



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: February 1, 2023

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 2022 and Financial Statements for Fiscal Year Ending 2022

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 2022 and Financial Statements for FYE 2022.



TROY HISTORIC VILLAGE

where history lives



Annual Report

Fiscal Year Ending June 30, 2022

AROUND THE VILLAGE

The Board of Trustees of the Troy Historical Society (THS) and staff of the Troy Historic Village (Village) present this Annual Report for the Fiscal Year ending June 30th, 2022 (FYE2022). Almost exactly two years since the onset of the Covid Pandemic, accessibility to vaccines and relief to public health systems allowed schools to lift restrictions. School groups began to return in March and have been consistently booking ever since. Attendance to other programs has been slowly climbing and Covid disruptions have diminished. Thanks to the support from the city, county, and state, we are now combining new programs and ideas developed during the pandemic with proven school programs as staffing and facility capacity allows.

PROGRAM HIGHLIGHTS

Entering the fall of 2021, we knew that Covid restrictions would continue to impact school field trips. We continued to offer online field trips, however most schools seemed to be waiting for the traditional experience. By February and March, teachers called daily to book the field trips they had missed as restrictions were lifted. In the second half of the school year, 51 of 76 days were booked with trips including the return of Civil War Days for Troy and Lake Orion 8th grade students. In addition, we provided 26 scout and home school programs. We served a total of **6,884 students, chaperones, and teachers in the 2021-22 school year.**

Our core Adult Program, Thursday Teas, returned to a regular schedule with topics from Food Fads & Funky Dishes to Troy in the Roaring Twenties. *The Women of Copper Country* Great Michigan Read inspired “The Art of Coppersmithing” hands-on experience, a screening of the film *Red Metal: The Copper Country Strike of 1913*, and a Keweenaw History talk in addition to book discussions. Our Cheddar Preschool Story Time continued to welcome the youngest Villagers with their parents and grandparents in tow. Monthly Preservation Conversations and Constitution Cafes rounded out our robust programming.

This year we expanded immersive experiences for all ages. We presented fall and spring radio show-style programs bringing back a nostalgic way to tell entertaining stories. Families joined us for Civil War Saturday—an exploration into what life may have been like in the 1860’s. In the winter we celebrated an 1865 Victorian Christmas at the Village. We continued to offer Blacksmithing classes in the Wagon Shop and added watercolor classes in the restored Niles-Barnard House.

Community Events including Trick-or-Treat, Cocoa & Crafts with Santa, and spring Egg Hunt for children and families continued to be popular events at the Village—using our unique setting for safe, hands-on activities. We continued to build Healthy Communities through yoga, weekly walking groups, and longer Saturday Hikes as well as fun summer and winter fitness challenges that wove together history and activities. We also offered fun social events for adults like Plaidurday Happy Hour, a Roaring 20’s Night, and Yoga and Wine. In total, **16,105 people** of all ages joined us for this wide range of programs, activities and events in the FYE 2022.



229

People attended hands on Workshops
in 2021-2022

AROUND THE VILLAGE

STAFF AND VOLUNTEER SUPPORT

THS employs three full-time and twelve part-time staff members to fulfill its mission to engage the community and enable life-long exploration of history by sharing and preserving our stories, artifacts, and buildings through creative, meaningful experiences. We do that at the Village and offsite with Village resources and collections. While we love objects, one of our most valued resources is the experience, expertise, and creativity of the professional staff. Not only did staff continue to produce quality programming, but they continued to develop community partnerships. Our Adult Program Director, Youth Program Director, and History Interpreters take the lead in programming. They have support from the Curator (who also maintains the City's collection), Volunteer Coordinator, Business Manager, and Community Development Director. We have expanded our rental offerings as both a revenue stream and Village experience and employ an Events Manager and Facilities Attendant to facilitate rentals. We continue to work with Excel for contracted cleaning services.

Through the pandemic it was difficult to engage our dedicated volunteers. With grant support, we rehired a Volunteer Coordinator in November and started regularly welcoming back volunteers. We have reinstated our monthly volunteer committee meetings on the first Tuesday of every month and started a bi-monthly Volunteer Newsletter to improve communication to those who can't regularly be at the Village. We continue to find creative ways to engage volunteers who are not ready to come back and volunteer in person: volunteers have helped research at home for our collections, cut out and prepared crafts from the comfort of their couch, and prepped maintenance materials in their garages. We are so thankful for the folks who stayed with us during the pandemic but happy to start seeing volunteers in person again!



