

**Jewish Historical Society
of Michigan
and Supporting Organization**

**Audited Consolidated
Financial Statements**

Year Ended December 31, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Jewish Historical Society of Michigan

Opinion

We have audited the accompanying consolidated financial statements of Jewish Historical Society of Michigan (a nonprofit organization) and JHS of Michigan Heritage Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022 and the related consolidated statements activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation as of December 31, 2022, and the changes in their net assets and their 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 Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation, 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 these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Waxenberg Wayntraub, PLLC

Southfield, MI
June 1, 2023

Jewish Historical Society of Michigan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

| | | | |
|--------------------------------|----|----------------|------------|
| Cash and cash equivalents | \$ | 71,960 | |
| Restricted investments | | 47,500 | |
| Unconditional promises to give | | 2,925 | |
| Total current assets | | <u>122,385</u> | \$ 122,385 |

OTHER ASSETS

| | | | |
|--------------------|--|------------------|---------------------|
| Restricted cash | | 61,123 | |
| Endowment | | 1,328,830 | |
| Total other assets | | <u>1,389,953</u> | |
| Total assets | | | <u>\$ 1,512,338</u> |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | | |
|---------------------------------------|----|---------------|-----------|
| Accounts payable and accrued expenses | \$ | 14,051 | |
| Accrued vacation | | 7,692 | |
| Prepaid dues | | 21,131 | |
| Total current liabilities | | <u>42,874</u> | \$ 42,874 |

NET ASSETS

| | | | |
|---------------------------------------|--|------------------|---------------------|
| Without donor restrictions | | | |
| Undesignated | | 29,086 | |
| Designated by the Board for endowment | | 1,328,830 | |
| With donor restrictions | | | |
| Purpose restrictions | | 96,923 | |
| Time restrictions | | 14,625 | |
| Total liabilities and net assets | | <u>1,469,464</u> | <u>\$ 1,512,338</u> |

Jewish Historical Society of Michigan

CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|---------------------|
| REVENUE, SUPPORT, AND GAINS | | | |
| Contributions | \$ 74,710 | \$ 41,072 | \$ 115,782 |
| Program revenue | 128,947 | 14,625 | 143,572 |
| Membership dues | 28,294 | - | 28,294 |
| Net investment return | (219,669) | - | (219,669) |
| Net assets released from restrictions | 17,250 | (17,250) | - |
| Total revenue, support, and gains | <u>29,532</u> | <u>38,447</u> | <u>67,979</u> |
| EXPENSES | | | |
| Program services | 179,063 | - | 179,063 |
| Supporting services | | | |
| Management and general | 100,347 | - | 100,347 |
| Fundraising and development | 29,920 | - | 29,920 |
| Total functional expenses | <u>309,330</u> | <u>-</u> | <u>309,330</u> |
| CHANGE IN NET ASSETS | (279,798) | 38,447 | (241,351) |
| NET ASSETS - BEGINNING | <u>1,637,714</u> | <u>73,101</u> | <u>1,710,815</u> |
| NET ASSETS - ENDING | <u>\$ 1,357,916</u> | <u>\$ 111,548</u> | <u>\$ 1,469,464</u> |

Jewish Historical Society of Michigan

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2022

| | Program Services | Management and General | Fund-Raising | Total |
|--|---------------------|------------------------------|--------------|------------|
| Compensation and related expenses | | | | |
| Salary - director | \$ 31,742 | \$ 36,277 | \$ 22,673 | 90,692 |
| Salary - admin | 9,013 | 27,038 | - | 36,050 |
| Salary - programming | 47,601 | - | - | 47,601 |
| Taxes - payroll | 6,857 | 3,429 | 1,143 | 11,429 |
| Employee benefits | 6,446 | 7,366 | 4,604 | \$ 18,416 |
| Total compensation and related expenses | 101,659 | 74,109 | 28,420 | 204,188 |
| Program Expenses | | | | |
| Journal | 24,854 | - | - | 24,854 |
| Museum | 17,250 | - | - | 17,250 |
| Other programs | 18,035 | - | - | 18,035 |
| Total Program expenses | 60,139 | - | - | 60,139 |
| Other Expenses | | | | |
| Accounting | - | 13,200 | - | 13,200 |
| Bank and credit card fees | - | 2,702 | - | 2,702 |
| Computer and internet expense | 3,137 | 896 | 449 | 4,482 |
| Dues and subscriptions | 2,636 | - | - | 2,636 |
| Insurance | - | 4,233 | - | 4,233 |
| Office supplies/expense | 3,258 | 1,629 | 543 | 5,430 |
| Payroll service fee | - | 1,738 | - | 1,738 |
| Postage | 849 | 339 | 509 | 1,697 |
| Travel | 1,385 | - | - | 1,385 |
| Website | 6,000 | 1,500 | - | 7,500 |
| Total other expenses | 17,265 | 26,238 | 1,501 | 45,003 |
| Total functional expenses | \$ 179,063 | \$ 100,347 | \$ 29,920 | \$ 309,330 |

