



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: March 21, 2022

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Brian Goul, Recreation Director

Subject: Troy Historical Society Annual Report for Fiscal Year Ending 2021 and Financial Statements for Fiscal Year Ending 2020 and 2021

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The Troy Historical Society, established as a 501.c.3 nonprofit corporation in 1966, administers the Troy Historic Village for the City of Troy through a renewable management agreement. Troy Historical Society provides engaging education and enrichment programs at the city-owned Troy Historic Village as well as outreach programs for schools and adult groups. Nearly 30,000 guests visit the Village each year, including 15,000 students, chaperones, and teachers from public, private and charter schools in southeast Michigan. The Troy Historical Society is committed to expanding awareness of the Village as an outstanding center for history education, arts and culture, and inclusive community engagement.

The Troy Historical Society provides a welcoming environment that:

- Engages visitors in positive learning experiences and social interactions
- Respects the significance of history as we seek knowledge, understanding and relevance in our lives
- Recognizes artifacts as social objects and catalysts for sharing information and ideas
- Embraces innovative and creative interpretive programs
- Encourages civil discussion and objective analysis and evaluation of controversial issues
- Promotes a stewardship and adherence to the highest standards of historic preservation; manages resources with integrity and transparency; and treats all peoples with dignity and respect

Attached is the Troy Historical Society's Annual Report for FYE 2021 and Financial Statements for FYE 2020 and 2021. The FYE 2020 Financial Statements were delayed due to COVID and were not brought to Council last year.



# TROY HISTORIC VILLAGE

*where history lives*



# Annual Report

Fiscal Year Ending June 30, 2021

# AROUND THE VILLAGE

The Board of Trustees of the Troy Historical Society (THS) and the staff of the Troy Historic Village (Village) present this Annual Report for the Fiscal Year ending June 30th, 2021 (FYE2021). This year's programming was fully impacted by the COVID-19 Pandemic. From disrupted schooling to emergency health orders restricting the size and nature of gathering, all activities were rethought and redesigned. With incredible assistance from the City of Troy, Oakland County, state level and national pandemic grants, we were able to make those adjustments and create new programs that supported the community and encouraged the life-long exploration of history and culture in the midst of a pandemic.

## PROGRAM HIGHLIGHTS

School groups form the core of our programming at the Village and were the most impacted by the pandemic. As schools struggled to adjust to rotating schedules and virtual learning, traditional field trips became impractical. Instead, Village staff presented Virtual Field Trips and sent hands-on history trunks to 30 classrooms. Combined with a few private school trips, we reached 1,458 students, 251 chaperones, and about 50 teachers in FYE2021.



In person, we offered 88 Family and Small Group Field Trips and Workshops. Staff modified existing field trips and created new programs such as Winter Pioneers, Shopping Back in Time, Summer Pioneers, Michigan Trail, and Spies, Lies, & Mysteries. Staff also reformatted existing adult and senior programs including Thursday Teas to work for smaller, safer groups.

Our largest programming success came from adjusting our popular Trick-or-Treat and Cocoa and Crafts events to accommodate timed entry over multiple days. We safely provided these programs to 1,209 individuals, giving families a feeling of normalcy. We also offered new Egg Hunt and Cheddar's Birthday Party events based on this model.



Without regular field trips, we looked at using the Village in new ways, such as staging several Village-wide exhibits. We added an outdoor Yoga & Wine

event to our expanded Museum Yoga series.

Plaidurday Happy Hour let

guests socialize outdoors with live music. All combined, about 6,000 visitors joined us for programs, activities, and exhibits in FYE2020/2021. Though the overall numbers were much lower than a typical year, we were pleased with the quality and variety of programs and activities offered to the greater Troy community.



88

Family and Small Group Field Trips and Workshops were offered in 2020-2021

# AROUND THE VILLAGE

## STAFF AND VOLUNTEER SUPPORT

After 22 years with the Village, Executive Director Loraine Campbell retired in the fall of 2020. Loraine started at the Village as a part-time City employee designing, writing, and leading programs. She oversaw the Parsonage, Church, and Niles-Barnard House moves, the transition from City management to THS management, and the growth of Village programs and field trips. Jen Peters was promoted to Executive Director and brings with her a Master of Science in historic preservation and museums and a background in archaeology and community programming.



Our full-time Adult Program Director and Youth Program Director along with part time history interpreters combine buildings, artifacts, history, and learning in exciting ways. New programs this year featured radio show history, the use of science to pass information during the Revolutionary War, and how the natural world helped enslaved people to freedom. Our part-time curator maintains the City collections and helps develop exhibits and support programs using an array of artifacts. The Community Development Director and Business Manager provide much needed office support and financial oversight. Our Events Manager and Facilities Attendant manage Village rentals and assist as needed with programs. We continue to work with Excel for contracted cleaning services.

The COVID Pandemic has made it difficult to connect with volunteers as regularly as in the past. Troy Garden Club members did continue their outdoor activities safely, but we limited indoor volunteer opportunities for the safety of volunteers and staff members. We welcomed eager student and adult volunteers back to support our community events. Two dedicated families tended our Pioneer Garden all summer, and a team of volunteers and City staff planted nearly 800 flowers, grasses, and shrubs around the Niles-Barnard House in preparation for the grand opening. Despite COVID, 163 volunteers contributed 1645 hours. We hope to increase those opportunities and connections next year.

## CAPITAL IMPROVEMENTS

Over the Summer, Warren Construction removed the last of the pavers and replaced them with stamped, dyed concrete pathways. The City replaced the wooden porch stairs as part of the project. Concrete pathways were extended to incorporate the Niles-Barnard House with the rest of the Village and provide appropriate access. Volunteers modified a portion of the Village fence between the Cabin and Niles-Barnard to further connect the Village.



The second floor door and wood decking on the fire escape were replaced on the Main Building. Major pruning was completed on several oak trees around the Village and a maple was removed. City staff assisted in the Niles-Barnard landscaping which included setting rocks, creating garden beds, completing plantings, and sowing grass.

Several roofs were replaced in FYE2021. Shena Roofing & Sheet Metal replaced the Niles-Barnard, Town Hall, Poppleton, and General Store roofs between November and February. Over the spring, National Restoration repainted the General Store, Parsonage, and Church. They also addressed the dormers and windows on the Main Building.

After several COVID-related delays, restoration of the Niles-Barnard House was completed in March of 2021 and we immediately started using it for programming. A ribbon cut and Grand Opening event was held on June 7th for City officials, Village Board and Staff, and members of the Niles and Barnard families. The general public was limited to timed entries due to COVID, but we have incorporated the building into other open house events to make sure there are plenty of opportunities to see the finished project.

