

# **The Mattress Factory, LTD**

## Financial Statements

Years Ended December 31, 2020 and 2019  
with Independent Auditor's Report

**MaherDuessel**

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## Independent Auditor's Report

### **Board of Directors The Mattress Factory, LTD**

We have audited the accompanying financial statements of The Mattress Factory, LTD (Museum), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Museum as of December 31, 2020 and 2019, 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.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
June 16, 2021

# MATTRESS FACTORY

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

<b>Assets</b>	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 804,748	\$ 573,986
Gift shop inventory	40,263	34,029
Promises to give	392,190	248,606
Prepaid expenses	45,465	27,957
Total current assets	1,282,666	884,578
Non-current assets:		
Investments	1,240,752	1,159,987
Promises to give - long-term portion, net of allowance of \$62,000 and \$62,000	175,742	200,160
Art collection	829,990	821,050
Property, plant, and equipment, net	2,859,997	2,991,954
Total non-current assets	5,106,481	5,173,151
<b>Total Assets</b>	\$ 6,389,147	\$ 6,057,729
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 46,635	\$ 97,895
Accrued liabilities	9,560	71,965
Deferred revenue	34,175	24,200
Current portion of long-term debt	32,749	29,377
Line of credit	13,127	-
Total current liabilities	136,246	223,437
Non-current liabilities:		
Long-term debt, net of current portion	721,610	608,999
Total Liabilities	857,856	832,436
Net Assets:		
Without donor restrictions	3,385,109	3,067,828
With donor restrictions	2,146,182	2,157,465
Total Net Assets	5,531,291	5,225,293
<b>Total Liabilities and Net Assets</b>	\$ 6,389,147	\$ 6,057,729

See accompanying notes to financial statements.

# MATTRESS FACTORY

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue:</b>			
Public support:			
Foundation grants	\$ 327,750	\$ 524,000	\$ 851,750
Corporate grants	-	10,000	10,000
Federal grants	254,700	217,027	471,727
State grants	81,450	18,712	100,162
Local grants	-	103,500	103,500
Special events	39,190	-	39,190
Donated services and materials	-	-	-
Contributions	121,202	37,772	158,974
Total public support	<u>824,292</u>	<u>911,011</u>	<u>1,735,303</u>
Revenue:			
Admission	289,599	-	289,599
Private event rentals	10,435	-	10,435
Museum gift shop	51,481	-	51,481
Memberships	36,470	-	36,470
Café concessions	17,535	-	17,535
Education programs	6,195	-	6,195
Miscellaneous income	4,577	-	4,577
Total revenue	<u>416,292</u>	<u>-</u>	<u>416,292</u>
Net assets released from restrictions	982,639	(982,639)	-
Total public support and revenue	<u>2,223,223</u>	<u>(71,628)</u>	<u>2,151,595</u>
<b>Expenses:</b>			
Program services	1,355,186	-	1,355,186
General and administrative	528,092	-	528,092
Fundraising and development	88,953	-	88,953
Total expenses	<u>1,972,231</u>	<u>-</u>	<u>1,972,231</u>
<b>Net Change in Net Assets from Operations</b>	<u>250,992</u>	<u>(71,628)</u>	<u>179,364</u>
<b>Non-Operating Items:</b>			
Investment income (loss)	-	147,053	147,053
Allowance and charge-off for uncollectible pledges	-	(20,419)	(20,419)
Loss on disposal of construction in progress	-	-	-
Releases from restrictions - investment activity	66,289	(66,289)	-
<b>Net Change in Non-Operating Items</b>	<u>66,289</u>	<u>60,345</u>	<u>126,634</u>
<b>Change in Net Assets</b>	<u>317,281</u>	<u>(11,283)</u>	<u>305,998</u>
<b>Net Assets:</b>			
Beginning of year	3,067,828	2,157,465	5,225,293
End of year	<u>\$ 3,385,109</u>	<u>\$ 2,146,182</u>	<u>\$ 5,531,291</u>

See accompanying notes to financial statements.