15

Staff Members

163

Total Volunteers



CAPITAL IMPROVEMENTS

The **Caswell House** received a new roof! Additional exterior work was completed, replacing some rotted boards and painting the entire building. Work in the basement has improved drainage and removed the constant dampness. The **Wagon Shop** also received a new roof. Before working on the roof, an engineering study determined additional roof bracing and the removal of the loft (not original to the building) was needed. We appreciate extending the life of a well-used, well-loved building that probably never expected to be around so long! Other small projects included replacing rotted pieces of the Gazebo and removing cabinets in the

Church basement to replace them with a movable worktable. THS appreciates the big and small projects taken on by the City. Preserving historic buildings can be tedious and we are thrilled to be able to use these historic spaces for a variety of programs.

108%

Rental Income increased
\$10,870 -> \$22,639



"We are thrilled to see school busses rolling up the driveway and kids excited for sometimes their first field trip ever, it feels like an old friend returning." ~Jen Peters, Executive Director

Programming Revenues

ADMISSIONS

\$3,259 → \$5,950 **83%**

PROGRAMS

\$49,399 → \$58,249 **18%**

SCHOOLS

\$6,890 → \$66,974 **872%**

FYE2021

FYE2022

Community Events

**Open
Houses
861**

**Egg
Hunt
680**

**Cocoa &
Crafts with
Santa
244**

**Trick
or Treat
781**

Members

5 **BENEFACTORS**

12 **PATRONS**

32 **LIFETIME**

244 **HOUSEHOLD &
INDIVIDUAL**

293 **TOTAL
MEMBERS**

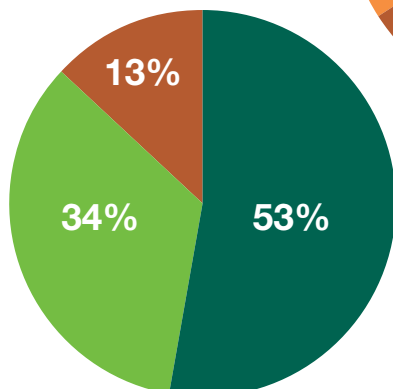
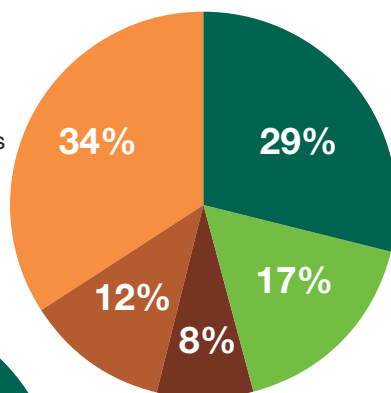
60 **NEW MEMBERS
IN 2021/22!**

22,989 total visitors and people served including **6,884** students, chaperones, and teachers

Financials*

SOURCE OF REVENUE

- 29% Programs & Admissions
- 17% Memberships & Donations
- 8% Rentals, Store, & Other
- 12% Sponsorships & Fundraising
- 34% Grants & Government



FUNCTIONAL EXPENSES

- 53% Programs
- 34% Administrative
- 13% Fundraising

*Unaudited Financial Statements from FY 2021/2022

New Programs



**PRESERVATION
CONVERSATIONS**

101



**MURDER MYSTERY
AND COMEDY
RADIO SHOWS**

172



**VICTORIAN
CHRISTMAS**

240



**BEYOND THE
BOOK PROGRAMS**

135



**WATERCOLOR
CLASSES**

122



**SUMMER KICK-
OFF COMMUNITY
EVENT**

240

FINANCIALS

FINANCE

THS successfully completed its eleventh fiscal year operating the Village through its renewable management agreement with the City of Troy. The current agreement will end in 2026. With most schools still restricted from taking field trips, we continued a conservative approach of creating two 6-month budgets for the 2021-2022 fiscal year. This along with close monitoring of cash flow and profit and loss reports helped us maintain staff and programming at realistic levels. It also allowed us to immediately expand as we began to see indications of returning school groups. Overall, our budget again relied on COVID relief funds, but better than expected programming and strong donor and sponsor support brought our total gross receipts to \$443,908. In addition, a generous bequest enabled THS to create a self-governed endowment which will add to the long-term stability of Village operations.

GRANTS

The following grant funds were received in FYE2022:

- ✓ **Michigan Arts and Culture Council** (formerly the Michigan Council for Arts and Cultural Affairs) awarded THS a \$19,500 General Operations grant. An additional \$2500 was added to the award later in the year from remaining COVID funds.
- ✓ THS received a \$13,500 MI H.O.P.E. grant from the **Michigan Humanities Council** and **National Endowment for the Humanities** through the Coronavirus Aid, Relief and Economic Security (CARES) Act to support staff salaries and rehire a Volunteer Coordinator.
- ✓ **Kresge Foundation** allocated \$5,000 from a three-year grant of \$15,000 to support general operations.
- ✓ **Michigan Humanities Council** awarded \$721 for Great Michigan Read programs related to the book "Women of Copper Country." They also awarded THS a \$2,500 Michigan Museum Recovery grant for support of general operations.
- ✓ **Troy Community Foundation** awarded a \$500 grant to support our Winter Explorers Challenge.
- ✓ **Home Depot** and **Walmart** awarded \$1000 and \$750 respectively to support community events including Trick-or-Treat, Cocoa & Crafts with Santa, Egg Hunt, and more.
- ✓ THS received a \$750 **Keep Michigan Beautiful** Grant towards building an outhouse that will enhance the historic landscape of the Village.
- ✓ The **City of Troy** appropriated \$100,000 to support general operations in the Village and \$6,000 to support Eastern Michigan University's Historic Preservation Field School. This is in addition to work completed through the Facilities & Grounds department to maintain and upgrade Village buildings and grounds.