*“Despite Covid, we were able to provide a range of safe programs, events, and opportunities to families and visitors of all ages—we even grew in some areas!” ~Jen Peters, Executive Director*

## Programming Revenues

### ADMISSIONS

\$2,946.50 → \$3,259.00

**11%**

### MEMBERSHIP

\$9,250.00 → \$13,035.00

**41%**

### PUBLIC PROGRAMMING & WORKSHOPS

\$31,008.00 → \$49,399.00

**59%**

## Community Events

**NEW!**  
Cheddar's  
Birthday Party

**67**  
in 2021

**NEW!**  
Egg Hunt

**405**  
in 2021

**Cocoa &  
Crafts with  
Santa**

162 in 2019 to  
**278**  
in 2020

**1681**  
Total

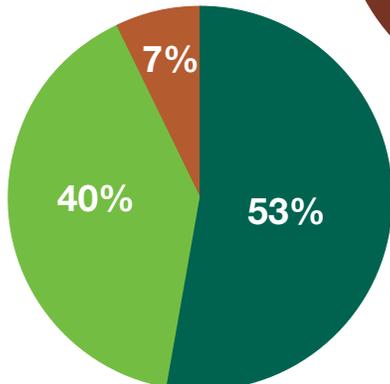
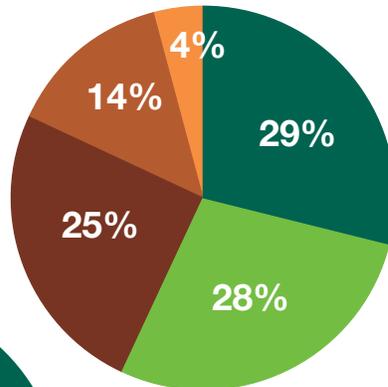
**Trick  
or Treat**

843 in 2019 to  
**931**  
in 2020

## Financials\*

### SOURCE OF REVENUE

- 29% Donors, Sponsors, Memberships & Fundraising
- 28% Government and Grants
- 25% COVID specific Grants
- 14% Schools, Programs & Admissions
- 4% Rental, Store, & Other



### FUNCTIONAL EXPENSES

- 53% Programs
- 40% Administrative
- 7% Fundraising

\*Unaudited Financial Statements from FY 2020/2021

## Healthy Initiatives



### YEAR-ROUND THURSDAY WALKS

**45** regular walkers with a contact list of 230 members



### NEW! SATURDAY HIKES

A little longer and a little further from the Village; these hikes take walkers to trails all over southeast Michigan



### YOGA AT THE VILLAGE

**110** attendees with an average of 25-30 weekly participants



### NEW! WINTER EXPLORERS & SUMMER FITNESS CHALLENGE

**30** participants played fitness bingo with a history twist

# FINANCIALS

## FINANCE

THS successfully completed its tenth fiscal year operating the Village through its renewable management agreement with the City of Troy. The current agreement will end in 2026. As the COVID Pandemic forced the cancelation of the 2020 Troy Traffic Jam and it became apparent that it would continue to disrupt typical field trips and programming, THS continued its strategy of writing 6-month budgets to track changes and adjust more easily. While the hopes of a “normal” spring faded, an additional \$106,700 in COVID relief grants and strong \$115,444 in memberships and donations boosted gross receipts to \$428,861. This allowed THS to maintain its skilled staff even while programs had to be produced for smaller audiences.

## GRANTS

The following grant funds were received in FYE2021:

- ✓ **Michigan Council for Arts and Cultural Affairs** awarded THS a \$18,000 grant to support general operations.
- ✓ **Oakland County Culture and Arts COVID** awarded \$40,000 from their Federal CARES Act allocation to support general operations.
- ✓ THS applied for and received a second **Federal Paycheck Protection Plan** loan of \$66,700. It recently transitioned into a grant.
- ✓ **Kresge Foundation** allocated \$5,000 from a three-year grant of \$15,000 to support general operations.
- ✓ The **City of Troy** appropriated \$100,000 to support general operation in the Village. This is in addition to work completed through the Facilities & Grounds department to maintain and upgrade Village buildings and ground.

The Endowment Fund to benefit the Troy Historic Village administered by the Troy Community Foundation reached a balance of \$36,378 as of June 30, 2021.

## Financial Snapshot

### Revenue

Admissions, Programs, & Field Trips	\$ 59,548
Rentals, Village Store, & Miscellaneous	\$ 24,111
Business Sponsorships	\$ 9,075
Memberships and Private Donations	\$ 114,436
COVID Specific Funding	\$ 106,700
City of Troy and Grants	\$ 120,700

### Expenses

Salaries and Related Fees	\$ 313,420
Artist and Professional Fees	\$ 27,020
Program Expenses	\$ 41,624
Fundraising Expenses	\$ 3,364
Administrative & Overhead Expenses	\$ 25,368

*\*Unaudited Financial Statements from FY2020/2021*



NATIONAL  
ENDOWMENT  
FOR THE  
HUMANITIES



THE  
KRESGE  
FOUNDATION

Phillip & Elizabeth Filmer Memorial Charitable Trust



# COLLECTIONS

Staff Curator, Elizabeth Thornburg, completed the following projects during FYE2021:

- ✓ Processed loans for the *Resilience on the Homefront* exhibit including quilts, original artwork, high school graduation gowns and signs, cookbooks, depression glass, WWII ration books, games and puzzles, and clothing.
- ✓ Processed loans for *Play at the Village* exhibit including toys, dolls, books and board games from staff and friends of the Village.
- ✓ Accepted a donation of mid-19th century furniture for use in the Nile-Barnard House, including several chairs, a kitchen table and side table, a dough box, a wall clock, and a dresser.
- ✓ Installed a mix of collections and reproductions in the Niles-Barnard House with Jen Peters and THV Staff to create three interpretive areas: 1850's Niles Family, 1950's Barnard family, general history of Troy and the House.
- ✓ Accepted the donation of a transparency scanner lid for THS owned Epson 11000XL scanner



The following items were Accessioned into the THS Collection:

- ✓ COVID Pandemic items including face masks, hand sanitizer bottles from Michigan producers, shopping lists, and a Shipt uniform – Various
- ✓ Leadership Troy/Troy Community Foundation records – Jim Cyrulewski
- ✓ Barnard Family images (digital acquisition) – Fred Barnard
- ✓ AMT model kit – Doug Thornburg
- ✓ Breadboards by Design Products Corp. – Angela Griggs
- ✓ Papers belonging to Gloria Anderlie covering mid-20th Century Troy – Kinda Hupman
- ✓ Four silver spoons belonging to Niles and Rhodes Families – Suszanne Offutt



