

**HUNTINGTON HISTORICAL SOCIETY**  
**FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

HUNTINGTON HISTORICAL SOCIETY  
DECEMBER 31, 2014 AND 2013

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Huntington Historical Society  
Huntington, New York

We have audited the accompanying financial statements of Huntington Historical Society, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our 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 Huntington Historical Society as of December 31, 2014 and 2013, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matter*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fuoco Group, LLP

Hauppauge, New York  
August 11, 2015

**HUNTINGTON HISTORICAL SOCIETY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

|   | <u>2014</u>  | <u>2013</u>  |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| Current Assets  |              |              |
| Cash and cash equivalents   | \$ 395,291   | \$ 329,383   |
| Restricted investments, at market value   | 214,037      | 435,775      |
| Prepaid expense   | 5,506        | 6,604        |
| Contributions receivable  | 99,617       | 475          |
| Total Current Assets  | 714,451      | 772,237      |
| Property and equipment, at cost less accumulated depreciation<br>of \$654,536 in 2014 and \$654,772 in 2013 | 594,446      | 609,609      |
| Trade school expansion in progress  | 571,619      | 105,024      |
| Closing costs, at cost less accumulated amortization of \$1,173   | 19,939       | -            |
| Total Assets  | \$ 1,900,455 | \$ 1,486,870 |
| <b>LIABILITIES AND NET ASSETS</b>   |              |              |
| Current Liabilities   |              |              |
| Accounts payable  | \$ 9,387     | \$ 8,789     |
| Sales tax payable   | 1,508        | 1,211        |
| Payroll tax payable   | -            | 478          |
| Tenant deposits and other liabilities   | 850          | 4,073        |
| Deferred income   | 750          | 30           |
| Total Current Liabilities   | 12,495       | 14,581       |
| Net Assets  |              |              |
| Unrestricted  | 1,088,127    | 545,736      |
| Temporarily restricted  | 422,649      | 552,665      |
| Permanently restricted  | 377,184      | 373,888      |
| Total Net Assets  | 1,887,960    | 1,472,289    |
| Total Liabilities and Net Assets  | \$ 1,900,455 | \$ 1,486,870 |

See notes to financial statements.

**HUNTINGTON HISTORICAL SOCIETY  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

|   | 2014                |                           |                           | Total               |
|---|---------------------|---------------------------|---------------------------|---------------------|
|   | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted |                     |
| <b>SUPPORT AND REVENUE</b>                                |                     |                           |                           |                     |
| Grants  | \$ 59,500           | \$ 76,056                 | \$ -                      | \$ 135,556          |
| Donations   | 2,337               | 335,639                   | -                         | 337,976             |
| Memberships   | 28,165              | -                         | -                         | 28,165              |
| Annual appeal   | 8,985               | -                         | -                         | 8,985               |
| Special events  | 108,189             | -                         | -                         | 108,189             |
| Museum shop   | 25,775              | -                         | -                         | 25,775              |
| Educational Programs                                      | 46,100              | -                         | -                         | 46,100              |
| Publications  | 326                 | -                         | -                         | 326                 |
| Rental income   | 55,475              | -                         | -                         | 55,475              |
| Dividend and interest income                              | 548                 | 4,895                     | -                         | 5,443               |
| Net realized and unrealized<br>gain (loss) on investments | -                   | 239                       | 3,296                     | 3,535               |
|   | <u>335,400</u>      | <u>416,829</u>            | <u>3,296</u>              | <u>755,525</u>      |
| Net Assets Released from<br>Restrictions:                 |                     |                           |                           |                     |
| Satisfaction of program<br>restrictions                   | 546,845             | (546,845)                 | -                         | -                   |
|   | <u>546,845</u>      | <u>(546,845)</u>          | <u>-</u>                  | <u>-</u>            |
| Total Support and<br>Revenue                              | <u>882,245</u>      | <u>(130,016)</u>          | <u>3,296</u>              | <u>755,525</u>      |
| <b>EXPENSES</b>   |                     |                           |                           |                     |
| Programs  |                     |                           |                           |                     |
| Museum and buildings                                      | 93,967              | -                         | -                         | 93,967              |
| Exhibit and museum conservation                           | 513                 | -                         | -                         | 513                 |
| Festival and educational outreach                         | 78,786              | -                         | -                         | 78,786              |
| School and educational programs                           | 31,279              | -                         | -                         | 31,279              |
| Library and genealogy                                     | 38,762              | -                         | -                         | 38,762              |
| Total Programs  | <u>243,307</u>      | <u>-</u>                  | <u>-</u>                  | <u>243,307</u>      |
| General and administrative                                | 60,168              | -                         | -                         | 60,168              |
| Fundraising   | 36,379              | -                         | -                         | 36,379              |
|   | <u>339,854</u>      | <u>-</u>                  | <u>-</u>                  | <u>339,854</u>      |
| <b>CHANGE IN NET ASSETS</b>                               | 542,391             | (130,016)                 | 3,296                     | 415,671             |
| Net assets, beginning                                     | <u>545,736</u>      | <u>552,665</u>            | <u>373,888</u>            | <u>1,472,289</u>    |
| Net assets, end   | <u>\$ 1,088,127</u> | <u>\$ 422,649</u>         | <u>\$ 377,184</u>         | <u>\$ 1,887,960</u> |

