

LEMAY - AMERICA'S CAR MUSEUM
CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditor's Report
YEARS ENDED DECEMBER 31, 2013 AND 2012



AMERICA'S CAR MUSEUM®

LEMAY - AMERICA'S CAR MUSEUM
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

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INDEPENDENT AUDITOR'S REPORT

March 18, 2014

Board of Directors
LeMay - America's Car Museum
Tacoma, Washington

We have audited the accompanying consolidated financial statements of LeMay - America's Car Museum, which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to in the first paragraph of this letter present fairly, in all material respects, the financial position of LeMay - America's Car Museum as of December 31, 2013 and 2012, 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.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Statement of Functional Expenses for the year ended December 31, 2013 and the Consolidating Statements of Financial Position as of December 31, 2013 and 2012 and the Consolidating Statements of Activities for the years then ended, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Jacobson Jarvis & Co, PLLC

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 549,472	\$ 949,094
Cash and cash equivalents - restricted reserves	382,875	467,165
Contributions receivable, net - current	2,562,815	2,069,346
Other receivables	114,178	151,535
Prepaid expenses and other	430,018	73,021
Vehicles and other assets held for sale	742,669	20,100
Total Current Assets	<u>4,782,027</u>	<u>3,730,261</u>
Cash Restricted for Investment in Property	253,742	420,480
Contributions Receivable, net - long-term	3,345,751	4,514,209
Construction in Progress	-	5,368,256
Note Receivable	25,823,200	25,823,200
Prepaid Financing Costs, net	283,234	355,873
Other Assets	38,135	1,415,193
Property and Equipment, net	49,746,357	43,440,297
Classic and Antique Cars - not accessed	7,052,750	7,592,450
	<u>\$ 91,325,196</u>	<u>\$ 92,660,219</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 304,646	\$ 297,208
Retainage payable	-	300,000
Accrued payroll expenses	248,813	180,055
Current portion of long-term debt	318,003	267,582
Total Current Liabilities	<u>871,462</u>	<u>1,044,845</u>
Interest Rate Swap	147,335	202,446
Debt, net of current portion above	44,999,466	44,223,372
Total Liabilities	<u>46,018,263</u>	<u>45,470,663</u>
Net Assets		
Unrestricted	39,118,375	40,562,603
Temporarily restricted	6,178,558	6,626,953
Permanently restricted	10,000	-
Total Net Assets	<u>45,306,933</u>	<u>47,189,556</u>
	<u>\$ 91,325,196</u>	<u>\$ 92,660,219</u>

See notes to financial statements.

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013				2012		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support							
Revenue							
Admissions	\$ 1,593,275			\$ 1,593,275	\$ 1,420,584		\$ 1,420,584
Guest services	619,654			619,654	354,513		354,513
Tours and events	306,520			306,520	349,504		349,504
Interest income	455,424			455,424	456,485		456,485
Other earned income	251,287			251,287	306,991		306,991
Total Revenue	<u>3,226,160</u>			<u>3,226,160</u>	<u>2,888,077</u>		<u>2,888,077</u>
Support							
Contributions	1,600,116	\$ 1,755,438	\$ 10,000	3,365,554	4,155,627	\$ 1,251,032	5,406,659
In-kind contributions	940,969	181,955		1,122,924	3,207,655	276,777	3,484,432
Special events	267,320	-		267,320	157,050	-	157,050
Total Support	<u>2,808,405</u>	<u>1,937,393</u>	<u>10,000</u>	<u>4,755,798</u>	<u>7,520,332</u>	<u>1,527,809</u>	<u>9,048,141</u>
Net Assets Released from Restrictions							
Satisfaction of time restriction	1,019,253	(1,019,253)		-	612,558	(612,558)	-
Satisfaction of purpose restriction	1,366,535	(1,366,535)		-	1,104,400	(1,104,400)	-
Total Net Assets Released from Restrictions	<u>2,385,788</u>	<u>(2,385,788)</u>		<u>-</u>	<u>1,716,958</u>	<u>(1,716,958)</u>	<u>-</u>
Total Revenue and Support	<u>8,420,353</u>	<u>(448,395)</u>	<u>10,000</u>	<u>7,981,958</u>	<u>12,125,367</u>	<u>(189,149)</u>	<u>11,936,218</u>
Expenses							
Program services	6,530,821			6,530,821	3,937,133		3,937,133
Management and general	1,059,007			1,059,007	2,385,591		2,385,591
Fundraising	1,195,047			1,195,047	1,071,894		1,071,894
Total Expenses	<u>8,784,875</u>			<u>8,784,875</u>	<u>7,394,618</u>		<u>7,394,618</u>
Change in Net Assets before Gains and (Losses)	<u>(364,522)</u>	<u>(448,395)</u>	<u>10,000</u>	<u>(802,917)</u>	<u>4,730,749</u>	<u>(189,149)</u>	<u>4,541,600</u>
Gains and (Losses)							
Accession of Classic and Antique Cars to collection	(195,000)			(195,000)	-		-
Change in value of interest rate swap	55,111			55,111	(11,878)		(11,878)
Loss on valuation of vehicles	(259,817)			(259,817)	(85,068)		(85,068)
Loss on valuation of donated assets	(680,000)			(680,000)	-		-
Known and estimated loss on uncollectible contributions receivable	-	-		-	-	(79,711)	(79,711)
Total Gains and (Losses)	<u>(1,079,706)</u>	<u>-</u>	<u>-</u>	<u>(1,079,706)</u>	<u>(96,946)</u>	<u>(79,711)</u>	<u>(176,657)</u>
Change in Net Assets	<u>(1,444,228)</u>	<u>(448,395)</u>	<u>10,000</u>	<u>(1,882,623)</u>	<u>4,633,803</u>	<u>(268,860)</u>	<u>4,364,943</u>
Net Assets - beginning of year	40,562,603	6,626,953	-	47,189,556	35,928,800	6,895,813	42,824,613
Net Assets - end of year	<u>\$39,118,375</u>	<u>\$ 6,178,558</u>	<u>\$ 10,000</u>	<u>\$45,306,933</u>	<u>\$40,562,603</u>	<u>\$ 6,626,953</u>	<u>\$47,189,556</u>