The following items were added to the Education Collection:

- ✓ Portable Sewing Machine c. 1919 with Foot Pedal – Judy Murray
- ✓ Small typewriter – Constance Mansour
- ✓ Large dollhouse with accessories, several 20th century dolls and small quilts for Education – Vera Milz Estate
- ✓ Plates, Picture Frames and small artifacts for Niles Barnard House – Kinda Hupman



Deaccessions:

- ✓ Golding Jobber printing press

157

Volunteer hours were utilized by Collections in FYE2021

# COLLABORATIONS

We collaborated with several groups, artists, and individuals to create our Village-wide exhibits through 2020 and 2021. For *Resilience on the Homefront* and *Play at the Village* we utilized artifact loans from community members, Village Staff, and THS Board members. Local artists helped create Scarecrowtopia—a historic and cultural look at scarecrows. The *Celebration of Light* exhibit invited partners from Shir Tikvah, Bharatiya Temple, Masjid Mahmoud Muslim Community, and Troy First United Methodist Church to share how light is used in their faith communities.

COVID caused The Troy Garden Club to cancel their Annual July Garden Walk in 2020, but members continued their dedicated work on Village flower beds.

THS once again provided a pop-up Michigan Made Maple Products store for Stage Nature Center's Annual Maple Syrup Days.

In addition to Explore Yoga's outdoor classes at the Village and weekly Village-led walks in the community, Beaumont sponsored a Healthy Summer Kick-off Event, this year's summer Village Challenge, and a series of Garden Talks provided by AmeriCorps.

Small Works, a community print shop, helped us facilitate a printing press deaccession and move; access the collection of font type; clean and get volunteers back in the Village Print Shop.

The Village continues to work with metalsmith Rose Weiss to provide Blacksmithing and Coppersmithing classes. In FYE2021 those classes were expanded to include family and small group opportunities that allowed for a "pod" of people to participate in a private 2-hour introductory class. We plan to expand opportunities for hands-on trades and arts in partnership with MI Folk School of Washtenaw County. Staff will also recruit additional local artists.



# BUSINESS AND COMMUNITY SPONSORS

## SCARECROW ROW

A.J. Desmond Funeral Home	Jazzercise Troy Fitness Center	Rexpointe Kennel	Troy Garden Club
Alliance Mobile Health	Kiwanis Club	Rochester Lawn Equipment	Troy Friendship Club and Papa Romano's
Anthology of Troy	Mahindra Auto	Royal Oak Heating & Cooling	Troy Police Dept.
Benitos Pizza	ManPower Group	Signs & More	Troy Racquet Club
C & G Newspapers	Master Auto Sales	State Farm Agency	Troy Rotary
Clawson Steak House	MSU Management Education Center	TCI Credit Union	Troy Somerset Gazette
Coldwell Banker	Next Door Lending	Team Rehabilitation TY2	Troy Veterinary
Explore Yoga	New Century Realtors	The Quell Group	
Genisys Credit Union	Oakland Press	Trevarrow Hardware	
Home Depot		Troy Fire Dept.	

## BUSINESS AND OPERATIONS

AAA Ice Cream	Lowes	Pomeroy Living-Rochester	Trevarrow Hardware
City of Troy	Nino Salvaggio International	Real Living Kee Realty	Troy Garden Club
Genisys Credit Union	Marketplace	Signs and More	Whole Foods
Home Depot		Tim Hortons-Troy	

## EDUCATION SPONSORS

Suburban Collection  
Kelly Services  
Kirco/Columbia  
City of Troy

## TRICK OR TREAT SPONSORS

Genisys Credit Union  
Troy Garden Club  
Community Choice Credit Union

## HOLIDAY EVENTS SPONSORS

Genisys Credit Union  
Troy Garden Club  
Community Choice Credit Union

## TEA SPONSORS

Pomeroy Living-Rochester  
Michigan Council for Arts and Cultural Affairs  
National Endowment for the Arts

## OPEN HOUSE SPONSORS

Real Living Kee Realty

## HEALTHY LIVING INITIATIVES

Beaumont Health

## FOUNDATIONS AND GRANTS



NATIONAL  
ENDOWMENT  
FOR THE  
HUMANITIES



THE  
KRESGE  
FOUNDATION



Phillip & Elizabeth Filmer Memorial Charitable Trust

# INDIVIDUAL DONATIONS

Howard Adams  
Roger & Jean Bajorek  
Paul & Brenda Balas  
Fred & Kit Barnard  
Richard Beaubien  
Robin & Richard  
Beltramini  
Mike Berezowsky  
Andrew Berry  
Meredith Bezak  
Mike & Pam Brady  
Thomas & Karen Brant  
Ann Britton  
Sue & Mike Broihan  
Sue & Ken Bruchanski  
Tim Burns  
Loraine Campbell  
Jeni Carino  
Karol Carter  
Barbara Chambers  
Trudy Chisholm  
Irene Christy  
Pamela Claps  
Sandra Clark  
Thomas & Marie Cook  
Mary Creager  
Dennis & Carolyn Darch  
Bill & Wendy Davy  
Michele Dungjen  
Ivana & Kevin Enright  
Aditya Ezhuthachan  
Helen Gach  
Patricia Gates  
Danielle & Mathew  
Golling  
Jeanette Graczyk  
Earl & Julia Gravlin  
John Gumina  
Diane Gurzick  
Michelle Hachigian

Matthew & Lori Hackett  
Sandi Hallock  
Jim & Charlotte Halsey  
Patricia Hartner  
Mary Hatala  
Mary & Tom Hrynik  
Shirley Hull  
Judy & Bruce Iceman  
James & Joan Jarrait  
Elizabeth & Roger  
Kaniarz  
Jagdish Karira  
Joe & Donna Killewald  
Marlene Klebba & Louis  
LaFave  
Karen & John Kraft  
Karavias  
Christina Kring  
Kerry Krivoshein  
Susan & Tim Kroninger  
Elaine Kruse  
Padma Kuppa &  
Sudhakar Tadepalli  
Katie LaLone  
John & Sue Lavender  
Christal Lewandowski