The Endowment Fund to benefit the Troy Historic Village administered by the Troy Community Foundation reached a balance of \$30,322.59 as of June 30, 2022.

As of the end of the fiscal year, the funds received from the estate of beloved Villager Judy Siess were still being reorganized into a THS-governed endowment. The goal of this endowment will be to support operations of the Village as the THS Board and Village Executive Director deem most beneficial.

Financial Snapshot

Revenue

Field Trips, Programs, & Admissions	\$131,173
Memberships & Private Donations	\$75,575
Rentals, Village Store, & Other	\$35,933
Sponsorships & Fundraising	\$51,976
Grants	\$43,251
City of Troy Operations Support	\$106,000

Expenses

Salaries and Related Fees	\$349,037
Artists and Professional Fees	\$53,058
Program Expenses	\$27,489
Fundraising Expenses	\$14,213
Administrative & Overhead Expenses	\$36,354



NATIONAL
ENDOWMENT
FOR THE
HUMANITIES



THE
KRESGE
FOUNDATION



Phillip & Elizabeth Filmer Memorial
Charitable Trust

COLLECTIONS

Staff Curator, Elizabeth Thornburg, and volunteers worked on the following projects during FYE2022:

- ✓ Reorganized collection spaces in the General Store and Parsonage; emptied Lange Street storage space; installed black out curtains in the Archive.
- ✓ Collected images for *Victorian Christmas* display; researched and installed flags from the collection for the *History Unfurled* exhibit.
- ✓ Began updating interpretive plans for the Parsonage (early 1920s) and Town Hall (1926).
- ✓ Volunteers began creating narratives about each of the Troy schools from founding to consolidation using collections and clipping files; Poppleton, Log Cabin, Stiles, Niles, Stone School, Leonard, and Big Beaver have been completed.
- ✓ WMU Intern Peter Moon digitized several collections, including newspaper clippings from the Rochester Era (1945-1949) and the Frontier Gal social columns written by Troy resident Juanita Bonino.
- ✓ Volunteer David Grocki began researching Troy happenings in local digitized newspapers and creating searchable online spreadsheets.
- ✓ Volunteer Hannah Krebs began organizing the Gloria Anderlie collection including newspaper articles, photographs, letters, audio cassettes, and other documents about Troy from the 1940s to the 1990s.

The following items were accessioned into the Collection:

- ✓ Fractional District No. 10 (Stone School) Teacher's ledger – Orion Historical Society
- ✓ James Bailey's walking stick (1802-1887), Zilpha Bailey's school bell used at Stone School – Hartland Smith
- ✓ Victorian feather wreath – Marcy Dwyer
- ✓ Set of bedroom furniture including a bed, washstand, dresser, lamps, and a barrister bookcase – Helen Gach and family
- ✓ A City of Troy commemorative coin – Jeff Osborne
- ✓ Coin Bank, a church donation box, several mechanical tin toys, rolling toys, a spelling toy, a gyroscope, wooden horse "snowshoe", an overshot coverlet, a brass police whistle, and two pairs of 19th-century glasses – Sharon Base
- ✓ Promotional materials about the Ford Tractor Plant (once located in Troy) – T&I Credit Union

- ✓ Caswell Family Bible c.1855, maintained with family names and dates into the 1960s, Caswell Family Photo Album c. 1870s-1890s, Caswell Grandson Jesse Caswell's Glasses, Violin, Bow and Case and a newspaper article about playing for Henry Ford – Christine Caswell Greene
- ✓ Photographic Christmas Cards from Governor G Mennen Williams and Senator Phil Hart – Nancy Rogers
- ✓ Children's Magic Lantern and slides – Alfred Ostrowski
- ✓ Big Beaver Class materials – Don Mouch
- ✓ Candle Stick Telephone – Douglas Thornburg

The following items were accepted into the THS Education collection:

- ✓ Late 19th Century Folding Chair – Maureen Caldwell
- ✓ Handbell and 19th Century Schoolbook – Connie Warren

Deaccessions:

- ✓ Many items of clothing (77.204, 77.207, 89.5.6.1, 79.66.6, 78.334, 77.205, 84.16.1, 81.49.2, 81.51, 75.10.1, 82.41.2, 68.62, 70.21.23, 76.212, 76.838, 76.836, 79.33.3, 79.0.21, 76.199, 78.850.1, 82.41.5, 80.23.22, 96.005.001.012, 96.005.001.006-010) due to extensive deterioration, including several dresses, gowns, vests, blouses, jackets, a lap robe, and several duplicate police uniform pieces. The Troy Police Department has been consulted on the responsible disposal of police uniform components.
- ✓ Small serving dish (82.47.7) rendered irreparable due to breakage; it had no known ties to Troy.
- ✓ 68 reproduction tin cans (2008.28.1-68) in the General Store that were not historic.
- ✓ Pin cushion (76.251.1) due to major rodent damage.
- ✓ 13 large picture frames (2009.13.2-26, even numbers only) which were accessioned separately from their photographs were deaccessioned.
- ✓ Several small boxes of nails which do not appear to be accessioned were repurposed.



269

Volunteer hours were utilized by
Collections in FYE2022

COLLABORATIONS

THS was happy to be a part of more community events in the FYE2022 including the Troy Farmer's Market and Movies in the Park. We also participated in Troy Recreation's Fall Fest and Spring Fest Events. As more community events return, we love to showcase the Village and support community members whenever possible! We were able to hold more activities at the Village with community partners. The Troy Garden walk returned in July 2021 using the Village for their plant sale and craft boutique while showcasing their flower beds. The Kiwanis held a Fall Leadership event at the Village that included a fun scarecrow building contest and leadership talks. The Village also hosted a Summer Kick-Off Open House with community partners to showcase all the activities residents could find in Troy through the summer.



We were thrilled to be able to put on the Troy Traffic Jam in 2021! After being off for a year, we felt comfortable holding the event and welcomed more than 200 cars and 4,000 visitors. This is a great community event as well as a Village fundraiser and we couldn't make it happen without support from the City of Troy, Kirco, and the Columbia Center.



In the fall of 2021, we welcomed Eastern Michigan University's Historic Preservation Field School to the Village. Graduate students dug into the archives to research buildings, learned the newest scanning and mapping techniques, worked with an engineer to assess buildings, and got hands on with the Pioneer Room windows to make them fully functional again. In the spring, Executive Director Jen Peters taught Oakland University's Museum Studies Course for undergraduates—a way to bring our resources to the next generation of museum professionals.

We continue to seek out artists and skilled tradespeople to share their skills through classes and demonstrations at the Village. In addition to metalsmith Rose Weiss' blacksmithing and coppersmithing classes and MI Folk School classes, we brought Megan Swoyer back to the Village to teach watercolor classes in the Niles-Barnard House. We also welcomed back skilled reenactors for Civil War Days and Civil War Saturday. A volunteer reenacting troupe, Bonnets and Crooked Hats, brought the Village to life for new Victorian Christmas event in December and a Victorian Strawberry Festival in June.



BUSINESS AND COMMUNITY SPONSORS

BUSINESS AND COMMUNITY

EDUCATION SPONSORS

The Fischer Family
Kirco
Columbia Center
City of Troy
Kelly Services

TRICK OR TREAT SPONSORS

Genisys Credit Union
Community Choice Credit Union
Troy Garden Club
Walmart

EGG HUNT SPONSOR

Kurtis Kitchen and Bath

HOLIDAY EVENTS SPONSORS

Genisys Credit Union
Troy Garden Club

HEALTHY LIVING INITIATIVES

Beaumont Health
Troy Community Foundation
AmeriCorps

TROY TRAFFIC JAM

Gold Sponsors

The Fischer Family
Kirco
Columbia Center

Silver Sponsor

City of Troy
Kelly Services

Copper Sponsors

Community Choice Credit Union
Kiwanis
Penske Corporation

Aluminum Sponsors

Lambrecht Realty & Lambrecht
Marina

Stoney River Steakhouse
and Grill
E.M. Schroeder Insurance &
Autumn Insurance

Chrome Sponsors

Campanelli & Pear
Antique Touring Company



SCARECROW ROW

365 Retail Markets
A.J. Desmond & Sons
Advanced Home Care
Alliance Mobile Health
Alpha Delta Kappa,
Alpha Upsilon Chapter
Anthology of Troy
Benito's Pizza
Billings Lawn Equipment
Brookdale Troy
C&G Newspapers – Troy Times
Celebrity Catering
Coldwell Banker Weir Manuel
Community Choice Credit Union
Crispelli's Bakery & Pizzeria
Estia Greek Street Food
Genisys Credit Union

Health Markets Insurance
Agency
Home Depot
Jonny Cakes Café
J-Ro School of Music
Kemp Klein Law Firm
K-Value Insulation
Lake Michigan Credit Union
Lincoln of Troy
Manpower Group
MetLife
Mr. Kabob Xpress
New Century Realtors
Oakland Press
Oakmont Sterling Enhanced
OUR Credit Union