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Cash received from:		
Contributors	\$ 3,807,863	\$ 4,895,096
Guests	2,212,929	1,775,097
Tours, events, and other income	595,978	612,142
Interest	455,424	456,485
Cash paid for:		
Personnel	(2,670,912)	(2,182,271)
Vendors	(2,965,286)	(2,375,891)
Interest	<u>(874,457)</u>	<u>(890,572)</u>
Net Cash Provided by Operating Activities	<u>561,539</u>	<u>2,290,086</u>
Cash Flows From Investing Activities		
Additions to land and buildings	(781,428)	(3,150,184)
Purchases of furniture and equipment	<u>(22,161)</u>	<u>(1,514,157)</u>
Net Cash Used by Investing Activities	<u>(803,589)</u>	<u>(4,664,341)</u>
Cash Flows From Financing Activities		
Proceeds from contributions restricted for investment in property	500,000	-
Proceeds from contributions restricted for debt repayment	-	1,045,000
Proceeds from issuance of debt	-	150,000
Repayments of debt	(1,152,583)	(1,108,148)
Proceeds from sales of vehicles	<u>243,983</u>	<u>-</u>
Net Cash (Used) Provided by Financing Activities	<u>(408,600)</u>	<u>86,852</u>
Change in Cash and Cash Equivalents	(650,650)	(2,287,403)
Cash and cash equivalents - beginning of year	<u>1,836,739</u>	<u>4,124,142</u>
Cash and cash equivalents - end of year	<u>\$ 1,186,089</u>	<u>\$ 1,836,739</u>
Noncash Investing and Financing Activities:		
Additions to land and building through issuance of debt	<u>\$ 1,979,098</u>	<u>\$ -</u>

See notes to financial statements.

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of Change in Net Assets to		
Cash Flows from Operating Activities		
Change in net assets	\$ (1,882,623)	\$ 4,364,943
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,544,883	1,114,332
Amortization of prepaid financing costs	72,640	72,640
Accession of Classic and Antique Cars to collection	195,000	-
Donated vehicles	(168,300)	(2,288,268)
Contributions restricted to investment in property and equipment	(500,000)	-
Donated property and equipment	-	(554,000)
Known and estimated loss on contributions receivable	-	79,711
Loss on sale and valuation of vehicles	259,817	85,068
Loss on valuation of donated assets	680,000	-
Change in value of interest rate swap	(55,111)	11,878
Decrease (increase) in:		
Contributions receivable	674,989	(628,420)
Other receivables	37,357	(36,058)
Prepaid expenses and other	(356,997)	50,363
Other assets	(16,312)	(40,193)
Decrease in:		
Accounts payable	7,438	759
Accrued payroll expenses	<u>68,758</u>	<u>57,331</u>
Net Cash Provided by Operating Activities	<u>\$ 561,539</u>	<u>\$ 2,290,086</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

In 1998, Harold and Nancy LeMay formed The Harold E. LeMay Museum, now called LeMay - America's Car Museum, a nonprofit corporation in the State of Washington. They committed themselves to donating a portion of the vast LeMay Collection to the Museum for the benefit of the public. LeMay - America's Car Museum was chartered to secure, preserve, and interpret the valuable LeMay Collection, along with additional vehicles and artifacts that it may acquire in order to explore the broad themes of American mobility and lifestyle in an instructive and entertaining manner. Its primary sources of revenue and support are private contributions, grants, and museum admission tickets. Opened on June 1, 2012, the spacious museum with rotating exhibits is designed to be the centerpiece for automotive history as well as an educational center and library. The campus contains a 3.5-acre show field, theatre, store, café, banquet hall, and meeting facilities.

In 2010, as part of the New Markets Tax Credit financing package utilized for the construction of the museum and show field, two subordinate entities were created: LeMay-Dome Parking Association and The Harold E. LeMay Museum. These organizations are registered with the State of Washington as nonprofit corporations. The board members of these two organizations are required to be board members of LeMay - America's Car Museum. The sole purpose of these organizations is to support LeMay - America's Car Museum.

Principles of consolidation

The consolidated financial statements include the accounts of LeMay - America's Car Museum and its controlled entities, The Harold E. LeMay Museum and LeMay-Dome Parking Association (collectively, the Museum). All material inter-organization transactions have been eliminated in the consolidation.

Federal income taxes

The Internal Revenue Service has recognized LeMay - America's Car Museum as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation. As of the financial statement issuance date LeMay-Dome Parking Association and The Harold E. LeMay Museum were considered not-for-profit organizations, however they are not tax exempt. The Museum has filed for a group exemption which would allow LeMay-Dome Parking Association and The Harold E. LeMay Museum to utilize LeMay - America's Car Museum's status as a 501(c)(3) tax exempt organization to gain their own tax exempt status.