Russell & Tyra Lewis  
Kevin & Susan Lindsey  
Anna Marie & Phil Lloyd  
Ray Lucas  
Kay McFarland  
Tim & Julie McGee  
Verna & James  
Meinershagen  
Aleta & Ken Meskin  
Catherine Mishark  
Maryann Neimeister  
Michael & Marian  
Nowosatko  
Justine Nowosatko  
Cathy & Andrew OGawa  
Mary O'Neill  
Anne Partlan  
Thomas Passingham  
Alice Pepper  
Tony Perna  
Jen & Jeremy Peters  
JoAnn & Robert Preston  
Helen Pytiak  
Ward Randol  
Marybeth & Bill Reader  
Gerry & Linda Romito

Kris Rose  
Jayne Saeger  
Allen Salyer  
Art Schlachter  
John Sieffert  
Robin & Robert Siegel  
Judy Siess  
Chris & Michelle  
Slaviero  
Frances Stage  
Cindy & Jeff Stewart  
Jeanne Stine  
Linda & Mike Tingley  
Julie Ann Wagner  
Zola & LaVere Webster  
Rose Weiss  
Katy Willoughby  
Frances Willuweit  
Joy & Frank Wong  
John & Nancy  
Youngerman



# LOOKING FORWARD

With the Grand Opening of Niles-Barnard House, we are thrilled to have a 10+ year project completed and a new space for programming. We are thankful for the work and funding the City of Troy put into the project and the dedication of Village Staff and THS Board members. We immediately began using the house for programs like Cheddar's Story Hour and Preservation Conversations. The Niles-Barnard House will provide additional revenue through rentals and is proving to be a popular space for parties and showers for groups of 30-50 individuals. We hope to expand that rental base to local businesses and groups looking for meeting space as well as organizations seeking a place to have lunch and enjoy a Village program.



As we move past COVID, we have a host of new and reimagined programs to add to our “menu” of offerings at the Village. Village Staff researched and produced several history talks for our Teas for a Few program that can now be presented to senior care facilities, social groups, and other organizations that book our Group Gather programs. Several workshops and themed programs are popular with local scout groups, homeschool groups, and families looking for engaging experiences at the Village. Our Village-wide exhibits have inspired us to look at using the buildings in new, immersive ways. We hope that as schools return for traditional field trips, these additional programs expand and balance the annual schedule of the Village.

As we enter the 2021/2022 Fiscal Year, we plan to address several development areas. THS hosted their first Barnard Bash in July of 2021 and hopes to expand this event as a way to recognize, involve, and excite our donor base. This winter the THS Board and Village Staff will create a Strategic Plan for the next 3-5 years with a consultant from The Nonprofit Network. Though the Strategic Plan was delayed by COVID, we will take this opportunity to incorporate the things we've learned in the last two years to create a stronger strategy moving forward.



**TROY HISTORICAL SOCIETY**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2020**

# TROY HISTORICAL SOCIETY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Troy Historical Society  
Troy, Michigan

We have audited the accompanying financial statements of Troy Historical Society (a Michigan nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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.

**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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Troy Historical Society as of June 30, 2020 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.

*Jolita & Sazgan P.C.*

Macomb, Michigan

May 10, 2021

**TROY HISTORICAL SOCIETY**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2020

**ASSETS**

Current Assets:

Cash	\$	87,295
Cash - With Donor Restrictions		22,947
Cash Savings - Grant Matching Funds		65,784
Investment in CD - Grant Funds		26,352
Investment in CD - Grand Matching Funds		13,119
Grants Receivable		5,000
Inventory		12,483
Prepaid Expenses		<u>3,882</u>

Total Current Assets \$ 236,862

Property and Equipment:

Office Equipment, Furnishings and Signs		41,718
Less Accumulated Depreciation		<u>(31,980)</u>

Net Property and Equipment 9,738

Other Assets:

Beneficial Interest in Assets Held at Community Foundation		<u>4,500</u>
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Total Other Assets 4,500

Total Assets \$ 251,100

## LIABILITIES

## Current Liabilities:

Accounts Payable	\$	1,412
Accrued Expenses		12,285
Rental Deposits Payable		2,215
Deferred Revenue		<u>4,408</u>

Total Current Liabilities \$ 20,320

## NET ASSETS

## Net Assets:

Without Donor Restrictions	150,070
With Donor Restrictions	<u>80,710</u>

Total Net Assets 230,780

Total Liabilities and Net Assets \$ 251,100

See Independent Auditors' Report and Accompanying Notes.

**TROY HISTORICAL SOCIETY**

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Support and Revenue:			
Program Fees	\$ 99,370	\$ -	\$ 99,370
Donations	75,590	150	75,740
Admissions	2,947	-	2,947
Merchandise Sales	9,340	-	9,340
Merchandise Dues	9,250	-	9,250
Rental Income	2,210	-	2,210
Sponsorships	62,475	-	62,475
Local Government Support	150,000	-	150,000
Grants	-	63,480	63,480
Paycheck Protection Program Loan Forgiveness	65,700	-	65,700
Fundraising Events	8,037	-	8,037
Other	2,184	1,142	3,326
Net Assets Released From Restrictions	78,213	(78,213)	-
	<u>565,316</u>	<u>(13,441)</u>	<u>551,875</u>
Total Support and Revenue			
Functional Expenses:			
Program Services	262,095	-	262,095
Management and General	100,905	-	100,905
Fundraising	63,432	-	63,432
	<u>426,432</u>	<u>-</u>	<u>426,432</u>
Total Functional Expenses			
Increase/(Decrease) in Net Assets	138,884	(13,441)	125,443
Net Assets - Beginning of Year	<u>11,186</u>	<u>94,151</u>	<u>105,337</u>
Net Assets - End of Year	<u>\$ 150,070</u>	<u>\$ 80,710</u>	<u>\$ 230,780</u>

See Independent Auditors' Report and Accompanying Notes.