Jewish Historical Society of Michigan

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|----------------|
| Decrease in net assets | \$ (241,351) |
| Adjustments to reconcile change in net assets to net cash cash provided by operating activities: | |
| Net realized and unrealized losses on investments | 219,669 |
| Changes in operating assets and liabilities: | |
| Promises to give | 2,075 |
| Accounts payable and accrued expenses | (1,527) |
| Accrued vacation | 7,692 |
| Prepaid dues | <u>(1,319)</u> |
| Net cash used in operating activities | (14,761) |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------------|-----------------|
| Change in restricted cash | <u>(35,522)</u> |
| Net cash used in investing activities | (35,522) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|---|---------------|
| Purchase of restricted investments | (5,000) |
| Transfers from endowments | <u>77,728</u> |
| Net cash provided by financing activities | <u>72,728</u> |

| | |
|--|-------------------------|
| INCREASE IN CASH AND CASH EQUIVALENTS | 22,445 |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>49,515</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u><u>\$ 71,960</u></u> |

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Jewish Historical Society of Michigan (JHSM) was founded in 1959 to preserve and commemorate Michigan Jewish history for future generations. Jewish Historical Society of Michigan is the only volunteer organization dedicated exclusively to this purpose, and JHSM has amassed a storehouse of information about the events, traditions and lives of Jewish people throughout the state. Major sources of revenue include grants, individual contributions, membership dues and program service fees.

JHS of Michigan Heritage Foundation (the "Foundation") is a Type I supporting organization of JHSM under the provisions of Internal Revenue Code section 509(a)(3). JHSM's Board of Directors exercise significant control over this organization through the appointment of board members.

The accompanying financial statements of JHSM have been prepared on a consolidated basis to include its supporting organization (the "Foundation") because JHSM has both control and an economic interest in the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation. References to the "Organization" refer to the consolidated group.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period in which the promise is made, and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization uses the allowance method to determine uncollectible pledges receivable. Based on prior years' experience and management's analysis of specific promises made, there is no estimated uncollectible amount as of December 31, 2022.

Revenue Recognition

Revenue is recognized when earned. The Organization recognizes revenue from membership dues during the year in which the related services are provided. The performance obligation of delivering services is simultaneously received and consumed by members, therefore, the revenue is recognized ratably over the course of the membership year. All amounts received prior to commencement of the membership year are deferred to the applicable period.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Estimates

The preparation of consolidated 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 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 and those differences could be material.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets 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 restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor 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. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity date of three months or less. Cash and cash equivalents held with investment advisors are included in investments.

The Organization maintains cash in demand deposit accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced losses with respect to such accounts.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation are not-for-profit organizations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), and have determined not to be private foundations under Sections 509(a)(1) and (3), respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose.

The Organization analyzes its income tax filing positions to identify potential uncertain tax positions, and concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its management and general expenses.

Investments

The Organization has two funds invested in money markets and securities accounts. Funds totaling \$961,284 at December 31, 2022 are invested with Vanguard. Funds totaling \$415,046 at December 31, 2022 are invested in a pooled investment fund through the United Jewish Foundation of Metro Detroit ("UJF"). The Organization retains the right to withdraw all or part of the funds upon written notice to UJF. Investments are recorded at cost, or if donated, at fair value on the date of donation. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual accounts based on the relationship of the fair value of the interest of each fund to the total fair value of the pooled investment accounts. Pooled investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. Investment income or loss and unrealized gains and losses are included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation of property and equipment are provided over the estimated useful lives of the respective assets using the straight line method. Acquisitions of property and equipment in excess of \$1,000 are capitalized. Purchased equipment is recorded at cost.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases

The Organization applies ASC 842, Leases, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve month in exchange for consideration. The Company defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. Under the modified retrospective approach, the adoption of ASC 842 resulted in no requirement to recognize ROU assets and lease liabilities, since there are no leases that fulfill the requirements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Donated Materials and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No significant contributions of such goods or services were received during the year ended December 31, 2022. In addition, a substantial number of volunteers donate their time to the Organization's program services and fundraising campaigns during the year, however these donated services are not reflected in the financial statements because they do not meet the criteria for recognition as contributed services.

