



**AMERICAN ASSOCIATION OF  
VARIABLE STAR OBSERVERS  
(A Nonprofit Organization)**

**FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024  
*(With Independent Auditor's Report Thereon)*

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
(A Nonprofit Organization)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**American Association of Variable Star Observers**  
**(A Nonprofit Organization)**

### Opinion

We have audited the financial statements of American Association of Variable Star Observers (A Nonprofit Organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 American Association of Variable Star Observers as of September 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 American Association of Variable Star Observers and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 American Association of Variable Star Observers' ability to continue as a going concern for one year after the date that the financial statements are 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 American Association of Variable Star Observers' 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 American Association of Variable Star Observers' 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.

*Doeren Mayhew Assurance*

Troy, Michigan  
August 12, 2025

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS**  
**(A Nonprofit Organization)**

**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024**

**Assets**

Current assets	
Cash and cash equivalents	\$ 920,357
Investment	14,585,426
Prepaid expenses and other current assets	<u>35,234</u>
Total current assets	15,541,017
Operating lease right-of-use assets	205,710
Donor restricted investments to be maintained into perpetuity	3,310,956
Property and equipment, net	<u>21,685</u>
Total assets	<u><u>\$ 19,079,368</u></u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable	\$ 28,753
Deferred revenue - membership dues and meetings	81,537
Operating lease liability - short term	74,606
Accrued wages	<u>62,669</u>
Total current liabilities	247,565
Long-term liabilities	
Operating lease liability - net of short-term	<u>138,433</u>
Total liabilities	385,998
Net assets	
Without donor restrictions	
Available for operations	287,421
Board-designated	14,751,410
With donor restrictions	<u>3,654,539</u>
Total net assets	<u>18,693,370</u>
Total liabilities and net assets	<u><u>\$ 19,079,368</u></u>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
(A Nonprofit Organization)**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Cash contributions	\$ 143,304	\$ -	\$ 143,304
Grants	30,505	14,300	44,805
Contributions of non-financial assets	12,944	-	12,944
Membership dues and fees	102,472	-	102,472
Meetings, courses, and other fees	53,557	-	53,557
Dividends and interest, net of fees of \$55,681	358,500	5,876	364,376
Unrealized gain on investments	3,116,596	50,266	3,166,862
Realized gain on investments	305,526	5,008	310,534
Total revenues and other support	4,123,404	75,450	4,198,854
Net assets released from restrictions	3,186	(3,186)	-
Functional expenses			
Program services	750,545	-	750,545
Supporting services			
Management and general	357,574	-	357,574
Fundraising	65,370	-	65,370
Total functional expenses	1,173,489	-	1,173,489
Changes in net assets	2,953,101	72,264	3,025,365
Net assets - October 1, 2023	12,085,730	3,582,275	15,668,005
Net assets - September 30, 2024	<u>\$ 15,038,831</u>	<u>\$ 3,654,539</u>	<u>\$ 18,693,370</u>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	\$ 419,677	\$ 203,446	\$ 39,272	\$ 662,395
Contract services	44,155	6,461	-	50,616
Meetings and travel	88,424	4,861	8,667	101,952
Employee benefit related expenses	43,656	47,251	4,222	95,129
Lease expense	51,475	26,534	4,851	82,860
Technology and internet	20,872	26,705	2,293	49,870
Accounting and professional services	24,817	17,945	2,833	45,595
Dues, subscriptions and licenses	6,674	4,828	612	12,114
Telephone and utilities	8,044	3,709	759	12,512
Depreciation	3,129	6,127	258	9,514
Advertising and marketing	7,742	(614)	334	7,462
Insurance	5,191	5,160	515	10,866
Banking fees	3,330	2,398	314	6,042
Office expense	1,646	1,123	173	2,942
Telescope supplies	18,501	-	-	18,501
Repair and maintenance	2,319	1,162	219	3,700
Postage and printing	893	478	48	1,419
	<u>750,545</u>	<u>357,574</u>	<u>65,370</u>	<u>1,173,489</u>
Total functional expenses	<u>\$ 750,545</u>	<u>\$ 357,574</u>	<u>\$ 65,370</u>	<u>\$ 1,173,489</u>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS**  
**(A Nonprofit Organization)**