Papa Romano's &
Troy Friendship Club
PARTNR HAUS Interiors
Personal Endodontics, PC
Real Living Kee Realty
Rexpointe Kennels
Ridley's Bakery Café
Royal Oak Heating & Cooling
Signs & More
St. Anastasia Knights of
Columbus
Stage Nature Center
State Farm Insurance –
Ann Percy
T & I Credit Union
Telly's Greenhouse
The Choice Group

Trevarrow Hardware
Tri County Equipment
Troy Chamber of Commerce
Troy Dental Studio
Troy Fire Department
Troy Friendship Club
Troy Garden Club
Troy Law Center
Troy Metro Agency
Troy Police Department
Troy Public Library
Troy Racquet Club
Troy Rotary
Troy Sports Center
Troy Veterinary Hospital
Ziebart Int. Corp

BUSINESS AND OPERATIONS

AAA Ice Cream
ALCO Printing
Culvers

City of Troy
Detroit Grooming Co.
Home Depot

Shield's Restaurant Bar Pizzeria
Signs and More
Tim Horton's – Troy

Trevarrow Hardware
Troy Garden Club

FOUNDATIONS AND GRANTS



NATIONAL
ENDOWMENT
FOR THE
HUMANITIES



THE
KRESGE
FOUNDATION



Phillip & Elizabeth Filmer Memorial
Charitable Trust

INDIVIDUAL DONATIONS

Bruce Annett
Paul & Brenda Balas
Patricia Bammel
Fred & Kit Barnard
Richard Beaubien
Meredith Bezak
Karen & Kevin Bishop
Robert Bishop
Laura & Larry Boeberitz
Ann Britton
James Burgess
Loraine Campbell
Barbara Chambers
Trudy Chisholm
Irene Christy
Pamela Claps
Sandra Clark
Christine Clifford
Sharon & Dave Cloud
Sue & Tom Cook
Thomas Cook
Rebecca Chamberlain-
Creanga
Robert Currier
Jim Cyrulewski
Virginia Czerwinski
Dennis & Carolyn Darch
Bill & Wendy Davy
Joan & Robert Dennis
Patrick Dorn
Michele Dungjen
Gail Elias
Lisa Enmark
Ivana & Kevin Enright
Pamela & John Eppe
Aditya Ezhuthachan
Bob Feldmaier
Sally Flicker
Sue & David Ford
Nadine Fournier

Bill Fox
Janet Garrett
Patricia Gates
Earl & Julia Gravlin
Jeffrey Groen
Diane Gurzick
Michelle Hachigian
Matthew & Lori Hackett
Patricia Hartner
Lisa Lavender-Holquist
Nancy Huizenga
Mary Hunter
Judy & Bruce Iceman
James & Joan Jarrait
Elizabeth & Roger
Kaniarz
Karen & John Kraft
Karavias
Joe & Donna Killewald
Marlene Klebba and
Louis LaFave
Kerry Krivoshein
Bob & Diane Lamb
Dave & Mary Ellyn
Lambert
Paul Lathrop
John & Sue Lavender

Barb Lemaigre
Ruth Leucht
Christal Lewandowski
Russell & Tyra Lewis
Kevin & Susan Lindsey
Melissa Lindsey
Joy Lucas
Kay McFarland
Tim & Julie McGee
Lynn McLean
Shari & Bob Mertz
Aleta & Ken Meskin
Geri Musial
Catherine & Andrew
OGawa
Mary O'Neill
Carole Packla
Anne Partlan
Alice Pepper
Destini Perkins
Jen & Jeremy Peters
Joanne Piazza
Linda Pletz
Hatina Przybul
James Pyne
John Ragan
Ward Randol

Mary Rankin
Claudia Rodger
Kristine Rose
Kathy & Jim Serafino
Tom Shook
Evelyn Slagon
Chris & Michelle
Slaviero
Lori Smartt
Janet & Rick Stanfield
Jeanne Stine
Rebecca Thornton
Doug Tietz
Linda & Mike Tingley
John Tombrillo
Joanie Ugelow
Barbara Virzi
Teresa Walsh
Larry Waniolek
Zola & LaVere Webster
Katy Willoughby
Cheryl Wilson
Kara Yarrington
Diane Yordy
Bill & Kathy Ziemba
Michigan Conference of
the UMC