Risks and Uncertainties

The Organization holds various investments, which are exposed to various risks, such as interest rate, market, and credit. Given the level of risk associated with certain investments and the level of uncertainty related to the changes in the value of investments, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the statement of financial position and the statement of activities.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as personnel costs, office expenses, and website expense, which are allocated on the basis of estimates of time and effort. Dollar amounts are allocated according to percentages, causing rounding differences that result in some columns not mathematically adding down or across. The differences do not exceed more than \$1.

NOTE B – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

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

| | |
|--|-------------------|
| Cash and cash equivalents | \$ 71,960 |
| Endowment spending-rate distributions and appropriations | 60,000 |
| Promises to give | 2,925 |
| Time restricted contributions expiring over the next 12 months | <u>11,700</u> |
| Total | \$ <u>146,585</u> |

The endowment fund consists of a quasi-endowment fund. As described in Note F, the quasi-endowment has a spending rate of 5%.

As part of the liquidity management plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE C – PROMISES TO GIVE

Unconditional promises to give at December 31, 2022 were \$2,925, with the entire amount due in one year.

Long-term pledges receivable are recognized at fair value using present value techniques.

NOTE D – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 1, 2023, the date which the consolidated financial statements were available to be issued.

NOTE E – FAIR VALUE MEASUREMENTS

The Organization reports required types of financial instruments in accordance with fair value accounting standards. Fair value is 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. In determining fair value, the Organization attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the information is provided according to the fair value hierarchy, classified in one of the following three categories:

- Level 1 Quoted market prices in active markets for identical assets or liabilities
- Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data
- Level 3 Unobservable inputs that are not corroborated by market data

The Organization holds as investment various securities that are publicly traded. Fair values are based on quoted prices and are classified as Level 1. The Organization holds no investments that would be classified as Level 2 or Level 3.

The carrying amounts of cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate fair value due to their short term nature. The carrying amount of promises to give due in more than one year is based on the discounted net present value of the expected future cash receipts, and approximates fair value.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE E – FAIR VALUE MEASUREMENTS - Continued

The Organization uses net asset value (NAV) per share, or its equivalent, as a practical expedient to estimate the fair values of certain investments which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient as identified in the following, at December 31, 2022:

| | <u>Total</u> | <u>Level 1</u> | <u>Valued at NAV</u> |
|-------------------|---------------------|---------------------|----------------------|
| UJF Pooled Funds | \$ 415,046 | \$ 261,479 | \$ 153,567 |
| Other Investments | <u>961,284</u> | <u>961,284</u> | <u>-</u> |
| Total | <u>\$ 1,376,330</u> | <u>\$ 1,222,763</u> | <u>\$ 153,567</u> |

NOTE F – ENDOWMENT

As of December 31, 2022, the Board of Directors had designated \$1,328,830 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The Organization has a spending policy of appropriating for distribution each year 5% of its board-designated endowment fund's 3 year rolling average of assets. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current investment policy to allow its general endowment fund to grow at an average of 5% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified mix, which includes equity and debt securities, in the UJF balanced pool fund and with Vanguard. It is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return which will exceed the 5% distribution annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE F – ENDOWMENT- Continued

Composition of and changes in endowment net assets as of December 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| Board-designated endowment funds | \$ 1,328,830 | \$ - | \$ 1,328,830 |
| Donor-restricted endowment funds | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| | \$ <u>1,328,830</u> | \$ <u>-</u> | \$ <u>1,328,830</u> |
| Endowment net assets, beginning of year | \$ 1,626,227 | \$ - | \$ 1,626,227 |
| Investment return, net | (219,669) | - | (219,669) |
| Contributions | - | - | - |
| Appropriations of endowment assets pursuant to spending-rate policy | <u>(77,728)</u> | <u>-</u> | <u>(77,728)</u> |
| Endowment net assets, end of year | \$ <u>1,328,830</u> | \$ <u>-</u> | \$ <u>1,328,830</u> |

NOTE G – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2022:

Subject to expenditure for specific purpose:

| | |
|--------------------------|-----------|
| Writers Fund | \$ 47,500 |
| Museum feasibility study | 49,423 |

Subject to passage of time:

| | |
|-------------------------------------|--------|
| For periods after December 31, 2022 | 14,625 |
|-------------------------------------|--------|

Total net assets with donor restrictions \$ 111,548

Net assets without donor restrictions:

| | |
|-----------------|---------------|
| Quasi-endowment | \$ 1,328,830 |
| Undesignated | <u>29,086</u> |

Total net assets \$ 1,469,464

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended June 30, 2022: \$17,250