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2024**

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Cash flows from operating activities	
Changes in net assets	\$ 3,025,365
Adjustments	
Depreciation	9,514
Donated stock	(36,144)
Unrealized gain on investments	(3,166,862)
Realized gain on sale of investments	(310,534)
Decrease/(increase) in assets	
Prepaid expenses and other current assets	(8,170)
Operating lease right-of-use assets, net	1,679
Increase/(decrease) in liabilities	
Accounts payable	27,029
Deferred revenue - membership dues and meetings	1,211
Accrued wages	6,341
	<u>6,341</u>
Total adjustments	<u>(3,475,936)</u>
Net cash used in operating activities	(450,571)
Cash flows from investing activities	
Acquisition of property and equipment	(3,609)
Acquisition of investments	(6,406,166)
Proceeds from sale of investments	6,727,616
	<u>6,727,616</u>
Net cash provided from investing activities	<u>317,841</u>
Net change in cash and cash equivalents	(132,730)
Cash and cash equivalents - October 1, 2023	<u>1,053,087</u>
Cash and cash equivalents - September 30, 2024	<u>\$ 920,357</u>

See accompanying notes to financial statements

# AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS (A Nonprofit Organization)

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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### Note 1 – Nature of Business and Significant Accounting Policies

#### Nature of Association

The American Association of Variable Star Observers (A Nonprofit Organization) (the “Association”) is an international nonprofit association established in 1911 under the laws of the Commonwealth of Massachusetts, whose mission is to observe and analyze variable stars, collect and archive observations for worldwide access, forge strong collaborations between amateur and professional astronomers, and promote scientific research and education using variable star data.

#### Basis of Accounting

The Association prepares its financial statements under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America established by the Financial Accounting Standards Board (“FASB”).

#### Cash and Cash Equivalents

The statement of cash flows classifies changes in cash or cash equivalents (short-term, highly liquid investments readily convertible into cash with an original maturity of three months or less) according to operating, investing, or financing activities. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and temporary cash investments. The Association maintains cash balances at high credit quality financial institutions. The Association’s accounts are held at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Association had a cash balance of approximately \$405,000 held at financial institutions in excess of the FDIC insurance limit for the year ended September 30, 2024. The Association places its temporary cash investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution.

#### Investments

The Association’s investments consist of marketable securities held in brokerage accounts, which are measured at fair value as of the statement of financial position date.

Realized gains and losses on investment transactions are recorded as the difference between proceeds received and carrying value. Net unrealized appreciation or depreciation in the fair market value of investments is recorded as the change in carrying value of the investment portfolio from the beginning of the year or date of purchase to the end of the year.

#### Fair Value Measurements

Generally accepted accounting principles established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described on the following page.

# AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS (A Nonprofit Organization)

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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### *Basis of Fair Value Measurements*

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. See Note 2 – Investments, for investment valuations.

### Income Tax Status

The Association is exempt from Federal income taxes as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Association is also exempt from state income taxes. Donors may deduct contributions made to the Association within the IRS requirements.

The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit periods are 2021 - 2024.

### 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 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.

### Functional Expenses

The costs of providing program services and other supporting activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program and support service are reported directly according to their natural expenditure classification. Certain expenses that are attributable to both program services and supporting functions require allocation on a reasonable basis that is consistently applied. Payroll and related expenses, employee benefits and related expenses, lease expense, depreciation, accounting and professional services, advertising and marketing, technology, postage and printing, technology and internet, dues, subscriptions and licenses, telephone and utilities, repair and maintenance, insurance, banking fees, postage and printing, and office expenses are allocated among program and support services based on the estimated time and effort spent by the Association's personnel. Meeting and travel expense is allocated among program and support services based on the estimated time by personnel spent on meeting and travel needs.

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
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**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

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Leases

The Company recognizes right-of-use assets and lease liabilities for leases with terms greater than 12 months. Leases are classified as operating leases. Lease expense is recognized based on a straight-line basis over the term of the lease. Lease and non-lease components of a contract are accounted for as a single lease election. The Company's right-of-use asset and lease liability relate to office facilities. Renewal periods are included in the expected lease term if they are reasonably certain of being exercised.