Basis of presentation

In accordance with financial accounting standards, the Museum is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Museum are classified as follows:

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted net assets are available without restriction for support of the Museum's operations.

Temporarily restricted net assets are restricted by the donor to be used for certain purposes or future periods by the Museum. Temporarily restricted net assets are available as follows at December 31:

	<u>2013</u>	<u>2012</u>
Support of future operations	\$ 3,387,538	\$ 3,117,749
Repayment of debt	2,328,321	3,342,190
Other programs	462,699	167,014
	<u>\$ 6,178,558</u>	<u>\$ 6,626,953</u>

Permanently restricted net assets are endowment gifts given with the intent that the principal will be maintained intact in perpetuity, and the income may be used for current operations, or for purposes stipulated by donors. As of December 31, 2013, the Museum had \$10,000 in permanently restricted net assets and none as of December 31, 2012.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Cash and cash equivalents

The Museum considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Museum maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Museum has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Restricted cash and cash equivalents

The Museum's loan agreements require that the Museum maintain restricted reserves in separate bank accounts for loan servicing and CDE management fees.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

The Museum also uses fair value concepts to test various long-lived assets for impairment. Due to their unique nature, individual items within Classic and Antique Cars, and Other Assets are not re-appraised each year. Rather, management assesses market conditions as indicated by recent auction results, sales offering of similar cars, management's knowledge of the classic auto market, general economic conditions, and other market indicators. There were no changes in the valuation techniques during the current year.

Contributions receivable

Contributions receivable represent unconditional promises to give by donors and are shown net of unrealizable amounts. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Unconditional contributions receivable consist of the following at December 31, 2013:

Restricted to:	
Repayment of debt	\$ 2,400,000
Collection and programs	196,500
Future periods	<u>3,914,516</u>
	6,511,016
Less: allowance for doubtful accounts	(137,984)
Less: present value discount	<u>(464,466)</u>
Net contributions receivable	<u>\$ 5,908,566</u>
Receivable in:	
Less than one year	\$ 2,562,815
One to five years	2,962,157
More than five years	<u>383,594</u>
	<u>\$ 5,908,566</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions receivable due in more than one year are recorded at the present value of estimated future cash flows using discount rates from 0.7% to 3.9%. As of December 31, 2013, 32% of total contributions receivable is due from an individual board member. Pledges restricted to repayment of debt are pledged as collateral in connection with the U.S. Bank loans (see Note E).

Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2013, the Museum had a conditional promise to give totaling \$10,000 which is contingent upon raising additional funds for the restoration of a vehicle.

Other assets

Other assets includes two Auguste Rodin sculptures, L'age d'airain and Petite Eve, which the Museum received from donors during the year ended December 31, 2009. In 2013, the Museum placed the sculptures on consignment with an art dealer.

Fair value of financial instruments

In accordance with financial accounting standards, all financial instruments have been reviewed and, if practicable, estimated fair values have been determined. The Museum's financial instruments include cash and cash equivalents, long-term notes receivable, and long-term debt. Financial instruments are carried at their fair value except for long-term notes receivable and long-term debt. Information about the fair value of these financial instruments is included in Notes D and E.

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Property and equipment purchases that exceed \$1,500 are capitalized as assets. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. Property and equipment consists of the following at December 31:

	<u>Useful Lives</u>	<u>2013</u>	<u>2012</u>
Land		\$15,210,283	\$14,788,191
Land improvements	15	1,869,808	1,768,212
Building	39	32,740,278	25,435,184
Furniture and equipment	3-7	2,591,343	2,569,179
Less: accumulated depreciation		<u>(2,665,355)</u>	<u>(1,120,469)</u>
		<u>\$ 49,746,357</u>	<u>\$ 43,440,297</u>

In 2010, the City of Tacoma donated 7.8 acres of land to the Museum valued at \$14,788,191. As part of the donation the land is subject to certain restrictions.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

So long as the Museum's \$3.6 million HUD loan (Note E) is outstanding, the donated property may not be used as collateral. Once the HUD loan has been satisfied the land may then be utilized as collateral to fund expansion or capital improvements to the Museum.

Prepaid financing costs

Prepaid financing costs, which represent loan fees and costs associated with issuance of long-term debt, will be amortized through the end of the New Markets Tax Credit compliance period in May 2017, and consist of the following at December 31:

	<u>2013</u>	<u>2012</u>
Prepaid financing costs	\$ 510,836	\$ 510,836
Less: accumulated amortization	<u>(227,602)</u>	<u>(154,963)</u>
	<u>\$ 283,234</u>	<u>\$ 355,873</u>

Derivative financial instruments

In accordance with financial accounting standards, all derivative financial instruments are recognized in the financial statements and measured at fair value. The Museum entered into an interest rate swap contract in November 2011 in order to manage the interest rate risk on long-term borrowings. This contract is designated as a cash flow hedge and is used to reduce the exposure to possible increases in interest rates.

Collection

The Museum's collection consists of automobiles and other memorabilia that are held for education and curatorial purposes. The Museum has policies in place to ensure that the collection is adequately displayed, stored, protected, and maintained. The collection has been acquired through purchases and contributions since the Museum's inception.

The Museum has adopted a policy of not capitalizing the collection in its financial statements. Accordingly, no collection items are recognized as assets, whether they are purchased or received as a donation. Purchases of collection items reduce net assets in the period when purchased. Proceeds from sales or insurance recoveries are recorded as increases in net assets when received. It is the policy of the Museum that proceeds from the sale of any collection items are to be used to purchase additional collection items.