LOOKING FORWARD

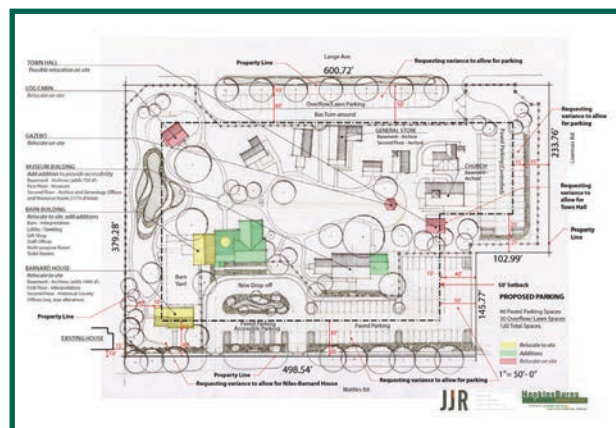
The return of school groups in the spring of 2022 was more than just a boost to the bottom line, it had a huge positive impact on the dedicated staff. The energy those busloads of children brought back to the Village was immeasurable. Now that our core programming is returning to pre-pandemic levels, we can think about more than survival, we can think about expanding. We imagine days where we teach onsite and offsite school groups in the morning, then host dynamic programming for adults or small groups in the afternoon.

The Board of Trustees spent the spring of 2022 developing a new Troy Historical Society Strategic Plan. This work had been put on hold in 2020. Guided by a consultant from the Nonprofit Network, the Board spent time visioning and setting organizational goals. This was a growing point for the board as they embraced becoming a Governance Board rather than Working Board.

Troy Historical Society 2022-2027 Strategic Plan Goals:

1. Establish and maintain short-term and long-term financial stability
2. Prepare for changes within the community, environment, and economy
3. Ensure diversity within the board, staff, and those served
4. Establish THV as a cultural asset/resource to the Troy community and surrounding region
5. Optimize resources including a) the talent of board, staff, and volunteers b) artifacts and knowledge and c) facilities

Board members also identified a number of objectives and strategies within these goals, but ultimately board and staff members will work within committees and small work groups to identify the steps to achieve these goals over the next 3-5 years. As part of this work, the Historical Society is realigning their committees to match their identified goals and values.



One very exciting step identified by the Historical Society Board was to work with the City on updating the Village Master Plan. The City was able to incorporate the cost of this work in their 2022-2023 budget. A new Master Plan will enable the Village staff to better utilize existing and new spaces, maximize capacity, and improve curb appeal and accessibility. All of this is to further the mission of the Troy Historical Society to engage the community and enable life-long exploration of history by sharing and preserving our stories, artifacts, and buildings through creative, meaningful experiences.

Troy Historical Society

Financial Report

June 30, 2022

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

Independent Auditor's Report

To the Board of Directors of
Troy Historical Society

Opinion

We have audited the accompanying financial statements of Troy Historical Society (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Troy Historical Society as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Troy Historical Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Troy Historical Society's ability to continue as a going concern within one year after the date that the 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 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Troy Historical Society'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Troy Historical Society'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.

Zerbo Consulting Group, P.C.

January 4, 2023

Statement of Financial Position

As of June 30, 2022

Assets**Current Assets**

Cash and cash equivalents	\$	200,439
Restricted cash		11,853
Receivables:		
Accounts		1,750
Grants		7,275
Inventory		7,982
Prepaid expenses		3,273
Total Current Assets		<u>232,572</u>

Property and Equipment

Office equipment		41,160
Total Cost		<u>41,160</u>
Less accumulated depreciation		<u>(39,909)</u>
Property and Equipment - Net		1,251

Investments (Note 2)

396,800

Other Assets

Beneficial Interest in Assets Held at Community Foundation (Note 5)		<u>5,000</u>
---	--	--------------

Total Assets **\$ 635,623**

Liabilities and Net Assets**Current Liabilities**

Accounts payable	\$	3,669
Accrued expenses		13,741
Rental deposits payable		7,000
Deferred revenue		33,308
Total Current Liabilities		<u>57,718</u>

Net Assets

Without donor restrictions		566,052
With donor restrictions		11,853
Total Net Assets		<u>577,905</u>

Total Liabilities and Net Assets **\$ 635,623**

Statement of Activities and Changes In Net Assets

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Program and operational activities	\$ 169,281	\$ 67	\$ 169,348
Donations and grants	547,257	-	547,257
Local government support (Note 4)	106,000	-	106,000
Fundraising events	30,927	-	30,927
Membership	13,805	-	13,805
Merchandise sales	12,028	-	12,028
In-kind (Note 6)	2,933	-	2,933
Net assets released from restrictions	7,686	(7,686)	-
Total Revenue and Other Support	889,917	(7,619)	882,298
Operating Expenses			
Program activities	264,471	-	264,471
Management and general	171,191	-	171,191
Fundraising	59,886	-	59,886
Total Expenses	495,548	-	495,548
Excess of Operational Revenue over Operating Expenses	394,369	(7,619)	386,750
Other Income			
Investment income (loss) - Net (Note 3)	(41,912)	-	(41,912)
Other	285	-	285
Total Other Income (Loss)	(41,627)	-	(41,627)
Change in Net Assets	352,742	(7,619)	345,123
Net Assets - Beginning of year	213,310	19,472	232,782
Net Assets - End of year	\$ 566,052	\$ 11,853	\$ 577,905