Right-of-use assets and lease liabilities are recorded at the net present value of future lease payments and include any initial direct costs incurred at lease commencement. The incremental borrowing rate is used to determine the net present value of the lease when the rate implicit in the lease is not readily determinable. Right-of-use assets under operating leases are reduced as lease expense is incurred.

Advertising

The costs of advertising are expensed as incurred. Advertising expense for the year ended September 30, 2024 amounted to \$7,462.

Property and Equipment

Property and equipment is stated at cost, or if donated, at fair market value at the date of the gift. Property and equipment is capitalized if the cost exceeds \$5,000 lesser amounts and expenditures for repairs and maintenance are charged to operating expenses. Adjustments of the asset and the related accumulated depreciation accounts are made for property and equipment retirements and disposals, with the resulting gain or loss included in the statement of activities and changes in net assets. The Association depreciates capitalized assets over their estimated useful life of five to fifteen years. Depreciation is calculated using the straight-line method.

Revenue Recognition

The Association offers memberships of various categories that typically last for a term of one year. The Association divides fees from these memberships between contributions and exchange transactions and recognizes revenue for the contribution upon sale, and for the exchange portion of the transaction ratably over the term of the membership. Exchanged benefits received by the Association's members include access to telescope/observing networks and tools, mentor programs, discounted courses, workshops and publications. The amount reflects the retail value of the exchanged benefits. Payments received from members covering the future months beyond the financial statement dates are reported as a component of deferred revenue on the statement of financial position.

Other earned income consists of sales of publications, meetings and courses which are recognized as revenue at a point in time, on the date of sale or as the events occur. The transaction price is the total amount of consideration to which the Association expects to be entitled in exchange for services and benefits the participants are expected to receive for the publications, meetings and courses. Payments received from participants in advance of the meeting/course date are reported as a component of deferred revenue on the statement of financial position.

Deferred revenue as of October 1, 2023 was \$80,326.

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**SEPTEMBER 30, 2024**

Contributions and grants received are recognized as revenue in the period in which the donor commitment is made, if unconditional. Contributions and grants are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor 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 statement of activities and changes in net assets as net assets released from restrictions.

Net Asset Classifications

Net assets of the Association are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Association's ability to use or dispose of contributed assets. The Association reports contributions of cash or other assets as with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor 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 statement of activities and changes in net assets as net assets released from restrictions.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including August 12, 2025, which is the date the financial statements were available to be issued.

**Note 2 – Investments**

The table below segregates all financial assets as of September 30, 2024 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	Fair Value Based on			
	Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investment holdings				
U.S. Equities	\$ 8,979,862	\$ 8,979,862	\$ -	\$ -
Non-U.S. Equities	3,660,326	3,660,326	-	-
Fixed Income	3,745,782	3,745,782	-	-
REIT	216,138	216,138	-	-
Alternative	1,291,465	1,291,465	-	-
Non-classified	2,809	2,809	-	-
Total	<u>\$ 17,896,382</u>	<u>\$ 17,896,382</u>	<u>\$ -</u>	<u>\$ -</u>

For the above equity securities, the fair value was determined by reference to quoted market prices in active markets (Level 1) and other relevant information generated by market transactions.

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
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**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

**Note 3 – Property and Equipment**

The principal categories of property and equipment may be summarized as follows:

Equipment	\$ 130,700
Furniture and fixtures	<u>17,334</u>
Total cost	148,034
Less accumulated depreciation	<u>(126,349)</u>
Undepreciated cost	<u><u>\$ 21,685</u></u>

Depreciation expense for the year ended September 30, 2024 amounted to \$9,514.

**Note 4 – Operating Leases**

The Association leases office space in Cambridge, Massachusetts under an operating lease that commenced on June 1, 2022 and will expire by May 31, 2027. The lease agreement requires payments of minimum monthly rent plus certain other operating costs (a non-lease component) which includes certain utilities. The agreement required a security deposit payment of \$13,000 that is included in prepaid expenses and other current assets on the statement of financial position at September 30, 2024.

The Association's operating lease expense amounted to \$82,860 for the year ended September 30, 2024.