Vehicles donated to the Museum undergo a thorough evaluation to determine if they should be accessed into the collection. During this determination process, they are held on the books of the Museum. For donated items in excess of \$5,000, the museum obtains appraisals to determine the fair value. In order to determine the fair value of items less than \$5,000, the Museum's collection manager utilizes the donor's listed value, pricing guides, and other reference material to develop a conservative estimate of the item's fair value.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Items which are approved by the Conservator in conjunction with the Collection Committee to be accessed into the Collection are transferred off the books of the Museum and into the Collection. Items which are to be sold are reclassified into "Vehicles Held for Sale" until they can be sold.

Donated goods and services

Donated goods are recorded at their estimated fair value at the date of donation. Donated rent is recognized at the fair value of the space occupied. Donated services are recorded as in-kind contributions and are recognized as revenue at estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized. A number of volunteers have donated time to the Museum's programs and fundraising activities. The services of those volunteers are not recorded in the financial statements as they do not meet the criteria for recognition. In-kind contributions are as follows for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Donated services	\$ 366,483	\$ 362,059
Donated classic and antique cars	168,699	2,265,711
Donated other assets	131,293	719,542
Donated goods	<u>456,449</u>	<u>137,120</u>
	<u>\$ 1,122,924</u>	<u>\$ 3,484,432</u>

Restricted and unrestricted support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Museum expenses the costs of advertising as incurred. Advertising expense was \$341,549 and \$379,330, respectively, for the years ended December 31, 2013 and 2012.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Reclassification

Certain accounts in the 2012 consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year consolidated financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended December 31, 2012.

NOTE B - FAIR VALUE MEASUREMENTS

Liabilities carried at fair value on a recurring basis (at least annually) are as follows:

	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Interest Rate Swap	\$ -	\$ -	\$ (147,335)

The value has been measured based on estimates of the amount needed to settle the agreement as calculated by the counterparty to the swap agreement. Such calculations were based on changes in market conditions and/or assumptions underlying valuation models. Interest rate swap activity for the years ended December 31 are as follows:

Fair Value as of January 1, 2012	\$ (190,568)
Change in value of interest rate swap	<u>(11,878)</u>
Fair Value as of December 31, 2012	(202,446)
Change in value of interest rate swap	<u>55,111</u>
Fair Value as of December 31, 2013	<u><u>\$ (147,335)</u></u>

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. The Museum's classic and antique cars are also carried at fair value on a nonrecurring basis using level 2 inputs. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE C - NEW MARKETS TAX CREDIT FINANCING

As part of the financing for the construction of the museum, the Museum applied for and received \$33 million in New Markets Tax Credit (NMTC) financing. The federal NMTC's program permits individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The CDEs act as financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community.

To facilitate the distribution of the tax credits, the LeMay Museum Investment Fund, LLC, a Delaware limited liability company, was established to make investor member equity contributions to three separate Delaware limited liability companies: NDC New Markets Investments XLIII, LLC; USBCDE Sub-CDE LXIII, LLC; and Consortium America XXXV, LLC. The managing members of these LLCs are CDEs and are qualified to receive NMTC allocations. In turn, the three separate Delaware limited liability companies entered into loan agreements with the Museum (Note E) to fund the construction of the new museum.

NOTE D - NOTE RECEIVABLE

Note receivable consists of a Note due from the LeMay Museum Investment Fund, LLC bearing an interest rate of 1.763% per annum due monthly. Per the terms of the Note, the proceeds of the note were used towards LeMay Museum Investment Fund's capital contribution to NDC New Markets Investments XLIII, LLC; USBCDE Sub-CDE LXIII, LLC; and Consortium America XXXV, LLC.

The Note matures in June 2040. Interest received under this Note is \$455,362 for the years ended December 31, 2013 and 2012 and is included in interest income. It is not practicable to estimate the fair value of the note receivable. The instrument is a part of the Museum's New Markets Tax Credit funding. There is no market for this financial instrument.

NOTE E - LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2013 2012

Note payable to NDC New Markets Investment XLIII, LLC bearing interest at 1.39%. Interest only payment due on the fifth day of each calendar month commencing on July 5, 2010 until May 27, 2017. Principal payment of \$210,000 due on May 27, 2017. From May 27, 2017 principal payment and accrued interest shall be paid in monthly installments in an amount equal to \$57,226 with such payment commencing on July 5, 2017 and continuing on the fifth day of each calendar month until the loan maturity date in 2040.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE E - LONG-TERM DEBT (Continued)

	<u>2013</u>	<u>2012</u>
Long-term debt consists of the following at December 31,		
On the loan maturity date, the entire outstanding principal balance and accrued interest is due. The purpose of the loan was to construct the Museum. The note is secured by a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, and Security Interest in Pledges.	\$13,720,000	\$13,720,000
<p>Note payable to Consortium America XXXV, LLC bearing interest at 1.39%. Interest only payment due on the fifth day of each calendar month commencing on July 5, 2010 until May 27, 2017. From May 27, 2017 until the Note maturity date principal and accrued interest shall be paid in monthly installments in an amount equal to \$58,116 with such payment commencing on July 5, 2017 and continuing on the fifth day of each calendar month until the loan maturity date in 2040.</p>		
On the loan maturity date, the entire outstanding principal balance and accrued interest is due. The purpose of the loan was to construct the Museum. The note is secured by a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, and Security Interest in Pledges.	13,720,000	13,720,000
<p>Note payable to USBCDE Sub CDE LXIII, LLC bearing interest at 1.39%. Interest only payment due on the fifth day of each calendar month commencing on July 5, 2010 until May 27, 2017. From May 27, 2017 until the Note Maturity Date, principal and accrued interest shall be paid in monthly installments in an amount equal to \$25,161, with such payments commencing on July 5, 2017, and continuing on the fifth day of each calendar month until the Loan maturity date in 2040.</p>		
On the loan maturity date, the entire outstanding principal balance and accrued interest is due. The purpose of the loan was to construct the Museum. The note is secured by a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, and Security Interest in Pledges.	5,940,000	5,940,000