See notes to financial statements.

**HUNTINGTON HISTORICAL SOCIETY**  
**STATEMENTS OF ACTIVITIES (Continued)**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

|   | 2013                  |                           |                           | Total                   |
|---|-----------------------|---------------------------|---------------------------|-------------------------|
|   | Unrestricted          | Temporarily<br>Restricted | Permanently<br>Restricted |                         |
| <b>SUPPORT AND REVENUE</b>                                |                       |                           |                           |                         |
| Grants  | \$ 66,520             | \$ -                      | \$ -                      | \$ 66,520               |
| Donations   | 12,056                | 59,028                    | -                         | 71,084                  |
| Memberships   | 30,871                | -                         | -                         | 30,871                  |
| Annual appeal   | 14,285                | -                         | -                         | 14,285                  |
| Special events  | 115,216               | -                         | -                         | 115,216                 |
| Museum shop   | 21,805                | -                         | -                         | 21,805                  |
| Educational Programs                                      | 57,647                | -                         | -                         | 57,647                  |
| Publications  | 784                   | -                         | -                         | 784                     |
| Rental income   | 46,008                | -                         | -                         | 46,008                  |
| Dividend and interest income                              | 772                   | 3,627                     | -                         | 4,399                   |
| Net realized and unrealized<br>gain (loss) on investments | -                     | 923                       | 12,726                    | 13,649                  |
|   | <u>365,964</u>        | <u>63,578</u>             | <u>12,726</u>             | <u>442,268</u>          |
| Net Assets Released from<br>Restrictions:                 |                       |                           |                           |                         |
| Satisfaction of program<br>restrictions                   | 10,652                | (10,652)                  | -                         | -                       |
|   | <u>10,652</u>         | <u>(10,652)</u>           | <u>-</u>                  | <u>-</u>                |
| <br>Total Support and<br>Revenue                          | <br><u>376,616</u>    | <br><u>52,926</u>         | <br><u>12,726</u>         | <br><u>442,268</u>      |
| <b>EXPENSES</b>   |                       |                           |                           |                         |
| Programs  |                       |                           |                           |                         |
| Museum and buildings                                      | 99,466                | -                         | -                         | 99,466                  |
| Exhibit and museum conservation                           | 919                   | -                         | -                         | 919                     |
| Festival and educational outreach                         | 83,743                | -                         | -                         | 83,743                  |
| School and educational programs                           | 38,302                | -                         | -                         | 38,302                  |
| Library and genealogy                                     | 51,626                | -                         | -                         | 51,626                  |
| Total Programs  | <u>274,056</u>        | <u>-</u>                  | <u>-</u>                  | <u>274,056</u>          |
| General and administrative                                | 57,813                | -                         | -                         | 57,813                  |
| Fundraising   | 43,308                | -                         | -                         | 43,308                  |
|   | <u>43,308</u>         | <u>-</u>                  | <u>-</u>                  | <u>43,308</u>           |
| <br>Total Expenses  | <br><u>375,177</u>    | <br><u>-</u>              | <br><u>-</u>              | <br><u>375,177</u>      |
| <br><b>CHANGE IN NET ASSETS</b>                           | <br>1,439             | <br>52,926                | <br>12,726                | <br>67,091              |
| <br>Net assets, beginning                                 | <br><u>544,297</u>    | <br><u>499,739</u>        | <br><u>361,162</u>        | <br><u>1,405,198</u>    |
| <br>Net assets, end                                       | <br><u>\$ 545,736</u> | <br><u>\$ 552,665</u>     | <br><u>\$ 373,888</u>     | <br><u>\$ 1,472,289</u> |