# MATTRESS FACTORY

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue:</b>			
Public support:			
Foundation grants	\$ 300,802	\$ 285,999	\$ 586,801
Corporate grants	-	-	-
Federal grants	-	25,000	25,000
State grants	-	18,712	18,712
Local grants	82,000	152,000	234,000
Special events	328,128	-	328,128
Donated services and materials	73,828	-	73,828
Contributions	63,000	42,500	105,500
Total public support	<u>847,758</u>	<u>524,211</u>	<u>1,371,969</u>
Revenue:			
Admission	805,579	-	805,579
Private event rentals	61,915	-	61,915
Museum gift shop	100,860	-	100,860
Memberships	36,419	-	36,419
Café concessions	46,340	-	46,340
Education programs	16,128	-	16,128
Miscellaneous income	64,427	-	64,427
Total revenue	<u>1,131,668</u>	<u>-</u>	<u>1,131,668</u>
Net assets released from restrictions	401,983	(401,983)	-
Total public support and revenue	<u>2,381,409</u>	<u>122,228</u>	<u>2,503,637</u>
<b>Expenses:</b>			
Program services	1,730,618	-	1,730,618
General and administrative	565,467	-	565,467
Fundraising and development	274,263	-	274,263
Total expenses	<u>2,570,348</u>	<u>-</u>	<u>2,570,348</u>
<b>Net Change in Net Assets from Operations</b>	<u>(188,939)</u>	<u>122,228</u>	<u>(66,711)</u>
<b>Non-Operating Items:</b>			
Investment income (loss)	-	206,448	206,448
Allowance and charge-off for uncollectible pledges	-	(62,000)	(62,000)
Loss on disposal of construction in progress	(49,411)	-	(49,411)
Releases from restrictions - investment activity	81,946	(81,946)	-
<b>Net Change in Non-Operating Items</b>	<u>32,535</u>	<u>62,502</u>	<u>95,037</u>
<b>Change in Net Assets</b>	<u>(156,404)</u>	<u>184,730</u>	<u>28,326</u>
<b>Net Assets:</b>			
Beginning of year	<u>3,224,232</u>	<u>1,972,735</u>	<u>5,196,967</u>
End of year	<u>\$ 3,067,828</u>	<u>\$ 2,157,465</u>	<u>\$ 5,225,293</u>

See accompanying notes to financial statements.

# MATTRESS FACTORY

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 632,021	\$ 428,341	\$ 69,559	\$ 1,129,921
Professional fees	116,226	10,213	4,711	131,150
Benefits	36,204	48,519	8,157	92,880
Artistic	60,872	-	-	60,872
Depreciation	156,198	15,995	-	172,193
Office expenses	98,762	5,496	5,598	109,856
Visitor services	45,538	-	-	45,538
Occupancy	91,218	9,339	-	100,557
Insurance	31,417	3,217	-	34,634
Other	23,064	1,103	523	24,690
Repairs and maintenance	21,953	2,202	-	24,155
Interest	24,168	2,474	-	26,642
Education	5,140	-	-	5,140
Travel	2,026	130	405	2,561
Equipment	10,379	1,063	-	11,442
Total	<u>\$ 1,355,186</u>	<u>\$ 528,092</u>	<u>\$ 88,953</u>	<u>\$ 1,972,231</u>

See accompanying notes to financial statements.

# MATTRESS FACTORY

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 659,246	\$ 456,207	\$ 62,259	\$ 1,177,712
Professional fees	219,080	15,034	89,302	323,416
Benefits	46,170	47,315	-	93,485
Artistic	146,425	-	-	146,425
Depreciation	224,699	23,006	-	247,705
Office expenses	71,922	2,896	41,133	115,951
Visitor services	95,661	-	72,422	168,083
Occupancy	98,560	10,050	128	108,738
Insurance	28,451	2,913	-	31,364
Other	36,937	1,264	7,842	46,043
Repairs and maintenance	29,126	2,817	55	31,998
Interest	23,887	2,446	-	26,333
Education	24,185	-	-	24,185
Travel	14,503	314	1,122	15,939
Equipment	11,766	1,205	-	12,971
Total	<u>\$ 1,730,618</u>	<u>\$ 565,467</u>	<u>\$ 274,263</u>	<u>\$ 2,570,348</u>

See accompanying notes to financial statements.



# MATTRESS FACTORY

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 305,998	\$ 28,326
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	172,193	247,705
Realized and unrealized (gain) loss on investment	(110,257)	(173,066)
Securities received	(5,150)	-
Loss on suspension of capital campaign pledges	20,419	62,000
Loss on disposal of construction in progress	-	49,411
Change in:		
Gift shop inventory	(6,234)	(3,884)
Promises to give, net of collection of those restricted for capital	(161,919)	(35,282)
Prepaid expenses	(17,508)	(14,698)
Accounts payable	(51,260)	(100,654)
Accrued liabilities	(62,405)	28,768
Deferred revenue	9,975	9,950
Total adjustments	(212,146)	70,250
Net cash provided by (used in) operating activities	93,852	98,576
<b>Cash Flows From Investing Activities:</b>		
Purchase of property, plant, and equipment	(40,236)	(20,791)
Purchase of art collection	(8,940)	-
Purchase of investments	(218,595)	(243,275)
Sales of investments	253,237	290,116
Net cash provided by (used in) investing activities	(14,534)	26,050
<b>Cash Flows From Financing Activities:</b>		
Proceeds from line of credit	100,000	-
Payments on line of credit	(86,873)	-
Payments on long-term debt	(34,017)	(28,267)
Proceeds from long-term debt	150,000	-
Collection of grants and contributions restricted for capital	22,334	35,848
Net cash provided by (used in) financing activities	151,444	7,581
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>230,762</b>	<b>132,207</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	573,986	441,779
End of year	\$ 804,748	\$ 573,986
<b>Supplemental Information:</b>		
Interest paid	\$ 26,642	\$ 26,333

See accompanying notes to financial statements.