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE E - LONG-TERM DEBT (Continued)

	<u>2013</u>	<u>2012</u>
Long-term debt consists of the following at December 31,		
Note payable to Columbia Bank, bearing interest at 30 day Libor + 3.25% floating (3.42% as of December 31, 2013), with a 3 year floor rate of 5%. An interest rate swap effective November 2011, sets the interest rate for \$1,500,000 of the loan at 7.3%. Interest only payment due monthly beginning July 1, 2010 for the first 17 months, followed by principal and interest due thereafter based on 20-year amortization. The note is secured by a First Deed of Trust, Assignment of rents, and commercial property.		
The commercial property is owned by a company of one of the Museum's board members and not by the Museum. In addition, note is further secured by First Position Blanket UCC filing and Security Agreement on all Borrower's Assets, including a recorded Assignment of Rents and Leases on Tacoma Dome Parking Lots "B" and "C." The purpose of the note was to finance the addition of site improvements (extension of utilities - power, sewer, & water, and respective connection fees) for the museum, purchase and installation of exhibits, and designed parking lot upgrades to the site.	2,378,101	2,438,502
Note payable to US Bank National Association, bearing interest at 2.88%. Interest only payment due monthly on the fifteenth day of each month with the first such payment due on July 15, 2010. The note is guaranteed by a board member with a pledge of \$1,700,000. Principal payments of \$775,000 are due on May 31 of each year beginning 2012 and ending 2016 followed by the last principal payment of \$765,000 on May 31, 2017.	2,200,000	2,950,000
Note payable to US Bank National Association, bearing interest at 2.97%. Interest only payment due monthly on the fifteenth day of each month with the first such payment due on July 15, 2010. This note is guaranteed by a pledge in the amount of \$640,000. Principal payments of \$160,000 are due on November 30 of each year beginning November 30, 2010 through November 30, 2017.	640,000	800,000
Note payable to US Bank National Association, bearing interest at 2.88%. Interest only payment due monthly on the fifteenth day of each month with the first such payment due on July 15, 2010.		

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE E - LONG-TERM DEBT (Continued)

	<u>2013</u>	<u>2012</u>
Long-term debt consists of the following at December 31,		
This note is guaranteed by a pledge in the amount of \$60,000. A principal payment of \$60,000 is due on May 31, 2017.	60,000	195,000
Note payable to the State of Washington Department of Commerce, Capital Programs Unit or its successor agency. The note is non-interest bearing and will be forgiven so long as the museum building is used by the Museum or its subsidiaries through May of 2020. If the Museum does not comply with this requirement, the Department of Commerce will be entitled to the unpaid principal balance of this note with interest at a rate of 5%, compounded annually.	985,000	985,000
Note payable to City of Tacoma (HUD), funded by a Community Development Block Grant Section 108 Guarantee Loan, and bearing interest of LIBOR + 0.70% from May 28, 2010 to May 27, 2013, LIBOR + .95% from May 28, 2013 to May 27, 2014, LIBOR + 1.45% from May 28, 2014 to May 27, 2015, LIBOR + 2.45% from May 28, 2015 to May 27, 2016, and LIBOR + 3.450% from May 28, 2016 to the August 1, 2017. Interest at December 31, 2013 was 1.08%. Interest only payments are due in the initial period, from May 28, 2010 through August 1, 2017. A principal payment of \$3.6 million is due August 1, 2017.		
The note is secured by First Lien Deed of Trust (The HUD Deed of Trust) on the Property, a first Lien security interest (The "Pledge Lien") on any future pledge of capital contribution made to Borrower (excluding the first \$500,000 of building restricted pledges), and a first lien security interest on twenty vehicles currently included in classic and antique cars with a book value of \$2.9 million.	3,600,000	3,600,000
The Museum and the City of Tacoma entered into an agreement for utility infrastructure installation as part of the Museum's new building construction. The associated costs were to be funded through a Local Improvement District (LID). The district was formed in 2010 and utility construction occurred during 2011.		