See notes to financial statements.

**HUNTINGTON HISTORICAL SOCIETY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

|   | <u>2014</u>              | <u>2013</u>              |
|---|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Change in net assets  | \$ 415,671               | \$ 67,091                |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                          |                          |
| Depreciation and amortization   | 21,086                   | 32,058                   |
| Net unrealized and realized (gain) loss on investments                                      | (3,535)                  | (13,649)                 |
| (Increase) decrease in assets   |                          |                          |
| Prepaid expense   | 1,098                    | (130)                    |
| Contributions receivable  | (99,142)                 | 1,525                    |
| Increase (decrease) in liabilities  |                          |                          |
| Accounts payable and tax payable  | 417                      | 967                      |
| Tenant deposits and deferred income   | (2,503)                  | (2,295)                  |
| Total adjustments   | <u>(82,579)</u>          | <u>18,476</u>            |
| Net Cash Provided by Operating Activities   | <u>333,092</u>           | <u>85,567</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                          |
| Purchase of property and equipment  | (471,345)                | (88,740)                 |
| Proceeds from sale of investments   | 258,919                  | 83,375                   |
| Purchase of investments   | (33,646)                 | (68,337)                 |
| Closing costs incurred  | (21,112)                 | -                        |
| Net Cash Used by Investing Activities   | <u>(267,184)</u>         | <u>(73,702)</u>          |
| Net Increase in Cash and Cash Equivalents   | 65,908                   | 11,865                   |
| <b>CASH AT BEGINNING OF YEAR</b>  | <u>329,383</u>           | <u>317,518</u>           |
| <b>CASH AT END OF YEAR</b>  | <u><u>\$ 395,291</u></u> | <u><u>\$ 329,383</u></u> |

See notes to financial statements.



## HUNTINGTON HISTORICAL SOCIETY NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – NATURE OF ORGANIZATION

The Huntington Historical Society (the “Society”) is a nonprofit corporation organized under the laws of the State of New York. The Society, founded in December 1903, was organized principally to collect, preserve and interpret the cultural heritage of the Town of Huntington since the Town’s founding in 1653.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements are presented under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. As required by the *Financial Statements for Not-for-Profit Organizations* topic of the FASB Accounting Standards Codification, the Society is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted net assets.

Unrestricted: Net assets of the Society, which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Society. They include general operating fund, funds restricted by management for a specific purpose, and the general endowment fund, which are endowment type donations unrestricted by the donors.

Temporarily Restricted: Net assets, which have been limited by donor imposed stipulations or by law, that expire with the passage of time or can be fulfilled. Temporarily restricted assets include the Archives, Langhans and Powell funds.

Permanently Restricted: Assets of the Society which have been restricted by donors in perpetuity. Permanently restricted net assets include the Packard, Endowment, Joel H. Cohen, and Seymour J. Hirschfeld Memorial Fund. There were several smaller restricted donations received during the years, which are accounted for consistent with donor restrictions.

Revenue Recognition - All contributions are considered available for the Society’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets.

Change in Accounting Policy – Recognition of Restricted Contributions - In prior years, contributions received with temporary restrictions that were met in the same reporting period were reported as unrestricted support and increased unrestricted net assets. During 2013, the Society changed its policy whereas when contributions are received with temporary restrictions, the Society reports it as temporarily restricted support. As donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted support is reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There was no effect on net assets and changes in net assets due to this change.