**TROY HISTORICAL SOCIETY**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Direct Expenses:				
Payroll and Related Expenses	\$ 161,792	\$ 49,726	\$ 35,871	\$ 247,389
Contracted Services	6,353	-	-	6,353
Bank Service Charges	2,113	-	113	2,226
Lectures and Exhibit Fees	1,050	-	-	1,050
Supplies	8,839	-	2,975	11,814
Merchandise and Awards	5,670	-	-	5,670
Food and Beverage	430	516	195	1,141
<b>Total Direct Expenses</b>	<b>186,247</b>	<b>50,242</b>	<b>39,154</b>	<b>275,643</b>
Indirect and General Expenses:				
Payroll and Related Expenses	51,092	15,703	11,328	78,123
Rental Expenses	2,012	319	229	2,560
Office, Printing and Postage	3,740	1,250	2,288	7,278
Professional Fees	10,035	10,966	1,800	22,801
Supplies	4,479	-	-	4,479
Professional Development	-	78	-	78
Repairs and Maintenance	796	-	-	796
Dues and Subscriptions	-	-	1,038	1,038
Computer, Copier and Telephone	2,426	11,539	445	14,410
Depreciation	-	4,794	-	4,794
Bank and Credit Card Fees	-	100	-	100
Travel	-	99	-	99
Miscellaneous	1,268	5,815	7,150	14,233
<b>Total Indirect and General Expenses</b>	<b>75,848</b>	<b>50,663</b>	<b>24,278</b>	<b>150,789</b>
<b>Total Functional Expenses</b>	<b>\$ 262,095</b>	<b>\$ 100,905</b>	<b>\$ 63,432</b>	<b>\$ 426,432</b>

See Independent Auditors' Report and Accompanying Notes.

**TROY HISTORICAL SOCIETY**

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2020

## Cash Flows From Operating Activities

Change In Net Assets	\$ 125,443
Adjustments To Reconcile Change In Net Assets To Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	4,794
(Increase)/Decrease In Assets:	
Grants Receivable	(5,000)
Inventory	76
Prepaid Expenses	(460)
Increase/(Decrease) In Liabilities:	
Accounts Payable	618
Accrued Expenses	(3,269)
Rental Deposits Payable	965
Credit Card Payable	(2,574)
Deferred Revenue	<u>(33,598)</u>
Net Cash Provided By (Used In) Operating Activities	<u>86,995</u>
Net Increase (Decrease) In Cash	86,995
Cash and Cash Equivalents - Beginning of Year	<u>128,502</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 215,497</u></u>

See Independent Auditors' Report and Accompanying Notes.

# TROY HISTORICAL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

### Note 1 – Summary of Significant Accounting Policies

#### Nature of Operations

Troy Historical Society (the Organization) is a non-profit corporation located in Troy, Michigan that promotes the knowledge and appreciation of local, state and national heritage among its citizens and school children. The Organization was formed in order to foster and encourage the collection and preservation of historical artifacts and to study and conduct historical research. The Organization's source of revenue is principally donations and program revenue.

#### Basis of Accounting

The Organization uses the accrual basis of accounting for reporting purposes. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Fair Value

The Organization's financial instruments consist principally of cash, marketable securities, accrued expenses, payables and deferred revenue. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to satisfy a liability. The Organization believes that the recorded values of their financial instruments approximate current fair values because of their market value, nature and relatively short maturity dates or durations.

#### Financial Statement Presentation

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-For-Profit Entities. The revised guidance is intended to improve the financial reporting model for nonprofit organizations to provide better information to donors, creditors, and other users of financial information of nonprofit organizations. To achieve this goal, the ASU focuses on improving the current net asset classification requirements and information presented in financial statements and notes that are used to assess an organization's liquidity financial performance and cash flows. Effective July 1, 2018, the Organization adopted ASU 2016-14.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 1 – Summary of Significant Accounting Policies (Continued)**Financial Statement Presentation (Continued)

The Organization follows the Not-For-Profit Entities topic of the FASB Accounting Standards Codification with respect to financial statement presentation. Under this topic, the Organization is required to report information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

The Organization classifies and reports net assets, revenues, gains and losses based upon donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Represents those resources over which the Board has discretionary control. These include designated amounts which are revenues or funds the Board has set aside for a particular purpose. All property, equipment and related debt are considered unrestricted.

*Net Assets With Donor Restrictions* – Represents those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. When donor restrictions expire, that is, when stipulated time restrictions end or a purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions.

Cash and Cash Equivalents

The Organization has its temporary cash investments with high credit quality financial institutions. At June 30, 2020, the Organization maintained cash balances in regular checking accounts and money market accounts.

Accounts Receivable

Contributions and grants are recognized when there is a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not included as revenue until such time as the conditions have been substantially met. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on experience and management's analysis of specific promises made. At June 30, 2020, there was no allowance for uncollectible receivables.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 1 – Summary of Significant Accounting Policies (Continued)**Inventory

The Village Store retail inventory is valued at the lower of cost or market. Certain books included in the inventory amounted to \$206 and the future sales of these books are restricted to the Heritage Campaign. At June 30, 2020, inventory of \$12,483 consisted of inventory for resale of \$11,931 and supplies inventory of \$552.

Property and Equipment

Property and equipment are stated at cost when purchased and at fair market value when contributed. Maintenance and repairs are charged to current operations as incurred, whereas major improvements are capitalized. Office equipment, furnishings and signs are depreciated on a straight-line basis over a useful life of 7 years. The purchase of furniture for the Niles Barnard House is included in the total cost. Since it has not been placed into service, there is no depreciation allowance at June 30, 2020. Depreciation expense for the year ended June 30, 2020 was \$4,794.

Revenue

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. The Organization preserves historical artifacts for public display and knowledge.

The Organization has adopted Accounting Standards Update No. 2014-09—Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Contributed Services

The Organization generally pays for services requiring specific expertise and employs a combination of part-time and full-time employees. Many individuals volunteer their time and perform a variety of tasks that assist in the administration and operations of the Organization, consequently, no amounts have been reflected in the financial statements for donated volunteer services.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 1 – Summary of Significant Accounting Policies (Continued)**Deferred Revenue

Deferred revenue consists of advances for future programs, events, rents and grants. The organization recognizes revenue one the program, event or rental has concluded. Grants are recognized once the funds are allowed to be utilized as called for under the grant conditions.

In Kind Contributions

In-kind contributions of property and services are valued at the fair value of the contribution provided. For the year ended June 30, 2020 in kind contributions totaled \$0.

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of functional expenses. Direct and indirect costs have been allocated between programs and general and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Advertising Expenses

Advertising costs are expensed at the time they are incurred. Advertising expense for the year ended June 30, 2020 was \$7,856.

Compensated Absences

The Organization does not accrue for compensated absences because the amount of the obligation cannot be reasonably estimated.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements. The Organization's tax returns are generally subject to examination by the Internal Revenue Service for a period of three years from the date they are to be filed.

**Note 2 – Permanently Restricted Net Assets And Other Endowments**

Permanently restricted net assets consisted of the following amounts at June 30, 2020:

Interest in perpetual endowment \$4,500.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 2 – Permanently Restricted Net Assets And Other Endowments (Continued)**

The Organization transferred funds that represented certain permanently restricted net assets to North Woodward Community Foundation under a reciprocal transfer endowment agreement. As a practical expedient, the balance of permanently restricted net assets associated with these funds is adjusted to equal the carrying value of the endowed funds held by the North Woodward Community Foundation.