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE E - LONG-TERM DEBT (Continued)

	<u>2013</u>	<u>2012</u>
Long-term debt consists of the following at December 31,		
In 2013 the final assessment of \$422,092 was confirmed after a formal hearing. The amount is payable in 10 annual principal installments with interest. The first installment is due October 25, 2014. Annual interest rate will be fixed by the ordinance authorizing the issuance and sale of bonds to finance the assessment. Any payment made after the due date includes a full year's interest.	422,092	-
In 2007, the Museum was granted a Washington State Historic Automobile Museum Sales and Use Tax Deferral Certificate for costs associated with the construction of its building. In 2013 the final state audit report was completed. Total tax assessment is \$1,994,540; payable over 10 years beginning December 31, 2017. Interest on this non-interest bearing note has been imputed at a rate of 3% per annum.	1,557,006	-
Note payable to Columbia State Bank, bearing interest at 7%. Principal and interest payments are due monthly on the first day of each month with the first such payment due on November 1, 2012. Last principal and interest payment is due on October 1, 2015. The note is secured by inventory and three CXC Racing Simulators with a book value of \$280,000.	<u>95,270</u>	<u>142,452</u>
Total	45,317,469	44,490,954
Less: current portion	<u>(318,003)</u>	<u>(267,582)</u>
	<u>\$ 44,999,466</u>	<u>\$ 44,223,372</u>

Principal reductions of notes payable for the years ending December 31 are:

2014	\$ 318,003
2015	976,986
2016	1,053,310
2017	7,920,173
2018	1,484,083
Thereafter	<u>33,564,914</u>
	<u>\$45,317,469</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE E - LONG-TERM DEBT (Continued)

Based on the borrowing rates currently available to the Museum for loans with similar terms and average maturities, the estimated fair value of long-term debt is as follows as of December 31, 2013:

Long-term debt	Carrying <u>Amount</u>	Fair <u>Value</u>
Commercial mortgages	\$ 5,373,371	\$ 5,520,263
Government loan obligations	\$ 6,564,098	
New Markets Tax Credit Obligations	\$ 33,380,000	

It was not practicable to estimate the fair value of the Museum's long-term borrowings of government loan obligations and New Markets Tax Credit Obligations. These instruments are subordinated interest-free or low interest loans accompanied by restrictive use covenants that run with the property collateralizing the debt. There is no market for these financial instruments.

NOTE F - THIRD PARTY CREDIT ENHANCEMENTS

Two of the Museum's board members provided the Museum's banks with additional guarantees for specific loans. One board member allowed the Museum to use his business property as collateral for a loan. The other member provided a personal guarantee beyond that of their pledge to the Museum. The Museum explored various methods for determining a fair value for these guarantees, but found these methods to be impractical and, in accordance with financial accounting standards, no value has been recorded. However, without these guarantees the Museum would not have been able to complete the financing package that funded the construction of the Museum.

NOTE G - INTEREST COST

The Museum capitalizes interest cost as a component of the cost of construction in progress. The following is a summary of interest cost incurred during the years ended December 31:

	<u>2013</u>	<u>2012</u>
Interest cost capitalized	\$ -	\$ 42,550
Interest cost expensed	<u>874,457</u>	<u>890,572</u>
Total interest cost incurred	<u>\$ 874,457</u>	<u>\$ 933,122</u>

NOTE H - DERIVATIVE FINANCIAL INSTRUMENTS

Effective in November 2011, the Museum entered into an interest rate swap agreement which effectively converted \$1,500,000 of a variable-rate loan issue to a fixed interest rate of 7.3%. This swap agreement matures in 2017.

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE H - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Interest incurred and paid under this swap agreement is as follows:

	<u>2013</u>	<u>2012</u>
Interest incurred at variable rate	\$ 61,906	\$ 75,180
Additional interest incurred at fixed rate	<u>45,184</u>	<u>34,583</u>
Interest paid at fixed rate of 7.3%	<u>\$ 107,090</u>	<u>\$ 109,763</u>

See Note A for additional information on the Museum's purpose for entering into derivatives designated as hedging instruments and its overall risk management strategies.

NOTE I - RELATED PARTIES

In addition to the loan guarantees discussed in Note F, the Museum received consulting services from a board member for the construction on the new museum. During the years ending December 31, 2013 and 2012 the Museum paid \$0 and \$28,760, respectively, in fees for these services.

NOTE J - RETIREMENT PLAN

The Museum sponsors a 403(b) defined contribution pension plan. Employees may contribute up to the Internal Revenue Service limits per year. The Museum matches eligible employees' contributions up to 5% of their compensation. Eligible employees include those having one year of service and have reached age 21. For the years ended December 31, 2013 and 2012, the Museum contributed \$44,282 and \$25,670, respectively, in matching contributions. The Museum also provides a non-qualified, non-matching, deferred compensation plan open to certain senior management.

NOTE K - COMMITMENTS

Option Agreement

In August of 2007, the Museum exercised an option agreement with the City of Tacoma (the City) to acquire approximately 7.8 acres of land located near the Tacoma Dome, through a donation by the City, for the new location of the Museum. The Museum closed on the land in May of 2010 and retains a 20 year option for an additional one acre parcel.

Lease Agreement

The Museum leases auto storage space in Kirkland, Washington under an operating lease agreement that expires January 2015. Total lease payments were \$79,649 and \$61,380, respectively, for the years ended December 31, 2013 and 2012. Future minimum rental commitments for the years ending December 31 are:

2014	\$ 69,120
2015	<u>5,760</u>
	<u>\$ 74,880</u>

LEMAY - AMERICA'S CAR MUSEUM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE L - SUBSEQUENT EVENT

Management has evaluated events occurring subsequent to December 31, 2013 through March 18, 2014, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2013, including the estimates inherent in the processing of financial statements. The following events arose after December 31, 2013 relating to conditions that did not exist as of December 31, 2013.

Effective January 1, 2014, Hagerty Education Program (HEP), a 501(c)3 organization formerly known as Collectors Foundation, officially became a supporting organization of the Museum. HEP is the first major museum-based program designed to train young people for careers in automotive restoration and preservation. The Museum elects a majority of HEP's Board of Directors and, as such, HEP will be included in the consolidated financial statements of the Museum effective January 1, 2014. The consolidation of HEP will result in additional net assets of approximately \$1 million to the consolidated entity.

