PONTIAC TRANSPORTATION MUSEUM

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

June 30, 2025

To the Board of Directors of
Pontiac Transportation Museum
Pontiac, Michigan

We have reviewed the accompanying financial statements of Pontiac Transportation Museum, (the Organization), which comprise the Statement of Financial Position as of December 31, 2024, and the Statement of Activities, Statement of Functional Expenses and Statement of Cash Flows for the year ended December 31, 2024, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Pontiac Transportation Museum and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Wiebe Hinton Hambalek, LLP

PONTIAC TRANSPORTATION MUSEUM
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 248,690
Merchandise inventory	35,324
Total current assets	284,014
COLLECTIBLES - AUTOMOBILES AND ARTIFACTS	319,500
CONSTRUCTION IN PROGRESS	47,216
FIXED ASSETS, NET	1,755,134
TOTAL ASSETS	$ 2,405,864

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	$ 1,484
Accrued liabilities	3,492
Accrued payroll	957
Unearned revenue	2,103
Total Liabilities	8,036
NET ASSETS	
Without donor restrictions	2,397,828
Total net assets	2,397,828
TOTAL LIABILITIES AND NET ASSETS	$ 2,405,864

See Independent Accountants' Review Report.
The accompanying notes are an integral part to the financial statements.

PONTIAC TRANSPORTATION MUSEUM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 395,118	$ 5,000	$ 400,118
Collectibles - donations	29,075	-	29,075
Event Income	48,803	-	48,803
Gift Shop	44,060	-	44,060
Other revenue	6,580	-	6,580
TOTAL SUPPORT AND REVENUE	523,636	5,000	528,636
NET ASSETS RELEASED FROM RESTRICTIONS	5,000	(5,000)	-
TOTAL SUPPORT, REVENUE, AND NET ASSETS RELEASED FROM RESTRICTIONS	528,636	-	528,636
FUNCTIONAL EXPENSES:			
Program services	143,393	-	143,393
Management and general	41,087	-	41,087
TOTAL FUNCTIONAL EXPENSES	184,480	-	184,480
CHANGE IN NET ASSETS	344,156	-	344,156
NET ASSETS , JANUARY 1, 2024	2,053,672	-	2,053,672
NET ASSETS , DECEMBER 31, 2024	$ 2,397,828	$ -	$ 2,397,828

See Independent Accountants' Review Report.
The accompanying notes are an integral part to the financial statements.

PONTIAC TRANSPORTATION MUSEUM

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Service	Management and General	Total
Depreciation	$ -	$ 35,066	$ 35,066
Merchandise - gift shop	51,159	-	51,159
Wages and benefits	21,028	-	21,028
Repairs and maintenance	17,185	-	17,185
Utilities	15,493	-	15,493
Advertising	9,054	-	9,054
Property tax	6,798	-	6,798
Professional services	-	6,000	6,000
Travel expense	5,686	-	5,686
Telephone	2,816	-	2,816
Insurance	2,581	-	2,581
Payroll tax	2,447	-	2,447
Supplies	2,107	21	2,128
Alarm system	2,024	-	2,024
Miscellaneous	1,929	-	1,929
Bank fees	1,895	-	1,895
Subscription fees	632	-	632
Membership fees	499	-	499
Fuel	60	-	60
Total	$ 143,393	$ 41,087	$ 184,480

See Independent Accountants' Review Report.

The accompanying notes are an integral part to the financial statements.

PONTIAC TRANSPORTATION MUSEUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FROM OPERATING ACTIVITIES	
Change in net assets	$ 344,156
Adjustments to net cash provided by operating activities:	
Depreciation expense	35,066
Donated collectibles included in contributions	(29,075)
(Increase) in:	
Inventory	(5,324)
Increase (decrease) in:	
Accounts payable and accrued liabilities	(2,235)
Accrued payroll	957
Unearned revenue	2,103
Total adjustments	1,492
Net cash provided by operating activities	345,648
CASH FLOW FROM INVESTING ACTIVITIES	
Building improvement capital expenditures	(10,200)
Show room artifacts and collectable expenditures	(110,661)
Net cash (used) in investing activities	(120,861)
NET INCREASE IN CASH	224,787
CASH AT END OF PERIOD	$ 248,690

See Independent Accountants' Review Report.