As part of the Organization’s arrangement with the North Woodward Community Foundation, the North Woodward Community Foundation had provided matching funds for the benefit of the Organization. These assets are not reported on the statement of financial position since the North Woodward Community Foundation maintains variance power with respect to the assets provided by them for the benefit of the Organization. Total value of these assets as of June 30, 2020, was \$28,405.

**Note 3 – Concentrations of Credit Risk**

The Organization derives virtually all its revenue from corporate and individual donations, fundraising events, and one local government. For the year ended June 30, 2020, 23.41% of the Organization’s revenue was from grants.

**Note 4 – Liquidity and Availability of Financial Assets**

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash	\$215,497
Accounts Receivable	5,000
Total	\$220,497

**Note 5 - Troy Historical Village Store**

On April 1, 2009, the Troy Museum Guild (Gift Shop) became a standing committee of the Troy Historical Society and in July 2011 was renamed “The Village Store”. The Troy Historical Society continues to operate the store, and any net proceeds will contribute to the Organization’s causes as described in its Operation Guidelines.

See Independent Auditors’ Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 6 – Contracts**Heritage Campaign

The Organization has entered into an agreement with the City of Troy that requires both parties to work together in order to achieve the goal of completing the five projects as described in the Heritage Campaign (see note 1). The total cost estimate to complete the Heritage Campaign is approximately \$7,700,000. The Organization's main commitment called for in the contract, is to seek donations from corporations, foundations, governmental agencies, and individuals in order to raise the required funds. The Organization will also assist the City of Troy in other various administration duties related to the Heritage Campaign Projects.

Troy Historic Village

Effective July 1, 2016 the City of Troy entered into a new ten-year non-exclusive agreement with the Organization that allows the Organization to occupy and use the Troy Historic Village and its building for the sole purpose of promoting the mission and vision of the City of Troy and the Organization is authorized to manage and operate the Troy Village and will retain all revenues earned from the Village operation. The City of Troy will provide an annual operations appropriation to the Organization to cover the utilities, insurance, building maintenance, ground maintenance, and trash. The ten-year contract with the City of Troy is set to expire June 30, 2026.

The City of Troy will provide separate funding through their annual capital budget process, to invest in the Village so as to ensure the ground and buildings are maintained in compliance with the local, state and federal statues and ordinances. In addition, the City of Troy will provide separate funding of up to \$2,000, each year to retain and architect experienced in historic building preservation, for consultation with respect to needed maintenance and repairs.

**Note 7 – Operating Leases and Other Obligations**

The Organization has entered into various obligations as described below:

The Organization has entered into a one-year, automatic renewing service agreements for network monitoring and backup services for \$330 and spam filtering for \$82 per month with an additional fee of \$304 per quarter for voicemail. The agreement can be canceled prior to the renewal by providing 30 days' notice. Total expense under this agreement totaled \$4,563 for the fiscal year. The network monitoring and spam filtering agreement were canceled on July 31, 2020.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

**Note 7 – Operating Leases and Other Obligations (Continued)**

The Organization had entered into a five-year lease agreement for office equipment with monthly payments of \$114. This agreement ended in March 2020. Lease expense for the fiscal year ended June 30, 2020 was \$798. The Organization renewed into another five-year lease agreement with monthly payments of \$107. Lease expense under the renewal for the fiscal year ended June 30, 2020 was \$423.

The following is a schedule of future minimum lease payments required under the above network services as of June 30, 2020:

Years Ending June 30,	
2021	\$2,918
2022	2,506
2023	2,506
2024 and forward until canceled	2,506

**Note 8 – Paycheck Protection Program Loan**

The Organization received a Paycheck Protection Program Loan (PPP Loan) on May 5, 2020 in the amount of \$65,700 from Community Choice Credit Union. According to FASB ASC 958-605, the Organization recognizes contribution income as the PPP Loan forgiveness requirements (conditions) are substantially met. The loan was forgiven in full on January 12, 2021, and has been reported as revenue.

**Note 9 – Subsequent Events**

The current coronavirus pandemic has had an economic impact on the United States and the international community. While the Organization has not experienced a material adverse impact as of the date to these financial statements, the future impact, if any, cannot be determined.

The Organization has evaluated subsequent events through May 10, 2021, the date which the financial statements were available to be issued.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**

# TROY HISTORICAL SOCIETY

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Statement of Financial Position

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Statement of Activities

B

Statement of Functional Expenses

C

Statement of Cash Flows

D

Notes to Financial Statements

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Troy Historical Society  
Troy, Michigan

We have audited the accompanying financial statements of Troy Historical Society (a Michigan nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Troy Historical Society as of June 30, 2021, 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.

*John & Suzanne P.C.*

Macomb, MI  
February 25, 2022

# TROY HISTORICAL SOCIETY

## STATEMENT OF FINANCIAL POSITION

June 30, 2021

### ASSETS

#### Current Assets:

Cash	\$	52,160
Cash - With Donor Restrictions		19,574
Cash Savings - Grant Matching Funds		132,530
Investment - In Kind Donation		40,252
Grants Receivable		7,700
Accounts Receivable		4,350
Inventory		9,163
Prepaid Expenses		<u>2,692</u>

Total Current Assets \$ 268,421

#### Property and Equipment:

Office Equipment, Furnishings and Signs		44,615
Less Accumulated Depreciation		<u>(36,845)</u>

Net Property and Equipment 7,770

Total Assets \$ 276,191

## LIABILITIES

## Current Liabilities:

Accounts Payable	\$	356	
Accrued Expenses		14,015	
Rental Deposits Payable		3,750	
Deferred Revenue		<u>25,288</u>	
Total Current Liabilities	\$		43,409

## NET ASSETS

## Net Assets:

Without Donor Restrictions		213,208	
With Donor Restrictions		<u>19,574</u>	
Total Net Assets			<u>232,782</u>
Total Liabilities and Net Assets	\$		<u><u>276,191</u></u>

See Independent Auditors' Report and Accompanying Notes.