In February 2014, the Museum entered into a \$500,000 revolving line of credit expiring February 2015. Bank advances on the line of credit are payable on demand and carry interest at 1.75 percentage points over the bank's base rate but not less than 5% per annum. The line of credit is collateralized by the general assets of the Museum and guaranteed by a member of its Board of Directors.

SUPPLEMENTARY INFORMATION

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,266,887	\$ 592,466	\$ 383,548	\$ 2,242,901
Payroll taxes and benefits	<u>287,964</u>	<u>139,403</u>	<u>69,402</u>	<u>496,769</u>
Total Payroll Expenses	1,554,851	731,869	452,950	2,739,670
Depreciation and amortization	1,594,389	22,916	217	1,617,522
Interest	847,316	17,048	10,093	874,457
In kind expenses	319,573	-	285,317	604,890
Professional fees	459,429	94,287	41,912	595,628
Advertising	342,345	75	16,999	359,419
Occupancy	262,941	-	-	262,941
Event expenses	102,987	7,755	128,435	239,177
Exhibition costs	234,870	-	-	234,870
Marketing and mailings	174,203	9,161	46,487	229,851
General operating	125,666	43,933	5,011	174,610
Travel and meetings	60,310	44,741	65,347	170,398
Miscellaneous	75,387	18,063	74,540	167,990
Insurance	85,602	35,880	-	121,482
Equipment maintenance	52,269	6,225	53,542	112,036
Contract services	104,303	1,803	2,601	108,707
Bank and loan fees	76,769	14,929	564	92,262
Information technology	32,968	10,322	10,740	54,030
Collection costs	<u>24,643</u>	<u>-</u>	<u>292</u>	<u>24,935</u>
Total Expenses	<u>\$ 6,530,821</u>	<u>\$ 1,059,007</u>	<u>\$ 1,195,047</u>	<u>\$ 8,784,875</u>

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

ASSETS	2013					2012				
	ACM	HELM	DOME	Eliminations	Total	ACM	HELM	DOME	Eliminations	Total
Current Assets										
Cash and cash equivalents	\$ 352,625	\$ 175,562	\$ 21,285		\$ 549,472	\$ 768,302	\$ 153,788	\$ 27,004		\$ 949,094
Cash and cash equivalents - restricted reserves	-	382,875	-		382,875	-	467,165	-		467,165
Contributions receivable, net - current	2,562,815	-	-		2,562,815	2,069,346	-	-		2,069,346
Other receivables	114,178	-	-		114,178	138,540	-	12,995		151,535
Due to related entities	-	-	2,325,696	\$ (2,325,696)	-	-	-	2,367,690	\$ (2,367,690)	-
Prepaid expenses and other	430,018	-	-		430,018	69,021	4,000	-		73,021
Vehicles and other assets held for sale	742,669	-	-		742,669	20,100	-	-		20,100
Total Current Assets	4,202,305	558,437	2,346,981	(2,325,696)	4,782,027	3,065,309	624,953	2,407,689	(2,367,690)	3,730,261
Cash Restricted for Investment in Property	253,742	-	-		253,742	-	343,249	77,231		420,480
Contributions Receivable, net - long-term	3,345,751	-	-		3,345,751	4,514,209	-	-		4,514,209
Construction in Progress	-	-	-		-	5,368,256	-	-		5,368,256
Note Receivable	25,823,200	-	-		25,823,200	25,823,200	-	-		25,823,200
Prepaid Financing Costs, net	59,082	198,857	25,295		283,234	75,683	248,571	31,619		355,873
Other Assets	38,135	-	-		38,135	1,415,193	-	-		1,415,193
Property and Equipment, net	11,453,118	38,293,239	-		49,746,357	6,382,968	37,057,329	-		43,440,297
Investment in Related Entities	612,605	-	-	(612,605)	-	612,605	-	-	(612,605)	-
Classic and Antique Cars - not accessed	7,052,750	-	-		7,052,750	7,592,450	-	-		7,592,450
	<u>\$52,840,688</u>	<u>\$39,050,533</u>	<u>\$ 2,372,276</u>	<u>\$ (2,938,301)</u>	<u>\$91,325,196</u>	<u>\$54,849,873</u>	<u>\$38,274,102</u>	<u>\$ 2,516,539</u>	<u>\$ (2,980,295)</u>	<u>\$92,660,219</u>
LIABILITIES AND NET ASSETS										
Current Liabilities										
Accounts payable	\$ 245,050	\$ 35,337	\$ 24,259		\$ 304,646	\$ 252,371	\$ 24,520	\$ 20,317		\$ 297,208
Due to related entities	(2,616,432)	4,942,128	-	\$ (2,325,696)	-	(2,714,579)	5,082,269	-	\$ (2,367,690)	-
Retainage payable	-	-	-		-	-	300,000	-		300,000
Accrued payroll expenses	248,813	-	-		248,813	180,055	-	-		180,055
Current portion of long-term debt	210,593	42,210	65,200		318,003	207,182	-	60,400		267,582
Total Current Liabilities	(1,911,976)	5,019,675	89,459	(2,325,696)	871,462	(2,074,971)	5,406,789	80,717	(2,367,690)	1,044,845
Interest Rate Swap	-	-	147,335		147,335	-	-	202,446		202,446
Debt, net of current portion above	7,369,676	35,316,888	2,312,902	-	44,999,466	8,465,270	33,380,000	2,378,102	-	44,223,372
Total Liabilities	5,457,700	40,336,563	2,549,696	(2,325,696)	46,018,263	6,390,299	38,786,789	2,661,265	(2,367,690)	45,470,663
Net Assets										
Unrestricted	41,194,430	(1,286,030)	(177,420)	(612,605)	39,118,375	41,832,621	(512,687)	(144,726)	(612,605)	40,562,603
Temporarily restricted	6,178,558	-	-	-	6,178,558	6,626,953	-	-	-	6,626,953
Permanently restricted	10,000	-	-	-	10,000	-	-	-	-	-
Total Net Assets	47,382,988	(1,286,030)	(177,420)	(612,605)	45,306,933	48,459,574	(512,687)	(144,726)	(612,605)	47,189,556
	<u>\$52,840,688</u>	<u>\$39,050,533</u>	<u>\$ 2,372,276</u>	<u>\$ (2,938,301)</u>	<u>\$91,325,196</u>	<u>\$54,849,873</u>	<u>\$38,274,102</u>	<u>\$ 2,516,539</u>	<u>\$ (2,980,295)</u>	<u>\$92,660,219</u>