The accompanying notes are an integral part to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Operations

Pontiac Transportation Museum became a Non-Profit Organization in August 2023 under the Internal Revenue Code Section 501 (c)(3). The Museum initiated operations on January 2, 2024. The Organization is primarily funded by donations and grants. A majority of its funds are spent restoring and maintaining the facility that showcases the artifacts and honors the heritage of the transportation history including General Motors' renowned Pontiac Motor Division and GMC Truck and Coach. The Museum is located in Pontiac, Michigan, a city that holds some of America's deepest legacies of transportation history and innovation. Pontiac has a legacy of being the birthplace of many of the nation's most successful manufacturers of horse-drawn buggies and carriages that evolved into the earliest car and truck companies.

B. Basis of presentation

The Organization reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expired (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with remaining maturity at the date of purchase of three months or less.

D. Functional Allocation of Expenses

Directly identifiable expenses are charged to program, fundraising, and management and general expenses. Expenses relating to more than one function are charged to the function based on an estimate of utilization for that particular function. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support of the Organization.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

F. Federal Income Taxes

The Organization qualifies as a non-profit corporation under Internal Revenue Code Section 501(c)(3) and is exempt from federal income tax.

G. Risks and uncertainties

The Organization is subject to the risk and challenges associated with organizations at a similar stage of operation including dependence on key individuals, successful marketing of the Organization and its events, and ability to retain significant donors, sponsors, and volunteers.

The Organization operates in the not-for-profit sector, and accordingly, can be affected by a variety of factors. For example, management of the Organization believes that any of the following factors could have a significant negative effect on the Organization's future financial position, results of operations and cash flows: failure of its marketing efforts to grow attendance and membership, adverse economic conditions that impact customers' ability and willingness to attend events, and inability to retain significant donors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

H. Depreciation and amortization

The building is stated at estimated fair value. Other fixed assets, including major renewals and improvements, are stated at cost. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method of depreciation. When fixed assets are sold or scrapped, the related costs and accumulated depreciation and amortization are removed from the respective accounts, and any gain or loss on disposition is recognized currently. Maintenance and repairs which do not improve the productive capacity or extend the useful lives of the assets are expensed as incurred. Useful lives for depreciation purposes are as follows:

Building	39 years
Improvements	7 – 15 years
Office furniture & fixtures	2 – 5 years

I. Revenue and Support Recognition

Gift shop

Revenue is collected from various gift shop sales. Gift shop revenue is recorded at the point of sale.

Tours and events

Tours and events revenue primarily consists of private event space rental fees and related income, such as wedding and group tickets. Revenue is recognized on completion of the private event or group tour.

Contributions and grants

The Organization recognizes contributions when cash, securities or other assets, and unconditional promises to give or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been met.

Donor-restricted support is reported as an increase in donor-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, donor-restricted net assets are reported as net assets released from restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

I. Revenue and Support Recognition (Continued)

Contributions and grants (Continued)

Gifts of collectibles and artifacts are reported as net assets without donor restriction unless explicit donor stipulation specifies 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.

In-kind donations

Donated goods are recorded at their estimated fair value at the date of donation. 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 that are utilized. A number of volunteers have donated time to the 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,

	2024
Donated professional services	$ 6,000
Donated museum artifacts	203,200
Donated classic and antique cars	116,300
Total	$ 325,500

2. ACCOUNTING FOR UNCERTAIN TAX POSITIONS:

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2024, there were no uncertain tax positions that required accrual.

3. COLLECTION:

The Organization's collection consists of vehicles and other memorabilia that are held for education and curatorial purposes. The Organization 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.

The Organization has adopted a policy of capitalizing the collection in its financial statements. 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 Organization that proceeds from the sale of any collection items are to be used to purchase additional collection items or for direct care of the current collection.

Vehicles and museum artifacts donated to the Organization undergo a thorough evaluation to determine whether they should be incorporated into the collection. For the donated items, the Organization determines the value from using the fair value of similar assets.

4. FIXED ASSETS:

Property and equipment consist of the following as of December 31, 2024:

Buildings	$ 1,330,000
Land	450,000
Furniture and equipment	10,200
	1,790,200
Less accumulated depreciation	(35,066)
	$ 1,755,134

Depreciation expense was $35,066 for the year ended . Construction in progress for phase 2 is $47,216 for the year ended December 31, 2024.

5. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization considers contributions without donor restrictions, board-designated and restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

As of December 31, 2024, the Organization had $248,690 in financial assets available within one year to meet cash needs for general expenditures. As of December 31, 2024, there are no donor-imposed restrictions on the available financial assets. The Organizations policy is to structure its financial assets to be available as general expenditures and liabilities, and other obligations become due.

6. SUBSEQUENT EVENTS:

On May 16, 2025, the City of Pontiac contributed $250,000 of The American Rescue Plan Act (ARPA) funds. These funds are restricted for use of phase 1, phase 2, and phase 3 improvements.