**TROY HISTORICAL SOCIETY**

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Program Fees	\$ 56,289	\$ -	\$ 56,289
Donations	95,024	1,877	96,901
Admissions	3,259	-	3,259
Merchandise Sales	10,974	-	10,974
Membership Dues	13,035	-	13,035
Rental Income	8,760	-	8,760
Sponsorships	9,075	-	9,075
Local Government Support	100,000	-	100,000
Grants	-	60,700	60,700
PPP Loan Forgiveness	66,700	-	66,700
Fundraising Events	(833)	-	(833)
Other	570	46	616
Net Assets Released From Restrictions	123,759	(123,759)	-
 Total Support and Revenue	 486,612	 (61,136)	 425,476
 Functional Expenses:			
Program Services	226,734	-	226,734
Management and General	153,485	-	153,485
Fundraising	43,197	-	43,197
 Total Functional Expenses	 423,416	 -	 423,416
 Increase/(Decrease) in Net Assets Before Other Income/(Expenses)	 63,196	 (61,136)	 2,060
 Other Income/(Expense):			
Unrealized Gain (Loss) on Investment	(58)	-	(58)
 Total Other Income/(Expense)	 (58)	 -	 (58)
 Increase/(Decrease) in Net Assets	 63,138	 (61,136)	 2,002

**TROY HISTORICAL SOCIETY**

STATEMENT OF ACTIVITIES (CONTINUED)

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Increase/(Decrease) in Net Assets	\$ 63,138	\$ (61,136)	\$ 2,002
Net Assets - Beginning of Year	<u>150,070</u>	<u>80,710</u>	<u>230,780</u>
Net Assets - End of Year	<u><u>\$ 213,208</u></u>	<u><u>\$ 19,574</u></u>	<u><u>\$ 232,782</u></u>

See Independent Auditors' Report and Accompanying Notes.

## TROY HISTORICAL SOCIETY

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<b>Direct Expenses:</b>				
Payroll and Related Expenses	\$ 119,900	\$ 80,660	\$ 17,440	\$ 218,000
Contracted Services	14,514	-	-	14,514
Bank Service Charges	2,687	-	38	2,725
Lectures and Exhibit Fees	600	-	-	600
Supplies	8,292	3,658	835	12,785
Merchandise and Awards	4,471	-	-	4,471
Food and Beverage	24	339	-	363
<b>Total Direct Expenses</b>	<b>150,488</b>	<b>84,657</b>	<b>18,313</b>	<b>253,458</b>
<b>Indirect and General Expenses:</b>				
Payroll and Related Expenses	56,423	37,958	8,207	102,588
Rental Expenses	1,769	517	112	2,398
Office, Printing and Postage	3,849	1,223	1,334	6,406
Professional Fees	-	9,661	13,882	23,543
Supplies	118	1,070	-	1,188
Professional Development	-	139	-	139
Repairs and Maintenance	-	423	-	423
Dues and Subscriptions	-	869	-	869
Computer, Copier and Telephone	8,985	6,044	1,307	16,336
Depreciation	-	4,865	-	4,865
Bank and Credit Card Fees	-	8	-	8
Travel	-	90	-	90
Miscellaneous	5,102	5,961	42	11,105
<b>Total Indirect and General Expenses</b>	<b>76,246</b>	<b>68,828</b>	<b>24,884</b>	<b>169,958</b>
<b>Total Functional Expenses</b>	<b>\$ 226,734</b>	<b>\$ 153,485</b>	<b>\$ 43,197</b>	<b>\$ 423,416</b>

See Independent Auditors' Report and Accompanying Notes.

**TROY HISTORICAL SOCIETY**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

Cash Flows From Operating Activities:	
Change In Net Assets	\$ 2,002
Adjustments To Reconcile Change In Net Assets To Net Cash Provided	
By (Used In) Operating Activities:	
Depreciation Expense	4,865
(Increase)/Decrease In Assets:	
Investment - In Kind Donations	(40,252)
Grants Receivable	(2,700)
Inventory	3,320
Prepaid Expenses	1,190
Accounts Receivable	(4,350)
Increase/(Decrease) In Liabilities:	
Accounts Payable	(1,056)
Accrued Expenses	1,729
Rental Deposits Payable	1,535
Deferred Revenue	<u>20,880</u>
Net Cash Provided By (Used In) Operating Activities	<u>(12,837)</u>
Cash Flows from Investing Activities:	
Purchase of Equipment	(2,896)
Decrease in Beneficial Interest in Assets Held at Community Foundation	<u>4,500</u>
Net Cash Provided By (Used In) Investing Activities	1,604
Net Increase (Decrease) In Cash	(11,233)
Cash and Cash Equivalents - Beginning of Year	<u>215,497</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 204,264</u></u>

See Independent Auditors' Report and Accompanying Notes.

# TROY HISTORICAL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

### Note 1 – Summary of Significant Accounting Policies

#### Nature of Operations

Troy Historical Society (the Organization) is a non-profit corporation located in Troy, Michigan that promotes the knowledge and appreciation of local, state and national heritage among its citizens and school children. The Organization was formed in order to foster and encourage the collection and preservation of historical artifacts and to study and conduct historical research. The Organization's source of revenue is principally donations and program revenue.

#### Basis of Accounting

The Organization uses the accrual basis of accounting for reporting purposes. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Fair Value

The Organization's financial instruments consist principally of cash, marketable securities, accrued expenses, payables and deferred revenue. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to satisfy a liability. The Organization believes that the recorded values of their financial instruments approximate current fair values because of their market value, nature and relatively short maturity dates or durations.

#### Financial Statement Presentation

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-For-Profit Entities. The revised guidance is intended to improve the financial reporting model for nonprofit organizations to provide better information to donors, creditors, and other users of financial information of nonprofit organizations. To achieve this goal, the ASU focuses on improving the current net asset classification requirements and information presented in financial statements and notes that are used to assess an organization's liquidity financial performance and cash flows. Effective July 1, 2018, the Organization adopted ASU 2016-14.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**Financial Statement Presentation (Continued)

The Organization follows the Not-For-Profit Entities topic of the FASB Accounting Standards Codification with respect to financial statement presentation. Under this topic, the Organization is required to report information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

The Organization classifies and reports net assets, revenues, gains and losses based upon donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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*Net Assets With Donor Restrictions* – Represents those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. When donor restrictions expire, that is, when stipulated time restrictions end or a purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. The Organization's cash deposits exceeded the Federal Deposit Insurance Corporation limits at various times during the year ended June 30, 2021.

Accounts Receivable

Contributions and grants are recognized when there is a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not included as revenue until such time as the conditions have been substantially met. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on experience and management's analysis of specific promises made. At June 30, 2021, there was no allowance for uncollectible receivables.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**Inventory

The Village Store retail inventory is valued at the lower of cost or market. Certain books included in the inventory amounted to \$200 and the future sales of these books are restricted to the Heritage Campaign. At June 30, 2021, total inventory value was \$9,163.