Supplemental lease information is as follows for the year ended September 30, 2024:

Cash paid for amounts included in measurement of lease liabilities	
Operating cash flows from operating leases	\$ 81,143
Weighted-average remaining lease term - operating leases	2.67 years
Weighted-average discount rate - operating leases	5.00%

Future minimum lease payments are as follows:

<u>Year Ending September 30<sup>th</sup></u>	<u>Amount</u>
2025	\$ 83,578
2026	86,085
2027	<u>58,526</u>
Total future lease payments	228,189
Less: amount representing interest	<u>(15,150)</u>
Present value of minimum lease payments	<u><u>\$ 213,039</u></u>

# AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS (A Nonprofit Organization)

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2024

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### Note 5 – Endowments and Net Assets

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Association has interpreted the Commonwealth of Massachusetts' enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the historic dollar value of donor-restricted endowment funds (absent explicit donor stipulations to the contrary). The term historic dollar value is defined as (i) the aggregate fair value in dollars of the contribution at the time it became an endowment, (ii) the fair value of subsequent contributions to the endowment, and (iii) accumulations to the endowment made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. As a result of this interpretation, the Association classifies as net assets with restrictions (a) the original value of the endowment in perpetuity and subsequent gifts contributed to it, and (b) appreciation (depreciation), gains (losses) and income earned on the fund when the donor states that such increases or decreases are to be treated as changes in net assets with restrictions. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with restrictions is classified as net assets without restrictions in accordance with the terms of the donor's wishes.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Association and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investment
- 6) Other resources of the Association
- 7) The investment policies of the Association

Management considers expenditures from a donor-restricted fund to be limited to the uses and purposes for which the endowment fund is established and the use of net appreciation, realized gains (with respect to all assets) and unrealized gains (with respect only to readily marketable securities) is limited to the extent that the fair value of a donor-restricted fund exceeds the historic dollar value of the fund (unless the applicable gift instrument indicates that net appreciation shall not be expended). Management gives consideration as to whether expenditures are prudent when considering the long and short term needs of the Association in carrying out its purposes, its present and anticipated financial requirements, its expected total return on its investments, price level trends and general economic conditions.

The Association has a policy of appropriating for expenditure (the spending policy) each year from the income generated by its endowments. With the exception of board-designated, only current investment income (and not unrealized appreciation) earned on donor-restricted endowment funds is expended (in accordance with donor stipulations). The Association budgets an amount based on the expenditures of a historical base year, adjusted for inflation, but limited to approximately 4.5% of the endowment's fair value. This policy is consistent with the Association's objectives to maintain the purchasing power of the assets through long-term returns that will provide future growth of the endowment and a source of current income to support its programs and operations.

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
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Donor-restricted endowment funds that are used to support programs, research and operations are invested in income generating funds and securities to the extent that the historic dollar value is sustained for capital preservation. Funds that may be restricted for a specific use by the donor or by law, or that are board-designated, are held in investments that provide opportunities for appreciation. In general, the endowments are invested for growth in funds that all have net asset values that are available daily and which meet certain quality criteria. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Massachusetts Uniform Prudent Management of Institutional Funds Act requires to be retained as a fund of perpetual duration. Deficiencies of this nature would be reported in net assets without donor restrictions. There were no such deficiencies as of September 30, 2024.

Endowment net asset composition by type of fund at September 30, 2024 was:

	With Donor Restriction	Without Donor Restrictions	Total
Board designated fund	\$ -	\$ 14,751,410	\$ 14,751,410
Donor restricted endowment funds			
Original donor-restricted amount required to be maintained in perpetuity by donors	3,310,956	-	3,310,956
Other donor-restricted gifts and accumulated net investment gains/losses	343,583	-	343,583
	<u>\$ 3,654,539</u>	<u>\$ 14,751,410</u>	<u>\$ 18,405,949</u>

Activity in the Association's endowment funds for the year ended September 30, 2024 was:

	With Donor Restriction	Without Donor Restrictions	Total
Balance at beginning of year	\$ 3,582,275	\$ 11,700,199	\$ 15,282,474
Contributions	14,300	-	14,300
Net investment income and gains	61,150	3,780,591	3,841,741
Amount appropriated for operations per spending policy	-	(718,300)	(718,300)
Expenditures released from donor restrictions	(3,186)	-	(3,186)
Other transactions	-	(11,080)	(11,080)
Balance at end of year	<u>\$ 3,654,539</u>	<u>\$ 14,751,410</u>	<u>\$ 18,405,949</u>

**AMERICAN ASSOCIATION OF VARIABLE STAR OBSERVERS  
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**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

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**Note 6 – Net Assets with Donor Restrictions**

The Association characterizes certain net asset balances into the following funds and/or categories:

Endowment Funds – The corpus of these funds are net assets with donor restrictions kept in perpetuity. Income and capital gains and losses (realized and unrealized) are considered net assets without donor restrictions usable toward the operation of the Association.

Janet A. Mattei Fellowship – The Janet A. Mattei Fellowship fund is comprised of net assets with donor restrictions made in memoriam of Janet A. Mattei, former director of the Association. The corpus, contributions and income derived from the portion of investments allocated to the Mattei Fellowship are considered net assets with donor restrictions for the purpose of funding the research of a visiting fellow at the Association 's headquarters for a limited time.

Margaret W. Mayall Assistantship – The Margaret W. Mayall Assistantship fund was established in 1974 in honor of the Association's former director, Margaret W. Mayall. The purpose of the fund is to pay for or defray expenses incurred by the hiring of research assistants. The corpus of this fund is considered net assets with donor restrictions kept in perpetuity; the portion of investment income attributable to the Mayall Assistantship fund is restricted to support payments for salaries of " Mayall assistants".

Net assets with donor restrictions as of September 30, 2024 are for the following purposes:

Subject to expenditure for specified purpose	
Endowment funds	\$ 3,310,956
Janet A. Mattei Fellowship	182,119
Margaret W. Mayall Assistantship	139,059
AAVSONet funds	<u>22,405</u>
Total	<u>\$ 3,654,539</u>

During the year ended September 30, 2024, the Association released \$3,186 from net assets with donor restriction for the purpose of funding the establishment, refurbishment and maintenance of telescopes, cameras, mounts, enclosures, computers, software, and hardware required to operate the robotic telescope network.

**Note 7 – Contributions of Nonfinancial Assets**

The Association recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased.

The Association may receive contributed time by volunteers, which does not meet the criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

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**(A Nonprofit Organization)**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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The Association records contributions of nonfinancial assets and expenses related to these contributions.

For the year ended September 30, 2024, contributed nonfinancial assets recognized within the statement of activities and changes in net assets include:

Accounting and bookkeeping services	<u>\$ 12,944</u>
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Donated accounting and bookkeeping services comprise services performed by the Treasurer outside of his normal appointed duties. These services are measured at the fair market value of the cost of the services performed based on current market rates. These donated services were used for the benefit of the Association.

There were no donor imposed restrictions on contributions of nonfinancial assets.

**Note 8 – Employee Retirement Plan**

The Association maintains a plan under Section 401(k) of the Internal Revenue Code for all eligible and participating employees who have completed at least three consecutive months of service. The Association matches employee deferrals up to 5% of qualifying compensation. For the year ended September 30, 2024 the Association contributed \$33,291 as matching contributions.

**Note 9 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Total current assets	\$ 15,541,017
Less those unavailable for general expenditure within one year, due to	
Restricted by donor with purpose restrictions	(343,583)
Less prepaid expenses and other current assets	<u>(35,234)</u>
 Total	 <u>\$ 15,162,200</u>

The Association has a policy, at the discretion of the Board of Directors, which is subject to change, to withdraw annually up to 4.50% of the fair value of its cash and investments in endowment at year-end for general operating expenses. As a result, amounts approved by the Board for the following year would be available for operating expenses, which is included in the financial assets available to meet general expenditures within one year at September 30, 2024 in the above table. The Association released \$718,300 from investments, as approved by the Board of Directors in accordance with its spending policy, for general expenditure during the year ended September 30, 2024.

As part of the Association's liquidity plan, excess cash is invested in investments in brokerage accounts, which include cash and cash equivalents, common stocks and mutual funds that can be made readily available for liquidation, upon approval by the Board of Directors.