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Activities	Management and General	Fundraising	Total
Salaries and wages	\$ 178,073	\$ 113,072	\$ 41,998	\$ 333,143
Payroll taxes	13,095	8,814	3,274	25,183
Bank service charges	1,393	2,744	-	4,137
Supplies	24,011	2,925	2,832	29,768
Advertising and promotion	649	955	11,538	13,142
Professional Fees	36,056	25,735	144	61,935
Insurance	-	4,258	-	4,258
Telephone and internet	3,088	10,819	-	13,907
Equipment rental	1,465	1,075	100	2,640
Depreciation	149	444	-	593
Transportation	493	-	-	493
Miscellaneous	5,999	350	-	6,349
Total Expenses	\$ 264,471	\$ 171,191	\$ 59,886	\$ 495,548

Statement of Cash Flows

Year Ended June 30, 2022

Cash flows from Operating Activities:

Change in net assets	\$ 345,123
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	593
Disposal of equipment	5,926
Net realized and unrealized losses on donated investments	45,480
Changes in operating assets and liabilities that provided (used) cash:	
Accounts and grants receivable	3,025
Donated investments	(438,712)
Inventory	1,181
Prepaid expenses	(581)
Accounts payable	3,313
Accrued expenses	(274)
Rental deposits payable	3,250
Deferred revenue	8,020
Net cash used in operating activities	(23,656)

Cash flows from Investing Activities:

Investment in beneficial interest in assets held at Community Foundation	(5,000)
Proceeds from sale of investments	36,684
Net cash flows provided by investing activities	31,684

Net increase in cash and cash equivalents 8,028

Cash and cash equivalents - Beginning of year 204,264

Cash and cash equivalents - End of year \$ 212,292

Statement of Financial Position Classification of Cash and Cash**Equivalents**

Cash and cash equivalents	\$ 200,439
Cash for restricted purposes	11,853
Total cash and cash equivalents	<u><u>\$ 212,292</u></u>

Note 1 – Nature of Activities and Significant Accounting Policies

Organization

Troy Historical Society (the Organization) is tax exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation. The Organization's mission is to engage the community and enable life-long exploration of history by sharing and preserving its stories, artifacts, and buildings through creative, meaningful experiences. The Organization's vision is to enhance knowledge and historic context through the resources and activities centered at the Troy Historic Village. The Organization provides opportunities for community development, social interaction, and open dialogue on issues of importance. The Organization enriches lives by connecting its experiences of the past to one another. The Organization was formed in order to foster and encourage the collection and preservation of historical artifacts and to study and conduct historical research. It has grown from this foundation of preservation to preservation and education. The Organization is located in Troy, Michigan.

The City of Troy has a contract with the Organization that allows the Organization to operate, manage, and use the Troy Historic Village and its buildings for the purpose of the Organization's mission. See Note 4.

Nature of Activities

The Organization develops and offers history-related public educational programs to children and families, school fieldtrips, and senior citizens. The Organization operates the Historic Village and works with the City of Troy to maintain the accompanying buildings and artifacts. Fees are charged for most educational and group-taught programs. Other sources of income include local government support, donations, fundraising events, and special-event rentals.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed there by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are 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, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

June 30, 2022

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***Accounts Receivable***

The Organization considers accounts receivable to be fully collectible as of June 30, 2022; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Grants Receivable

Grants and contributions are recognized at fair value as revenues in the period in which there is sufficient evidence that an unconditional promise was received. Conditional promises are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. The allowance for uncollectible amounts is estimated based upon historical collection rates and specific identification of uncollectible amounts. As of June 30, 2022, there was no allowance required for grants receivable.

Inventory

The Organization maintains an inventory of books, posters, and other mission related products, purchased for resale, that are sold in The Village Store. Inventory is valued at the lower of cost or market.

Property and Equipment

Property and equipment is carried at cost or, if donated, at fair market value at the time of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of 3 to 27.5 years. The Organization's policy is to capitalize acquisitions of \$2,500 or more. For the year ended June 30, 2022, depreciation expense was \$593.

Investments

Investments for which market quotations are readily available are valued at the quoted market price.

Deferred Revenue

Deferred revenue consists of advances for future programs, events, rentals, and grants. The Organization recognizes revenue once the program, event, or rental has concluded. Grants are recognized in conjunction with agreement terms when any imposed conditions have been met.

Contribution Revenue

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and are measured at fair value. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are recognized. Contributions with donor-imposed time or purpose restrictions are reported as support with donor restrictions. All other contributions are reported as support without donor restrictions.