Property and Equipment

Property and equipment are stated at cost when purchased and at fair market value when contributed. Maintenance and repairs are charged to current operations as incurred, whereas major improvements are capitalized. Office equipment, furnishings and signs are depreciated on a straight-line basis over a useful life of 7 years. The purchase of furniture for the Niles Barnard House is included in the total cost. Since it has not been placed into service, there is no depreciation allowance at June 30, 2021. Depreciation expense for the year ended June 30, 2021 was \$4,865.

Revenue

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. The Organization preserves historical artifacts for public display and knowledge.

The Organization has adopted Accounting Standards Update No. 2014-09—Revenue from Contracts with Customers (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Contributed Services

The Organization generally pays for services requiring specific expertise and employs a combination of part-time and full-time employees. Many individuals volunteer their time and perform a variety of tasks that assist in the administration and operations of the Organization, consequently, no amounts have been reflected in the financial statements for donated volunteer services.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**Deferred Revenue

Deferred revenue consists of advances for future programs, events, rents and grants. The organization recognizes revenue once the program, event or rental has concluded. Grants are recognized once the funds are allowed to be utilized as called for under the grant conditions.

Concentration of Revenue

The City of Troy accounted for approximately 24% of total revenue received by the Organization during the fiscal year.

In-Kind Contributions

In-kind contributions of mutual funds are valued at the fair value of the contribution provided. For the year ended June 30, 2021 in-kind contributions totaled \$40,310, all of which were mutual fund investments.

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of functional expenses. Direct and indirect costs have been allocated between programs and general and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Advertising Expenses

Advertising costs are expensed at the time they are incurred. Advertising expense for the year ended June 30, 2021 was \$0.

Compensated Absences

The Organization does not accrue for compensated absences because the amount of the obligation cannot be reasonably estimated.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements. The Organization's tax returns are generally subject to examination by the Internal Revenue Service for a period of three years from the date they are to be filed.

See Independent Auditors' Report.

## TROY HISTORICAL SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS June 30, 2021

#### **Note 2 – Concentrations of Credit Risk**

The Organization derives virtually all its revenue from corporate and individual donations, fundraising events, and one local government. For the year ended June 30, 2021, 29.94% of the Organization's revenue was from grants.

#### **Note 3 – Liquidity and Availability of Financial Assets**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash	\$ 204,264
Investment-In Kind Donation	40,252
Inventory	9,163
Accounts Receivable	12,050
 Total	 \$ 265,729

#### **Note 4 - Fair Value and Fair Value Measurement**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no Plan assets requiring the use of Level 3 inputs for the period presented.

See Independent Auditors' Report.

## TROY HISTORICAL SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS June 30, 2021

#### Note 4 - Fair Value and Fair Value Measurement (Continued)

##### Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-ended mutual funds registered with the

U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded. The fair values of common stocks are based on the closing price reported on the active market where the individual securities are traded.

The following table sets forth, by level within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021:

Description	Fair Value 06/30/2021	Fair Value Measurements at the End of the Reporting Period Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	\$ 40,252	\$ 40,252
	\$ 40,252	\$ 40,252

Unrealized losses for the fiscal year ended June 30, 2021 totaled \$58. The Organization's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended June 30, 2021, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

#### Note 5 - Troy Historical Village Store

On April 1, 2009, the Troy Museum Guild (Gift Shop) became a standing committee of the Troy Historical Society and in July 2011 was renamed "The Village Store". The Troy Historical Society continues to operate the store, and any net proceeds will contribute to the Organization's causes as described in its Operation Guidelines.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

**Note 6 – Contracts**Troy Historic Village

Effective July 1, 2016 the City of Troy entered into a new ten-year non-exclusive agreement with the Organization that allows the Organization to occupy and use the Troy Historic Village and its building for the sole purpose of promoting the mission and vision of the City of Troy and the Organization is authorized to manage and operate the Troy Village and will retain all revenues earned from the Village operation. The City of Troy will provide an annual operations appropriation to the Organization to cover the utilities, insurance, building maintenance, ground maintenance, and trash. The ten-year contract with the City of Troy is set to expire June 30, 2026.

The City of Troy will provide separate funding through their annual capital budget process, to invest in the Village so as to ensure the ground and buildings are maintained in compliance with the local, state and federal statues and ordinances. In addition, the City of Troy will provide separate funding of up to \$2,000, each year to retain and architect experienced in historic building preservation, for consultation with respect to needed maintenance and repairs.

**Note 7 – Operating Leases and Other Obligations**

The Organization has entered into various obligations as described below:

The Organization has entered into a one-year, automatic renewing service agreements for network monitoring and backup services for \$330 and spam filtering for \$82 per month with an additional fee of \$304 per quarter for voicemail. The agreement can be canceled prior to the renewal by providing 30 days' notice. The network monitoring and spam filtering agreement were canceled on July 31, 2021, and the voicemail service was retained for the entire fiscal year. Total expense under these agreements totaled \$1,628 for the fiscal year ended June 30, 2021.

The Organization has a five-year lease agreement for office equipment with monthly payments of \$107, ending on June 30, 2025. Lease expense for the fiscal year ended June 30, 2021 was \$1,284.

See Independent Auditors' Report.

**TROY HISTORICAL SOCIETY**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021

**Note 7 – Operating Leases and Other Obligations (Continued)**

The following is a schedule of future minimum lease payments required under the above network services as of June 30, 2021:

	Years Ending June 30,	
2022		\$2,506
2023		2,506
2024		2,506
2025		2,506
2026 and thereafter		1,216

**Note 8 – Paycheck Protection Program Loan**

The Organization received a Paycheck Protection Program Loan (PPP Loan) on February 12, 2021 in the amount of \$66,700 from Community Choice Credit Union. According to FASB ASC 958-605, the Organization recognizes contribution income as the PPP Loan forgiveness requirements (conditions) are substantially met. The loan was forgiven in full on October 22, 2021, and has been reported as revenue.

**Note 9 – Subsequent Events**

The current coronavirus pandemic has had an economic impact on the United States and the international community. While the Organization has not experienced a material adverse impact as of the date to these financial statements, the future impact, if any, cannot be determined.

The Organization received \$106,000 from the City of Troy on July 1, 2021 which will be used to fund the operations during the fiscal year ending June 30, 2022.

The Organization has evaluated subsequent events through February 25, 2022, the date which the financial statements were available to be issued.

See Independent Auditors' Report.