	<b>3,263,572</b>	<b>3,022,645</b>	<b>-</b>	<b>3,022,645</b>
Loss on write off of obsolete inventory	91,564	-	91,564	299,221	-	299,221
<b>Total expenses and losses</b>	<b>3,355,136</b>	<b>-</b>	<b>3,355,136</b>	<b>3,321,866</b>	<b>-</b>	<b>3,321,866</b>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>						
Satisfaction of purpose restrictions	629,195	(629,195)	-	525,625	(525,625)	-
Expiration of time restrictions	-	-	-	75,000	(75,000)	-
<b>Net assets released from restrictions</b>	<b>629,195</b>	<b>(629,195)</b>	<b>-</b>	<b>600,625</b>	<b>(600,625)</b>	<b>-</b>
<b>Change in net assets</b>	<b>81,652</b>	<b>370,149</b>	<b>451,801</b>	<b>(120,777)</b>	<b>(70,475)</b>	<b>(191,252)</b>
Net assets at beginning of year	3,031,930	583,046	3,614,976	3,152,707	653,521	3,806,228
<b>Net assets at end of year</b>	<b>\$ 3,113,582</b>	<b>\$ 953,195</b>	<b>\$ 4,066,777</b>	<b>\$ 3,031,930</b>	<b>\$ 583,046</b>	<b>\$ 3,614,976</b>

See accompanying notes.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended June 30, 2025 and 2024

	Program Services			Supporting Activities		Total Expenses
	Educational Events and Publications	Retail Operations	Membership	Management and General	Fundraising	
<b>2025</b>						
Personnel	\$ 466,263	\$ 180,052	\$ 133,310	\$ 202,041	\$ 37,354	\$ 1,019,020
Professional fees	262,140	23,828	-	272,584	3,300	561,852
Office expenses	86,845	26,280	13,351	-	5,271	131,747
Event expenses	79,931	605	165	1,677	-	82,378
Insurance	13,678	4,139	2,103	-	830	20,750
Occupancy	103,457	31,307	15,904	-	6,279	156,947
Advertising	218	66	34	-	13	331
Travel	40,572	50	34	86	-	40,742
Interest	3,157	955	485	-	193	4,790
Depreciation and amortization	10,451	3,163	1,607	-	634	15,855
Miscellaneous	34,770	10,522	5,345	57,133	2,110	109,880
Publications	44,728	-	-	-	-	44,728
Cost of goods sold	-	664,458	-	-	-	664,458
Portrait expenses	410,094	-	-	-	-	410,094
<b>Total expenses</b>	<b>\$ 1,556,304</b>	<b>\$ 945,425</b>	<b>\$ 172,338</b>	<b>\$ 533,521</b>	<b>\$ 55,984</b>	<b>\$ 3,263,572</b>
	Program Services			Supporting Activities		Total Expenses
	Educational Events and Publications	Retail Operations	Membership	Management and General	Fundraising	
<b>2024</b>						
Personnel	\$ 514,227	\$ 216,145	\$ 101,378	\$ 174,252	\$ 31,160	\$ 1,037,162
Professional fees	231,775	26,305	-	290,634	-	548,714
Office expenses	95,472	33,460	10,743	-	5,073	144,748
Event expenses	60,035	2,559	2,503	12	477	65,586
Insurance	14,204	4,978	1,598	-	755	21,535
Occupancy	98,378	34,479	11,070	-	5,227	149,154
Advertising	7,603	5,391	14	1,328	925	15,261
Travel	12,886	85	26	217	69	13,283
Interest	51	381	-	4,312	280	5,024
Depreciation and amortization	111	824	1	9,321	603	10,860
Miscellaneous	24,686	17,503	46	5,062	3,001	50,298
Publications	42,425	-	-	-	-	42,425
Cost of goods sold	-	530,695	-	-	-	530,695
Portrait expenses	387,900	-	-	-	-	387,900
<b>Total expenses</b>	<b>\$ 1,489,753</b>	<b>\$ 872,805</b>	<b>\$ 127,379</b>	<b>\$ 485,138</b>	<b>\$ 47,570</b>	<b>\$ 3,022,645</b>

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 451,801	\$ (191,252)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	15,855	10,860
Net realized and unrealized gains on investments	(105,810)	(128,372)
Write off of obsolete inventory	91,564	299,221
Amortization of operating lease right-of-use asset	129,157	82,820
(Increase) decrease in assets		
Employee Retention Credit receivable	-	147,686
Accounts receivable	11,256	19,401
Unconditional promises to give	63,230	4,000
Inventory	18,555	(191,702)
Prepaid expenses and other assets	11,775	(16,508)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	13,986	12,029
Accrued payroll	(3,939)	15,724
Refundable advance	(54,429)	56,846
Operating lease liability	(129,158)	(82,820)
<b>Net cash flows from operating activities</b>	<b>513,843</b>	<b>37,933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(39,536)	-
Interest and dividends retained in investments	(110,571)	(74,809)
<b>Net cash flows from investing activities</b>	<b>(150,107)</b>	<b>(74,809)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on Economic Injury Disaster Loan	(3,741)	(3,640)
Principal payments on finance lease liabilities	(5,801)	(5,464)
<b>Net cash flows from financing activities</b>	<b>(9,542)</b>	<b>(9,104)</b>
<b>Change in cash</b>	<b>354,194</b>	<b>(45,980)</b>
Cash at beginning of year	1,056,535	1,102,515
<b>Cash at end of year</b>	<b>\$ 1,410,729</b>	<b>\$ 1,056,535</b>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Cash paid for interest	\$ 4,790	\$ 5,024