Unconditional promises to give with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions when collected or when allocations or grants are made to recipient organizations based on those future collections. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give recognized as of June 30, 2022.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)***Contributed Services***

The Organization pays for most services requiring specific expertise. However, many individuals donate their time in performing a variety of tasks to assist the Organization's operations. The donated hours and value of these contributed services have not been included in these financial statements, as they do not meet the criteria for recognition and were estimated for the year ended June 30, 2022 to be 4,280 hours valued at approximately \$124,116.

Concentrations of Credit Risk

The Organization derives most of its revenues from local government support, donations, and various fundraising events. For the year ended June 30, 2022, local government support was approximately 12% of total revenues.

Functional Allocation of Expenses

Costs of providing the program, management and general, and fundraising services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Depreciation is allocated on the basis of the program or support service that uses the fixed asset. Costs have been allocated between the various programs and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Adoption of New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which was issued in order to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The new guidance is effective for the Organization's year-ended June 30, 2022. See Note 6.

Upcoming Accounting Pronouncement

The FASB issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and a related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The new guidance will be effective for the Organization's year-ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effects on the results of operations are not expected to be significant.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including January 4, 2023, which is the date the financial statements were available to be issued.

June 30, 2022

Note 2 – Fair Value Measurement***Fair Value Measurement***

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Organization's assets measured at fair value on a recurring basis at June 30, 2022 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following table presents information about the Organization's assets measured at fair value on a recurring basis at June 30, 2022:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Balance at June 30, 2022
Investments:		
Money market funds	\$ 15,766	\$ 15,766
Fixed income securities	160,550	160,550
Equity securities	220,484	220,484
Total investments at fair value	<u>\$ 396,800</u>	<u>\$ 396,800</u>

Total investments at fair value of \$396,800 were donated to the Organization during the year ended June 30, 2022. This donation is included within Donations and Grants on the Statement of Activities and Changes in Net Assets for the year ended June 30, 2022.

June 30, 2022

Note 3 – Investment Income

Investment income (loss) is composed of the following for the year ended June 30, 2022:

Interest and dividends	\$ 3,568
Net realized and unrealized losses	(45,480)
Total	<u>\$ (41,912)</u>

Note 4 – City of Troy

Effective in March 2011, the City of Troy approved an operational agreement with the Organization to operate the Troy Historic Village located in Troy, Michigan, which allows the Organization non-exclusive use of the property. The agreement was renewed on July 1, 2016, and it expires on June 30, 2026.

In conjunction with this agreement, the City of Troy includes the Organization in its annual budget within the City's Recreation and Culture Department for building and ground routine maintenance as well as annual appropriations out of its General Fund for Organization operations, insurance, and operations-related maintenance and utilities. For the year ended June 30, 2022, the City of Troy provided the Organization with an appropriation for organizational operations in the amount of \$106,000. The appropriation in the amount of \$106,000 is recorded as Local Government Support on the Statement of Activities and Changes in Net Assets for the year ended June 30, 2022.

Note 5 – Community Foundation Endowment

Effective December 1, 2017, The Organization established an endowment agreement with North Woodward Community Foundation (the Community Foundation) by an irrevocable transfer of funds in the amount of \$5,000 to the Community Foundation. The purpose of the endowment is to provide support to the Organization in its operating and management of the Troy Historic Village, owned by the City of Troy, as directed by the Community Foundation. The Community Foundation has the power to retain, invest, and reinvest the assets of the endowment to further the charitable or other exempt purposes of the Organization. The Community Foundation also has variance power over the endowment in that the Community Foundation's principles and procedures for advised funds provide that the commitments, grants, or expenditures from the funds shall be made to the Organization at such time or times and in such amount or amounts as determined by the Community Foundation. If the Organization ceases to operate and manage the Troy Historic Village, the endowment fund would continue to provide support to the Troy Historic Village by distributions to the next operator of the Troy Historic Village.

Annually, the Organization can request five percent of the average endowment fund balance of the preceding four quarters in the form of a distribution. As of June 30, 2022, the North Woodward Community Foundation reported an approximate fair value of \$30,323 for the endowment fund. As of June 30, 2022, a request for distribution has not been made by the Organization.

Note 6 – In-kind Donations

The Organization received various in-kind donations for its programs and in support of the Organization in general. The in-kind donations were used during the year-ended June 30, 2022, and there were no donor-imposed restrictions associated with the contributed non-financial assets. Fair value of the contributed non-financial assets was determined based on the market value cost of a given item or service. In-kind donations for the year-ended June 30, 2022 are as follows:

Description	Value
Advertising, promotional services, and sponsorship	\$ 758
Village and program supplies (items include but are not limited to round tables, presentation folders, baking supplies)	2,175
Total	<u>\$ 2,933</u>

Note 7 – Liquidity and Availability of Financial Resources

The Organization has \$221,317 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents and receivables. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date with the exception of \$11,853 to be used for donor restricted purposes. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents and receivables, on hand to meet 60 days of normal operating expenses, which are, on average approximately \$83,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.