LEMAY - AMERICA'S CAR MUSEUM

CONSOLIDATING STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013					2012				
	ACM	HELM	DOME	Eliminations	Total	ACM	HELM	DOME	Eliminations	Total
Support and Revenue										
Admissions	\$ 1,593,275	\$ -	\$ -		\$ 1,593,275	\$ 1,420,584	\$ -	\$ -		\$ 1,420,584
Guest services	619,654	-	-		619,654	354,513	-	-		354,513
Tours and events	306,520	-	-		306,520	349,504	-	-		349,504
Interest income	455,424	-	-		455,424	455,476	999	10		456,485
Other earned income	136,014	590,000	115,273	\$ (590,000)	251,287	151,399	590,000	155,592	\$ (590,000)	306,991
Contributions	3,365,554	-	-		3,365,554	5,406,659	-	-		5,406,659
In-kind contributions	1,122,924	-	-		1,122,924	3,484,432	-	-		3,484,432
Special events	267,320	-	-		267,320	157,050	-	-		157,050
Total Support and Revenue	<u>7,866,685</u>	<u>590,000</u>	<u>115,273</u>	<u>(590,000)</u>	<u>7,981,958</u>	<u>11,779,617</u>	<u>590,999</u>	<u>155,602</u>	<u>(590,000)</u>	<u>11,936,218</u>
Expenses										
Program services	5,098,169	1,257,311	175,341		6,530,821	3,937,133	-	-		3,937,133
Management and general	1,515,238	106,032	27,737	(590,000)	1,059,007	1,604,332	1,209,408	161,851	(590,000)	2,385,591
Fundraising	1,195,047	-	-	-	1,195,047	1,071,894	-	-	-	1,071,894
Total Expenses	<u>7,808,454</u>	<u>1,363,343</u>	<u>203,078</u>	<u>(590,000)</u>	<u>8,784,875</u>	<u>6,613,359</u>	<u>1,209,408</u>	<u>161,851</u>	<u>(590,000)</u>	<u>7,394,618</u>
Change in Net Assets before Gains and (Losses)	<u>58,231</u>	<u>(773,343)</u>	<u>(87,805)</u>	<u>-</u>	<u>(802,917)</u>	<u>5,166,258</u>	<u>(618,409)</u>	<u>(6,249)</u>	<u>-</u>	<u>4,541,600</u>
Gains and (Losses)										
Accession of Classic and Antique Cars to collection	(195,000)	-	-		(195,000)	-	-	-		-
Change in value of interest rate swap	-	-	55,111		55,111	-	-	(11,878)		(11,878)
Loss on valuation of vehicles	(259,817)	-	-		(259,817)	(85,068)	-	-		(85,068)
Loss on valuation of donated assets	(680,000)	-	-		(680,000)	-	-	-		-
Known and estimated loss on uncollectible contributions receivable	-	-	-		-	(79,711)	-	-		(79,711)
Total Gains and (Losses)	<u>(1,134,817)</u>	<u>-</u>	<u>55,111</u>	<u>-</u>	<u>(1,079,706)</u>	<u>(164,779)</u>	<u>-</u>	<u>(11,878)</u>	<u>-</u>	<u>(176,657)</u>
Change in Net Assets	<u>(1,076,586)</u>	<u>(773,343)</u>	<u>(32,694)</u>	<u>-</u>	<u>(1,882,623)</u>	<u>5,001,479</u>	<u>(618,409)</u>	<u>(18,127)</u>	<u>-</u>	<u>4,364,943</u>
Net Assets - beginning of year	<u>48,459,574</u>	<u>(512,687)</u>	<u>(144,726)</u>	<u>(612,605)</u>	<u>47,189,556</u>	<u>43,458,095</u>	<u>105,722</u>	<u>(126,599)</u>	<u>(612,605)</u>	<u>42,824,613</u>
Net Assets - end of year	<u>\$47,382,988</u>	<u>\$ (1,286,030)</u>	<u>\$ (177,420)</u>	<u>\$ (612,605)</u>	<u>\$45,306,933</u>	<u>\$48,459,574</u>	<u>\$ (512,687)</u>	<u>\$ (144,726)</u>	<u>\$ (612,605)</u>	<u>\$47,189,556</u>