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

United States Capitol Historical Society (Society) is a nonprofit organization, incorporated under the laws of the District of Columbia, which operates under Congressional Charter dated October 20, 1978, giving it the authority to preserve and improve the Capitol; to research, publish, and create items, medals and material of historical interest; and to cooperate with Congressional committees and federal agencies in the work of the Society and the distribution of its products. The Society is supported primarily by merchandise sales and contributions.

**Accounts Receivable**

Accounts receivable consist primarily of amounts owed from customers related to merchandise sales. The Society uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses for accounts receivable and believes the composition of accounts receivable at the end of the year is consistent with historical conditions because credit terms and practices and overall customer base has not changed significantly. At June 30, 2025 and 2024, the Society has an allowance for credit losses totaling \$3,921 each year.

**Promises to Give**

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2025 and 2024, all unconditional promises to give are collectable within one year.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized and realized gains and losses are included in the statements of activities in the period in which such changes occur. Interest and dividends are recorded when earned. Investment securities 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 change could materially affect the amounts reported in the statements of financial position.

**Inventory**

The Society's inventory consists of calendars, publications and other items for sale, which stimulate interest in the history of Congress and the United States Capitol. Inventory is recorded at the lower of cost or net realizable value and is valued using the first in, first out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Property and Equipment**

The Society capitalizes all expenditures for property and equipment in excess of \$500 with expected useful lives greater than one year. Purchases of property and equipment are carried at cost. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-nine years. Leasehold improvements are amortized over the lesser of the remaining life of the office lease or the estimated useful life of the improvements.

**Leases**

The Society does not recognize short-term leases in the statements of financial position. For these leases, the Society recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Society also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Society uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Revenue Recognition**

The Society's earned revenue consists of sales of merchandise, including calendars, publications and other items for sale, as well as royalties. The revenue from these sales are recognized in the period in which the merchandise is delivered to the customer. Royalty income is recognized during the period to which the underlying sales relate. Amounts received in advance from these sources are recorded as deferred revenue.

Accounts receivable from contracts with customers are as follows:

	<u>2025</u>	<u>2024</u>
Accounts receivable at beginning of year	\$ 60,868	\$ 80,269
Accounts receivable at end of year	49,612	60,868

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires (that is, when a 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 as net assets released from restrictions.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Government Grants**

The Society receives grants from government agencies and others that are conditioned upon the Society incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Society, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also supported the Society's program services and fundraising campaigns throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional fees, office expenses, insurance, occupancy, advertising, interest, depreciation and amortization, and miscellaneous expense, which are allocated on the basis of estimates of time and effort.

**Estimates**

The preparation of financial statements in conformity 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.

**Income Tax Status**

The Society is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

**Advertising**

The Society expenses advertising costs in the period the advertising occurs.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Date of Management’s Review**

Management has evaluated subsequent events through October 15, 2025, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Society maintains its cash balances in financial institutions located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2025 and 2024, the Society’s uninsured cash balances total approximately \$914,000 and \$432,000, respectively.

NOTE 3 – INVESTMENTS

Investments are comprised of the following:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 208,994	\$ 201,282
Mutual funds	<u>2,122,813</u>	<u>1,914,143</u>
Investments	<u>\$ 2,331,807</u>	<u>\$ 2,115,425</u>

Fair values of mutual funds are valued at the closing price reported on the active market on which the funds are traded and are considered Level 1 fair value measurements.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	<u>2025</u>	<u>2024</u>
Warehouse	\$ 208,787	\$ 208,787
Computer equipment	212,377	212,377
Furniture	131,641	131,641
Office equipment	120,705	120,705
Website development costs	48,709	48,709
Leasehold improvements	38,448	38,448
Vehicle	30,175	24,945
Library	12,111	12,111
Software	25,195	15,835
Less accumulated depreciation	<u>(670,081)</u>	<u>(684,722)</u>
Property and equipment, net	<u>\$ 158,067</u>	<u>\$ 128,836</u>

For the years ended June 30, 2025 and 2024, depreciation expense totaled \$10,306 and \$5,311, respectively.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

**NOTE 5 – ECONOMIC INJURY DISASTER LOAN**

During the year ended June 30, 2020, the Society applied for and received a \$150,000 Economic Injury Disaster Loan (EIDL). The loan carries an interest rate of 2.75% per annum and a 30-year maturity. Future minimum payments on the EIDL for the years ending June 30 are as follows:

	2026	\$ 3,846
	2027	3,953
	2028	4,063
	2029	4,176
	2030	4,292
	Thereafter	<u>114,736</u>
		<u>\$ 135,066</u>

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are comprised of the following:

	2025	2024
Program funds:		
APA - Curriculum	\$ 1,350	\$ 1,350
Brown Internship	328	328
Capitol Fellowship	-	11,350
Capitol Stories	19,310	19,310
Essay Contest	7,381	7,381
Masons Programs	6,062	6,062
Performing Arts Fellowship	5,000	5,000
Resident Scholar	2,124	2,124
Symposium	-	36,592
Tree Brochure	2,000	2,000
UPS (Transport Slavery Exhibit)	445	445
Women's Tour	15,000	15,000
Youth Forum	4,000	4,000
Portrait Funds	<u>890,195</u>	<u>472,104</u>
Net assets with donor restrictions	<u>\$ 953,195</u>	<u>\$ 583,046</u>

**NOTE 7 – LEASES**

The Society has an operating lease for office space that was on a month-to-month basis until November 2023, at which time the Society signed a long-term lease for the space through October 2028. The Society also has finance leases for a copier and postage machine that expire at various dates in 2026 and 2027.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

NOTE 7 – LEASES (continued)

The components of lease cost are as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost		
Amortization of right-of-use assets	\$ 5,549	\$ 5,549
Interest on lease liabilities	635	972
Operating lease cost	154,710	103,140
Short-term lease cost	2,237	38,461
Total lease cost	<u>\$ 163,131</u>	<u>\$ 148,122</u>

Other information related to leases are as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance leases	\$ 5,801	\$ 5,464
Operating cash flows from operating lease	154,710	103,140
Right-of-use assets obtained in exchange for operating lease obligations	-	688,686
Weighted average remaining lease term		
Finance leases	1.16 years	2.16 years
Operating lease	3.33 years	4.33 years
Weighted average discount rate		
Finance leases	6.00%	6.00%
Operating lease	4.67%	4.67%

The maturities of lease liabilities are as follows:

	<u>Finance Leases</u>	<u>Operating Lease</u>
Year ending December 31:		
2026	\$ 6,437	\$ 154,710
2027	1,274	154,710
2028	-	154,710
2029	-	51,570
Future minimum payments	7,711	515,700
Less imputed interest	(294)	(38,991)
Total lease liabilities	<u>\$ 7,417</u>	<u>\$ 476,709</u>

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 8 – RETIREMENT PLAN**

The Society maintains a 403(b) retirement plan for all employees who have completed at least one year of service and have attained at least 18 years of age. The plan is currently funded and requires biweekly contributions equal to 5% of the participating employees' compensation. Retirement expense for the years ended June 30, 2025 and 2024 was \$36,637 and \$38,972, respectively.

**NOTE 9 – IN-KIND CONTRIBUTIONS**

In-kind contributions are comprised of the following:

	2025	2024
Signed portraits	\$ 41,250	\$ -
Signed books	7,000	-
Legal services	7,000	-
Framing	1,883	-
In-kind contributions	\$ 57,133	\$ -

The Society recognized in-kind contributions of various nature in the statements of activities. In-kind contributions do not have donor-imposed restrictions.

Donated signed portraits and books were used for the Society's Educational Events and Publications and are valued based on estimated market value if the portraits and books were sold on the open market. Donated framing and legal services were utilized in the Society's Educational programming and general operations, respectively, and are reported at the estimated fair value based on the current rates for similar services.

**NOTE 10 – EMPLOYEE RETENTION CREDIT**

During the year ended June 30, 2023, the Society claimed Employee Retention Credits (ERC) totaling \$239,683, including interest, under the provisions of the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The Society determined it had a significant decline in gross receipts and claimed the ERC for the second, third, and fourth calendar quarters of 2020 and the first, second, and third calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit the Society's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines that the Society was ineligible for the ERC, the Society would be required to repay the amount claimed along with penalties and interest.

**UNITED STATES CAPITOL HISTORICAL SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 11 – COMMITMENT**

The Society has an employment agreement with its President and CEO. Under the terms of the agreement, should the Society terminate her employment without cause, the Society would be obligated to pay severance.

**NOTE 12 – PAYCHECK PROTECTION PROGRAM LOAN**

The Society has received loans totaling \$508,208 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). During the year ended June 30, 2022, the Society received preliminary forgiveness of both of its PPP loans. The Society must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Society's good-faith certification concerning the necessity of its loan request, whether the Society calculated the loan amount correctly, whether the Society used loan proceeds for the allowable uses specified in the CARES Act, and whether the Society is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Society was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the loan.

**NOTE 13 – LIQUIDITY AND AVAILABILITY**

The following table reflects the Society's financial assets as of the date of the statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

	2025	2024
Financial assets at end of year		
Cash	\$ 1,410,729	\$ 1,056,535
Investments	2,331,807	2,115,425
Employee Retention Credit receivable	91,997	91,997
Accounts receivable, net	45,691	56,947
Unconditional promises to give	7,770	71,000
Total financial assets	3,887,994	3,391,904
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(953,195)	(583,046)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,934,799	\$ 2,808,858

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Typically, cash held in excess of immediate liquidity needs is invested in accordance with the investment policy. Management periodically reviews liquid assets and increases or decreases cash as appropriate.