## HUNTINGTON HISTORICAL SOCIETY NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values based on quoted prices in active markets (all level 1 measurements). Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investments donated to the Society are recorded at market value at the date of contribution. Temporarily restricted investments include the Archives, Langhans, and Powell accounts. Permanently restricted investments include the Packard, Endowment, Joel H. Cohen, and Seymour J. Hirschfeld Memorial Fund accounts.

Cash Equivalents - For purposes of the statements of cash flow, the Society considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Museum Artifacts - In accordance with industry practice, museum artifacts, photographs and books are not reflected as assets in the financial statements. The Society estimates their value to be in excess of \$9,651,247.

Donated Services - A substantial number of volunteers donate significant amounts of time to the Society's operation. However, their value has not been reflected in the statements. The services donated did not create or enhance a non-financial asset or require specialized professional skills that would normally have to be purchased and therefore, there is no objective basis to measure their value.

Income Taxes - The Society qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and therefore, has no provision for federal or state income taxes.

The Society has not taken an unsubstantiated tax position that would require provision of a liability under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 (formerly FIN Interpretation No. 48), "Accounting for Uncertainty in Income Taxes". Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Society does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. The Society has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions when it is required. The Society's information returns are subject to review by the appropriate authorities for a period of three years from the date of filing. Currently, the returns for the years ending December 31, 2011 and subsequent, are subject to review. For the year ended December 31, 2014, there was no interest or penalties recorded or included in the financial statements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment - Property and equipment is stated at appraised value through 1983, subsequent additions are at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation is provided by the straight line method over 40, 15, or 7 years. Certain buildings and improvements deemed to be "historic treasures" are not depreciated. Management's opinion is that an economic benefit or service potential amortized so slowly that estimated useful lives are extraordinarily long. Equipment is depreciated using the straight line method.

**HUNTINGTON HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subsequent Events - Management has evaluated subsequent events through August 11, 2015 which is the date the financial statements were available to be issued.

**NOTE 3 - INVESTMENTS**

At December 31, 2014 and 2013, the Society's investments are comprised of the following:

|                          | 2014              |                   | 2013              |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | Cost              | Market<br>Value   | Cost              | Market<br>Value   |
|                          |                   | Level 1 (1)       |                   | Level 1 (1)       |
| Mutual funds             | \$ 117,018        | \$ 165,392        | \$ 113,716        | \$ 163,757        |
| Cash and equivalents     | 48,645            | 48,645            | 272,018           | 272,018           |
| <b>Total investments</b> | <b>\$ 165,663</b> | <b>\$ 214,037</b> | <b>\$ 385,734</b> | <b>\$ 435,775</b> |

(1) Quoted prices in active markets for identical assets

(2) Significant other observable inputs

(3) Significant unobservable inputs

At December 31, 2014 and 2013, gross realized and unrealized gains and losses pertaining to the investments in the portfolio were as follows:

|                    | 2014     | 2013      |
|--------------------|----------|-----------|
| Gains - Unrealized | \$ 3,535 | \$ 13,649 |
| Losses -Unrealized | \$ -     | \$ -      |

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Society maintains cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Society has not experienced any loss in such accounts. As of December 31, 2014, the uninsured balance is \$123,174. At December 31, 2013, the Society had no uninsured cash balances. The Society believes it is not exposed to any significant credit risk on its cash balances.

**HUNTINGTON HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable represents amounts committed by grantors and donors that have not been received by the Society at year end. An allowance for doubtful accounts has not been provided as the Society expects to collect the receivable balance in full.

**NOTE 6 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of the following:

|  | Estimated<br>useful<br>life-years | 2014              | 2013              |
|--|-----------------------------------|-------------------|-------------------|
| Land   | -                                 | \$ 76,000         | \$ 76,000         |
| Building and improvements                          | 40 & 15                           | 1,095,865         | 1,091,115         |
| Equipment  | 7                                 | 62,702            | 82,851            |
| Furniture and fixtures                             | 7                                 | 14,415            | 14,415            |
|  |                                   | <u>1,248,982</u>  | <u>1,264,381</u>  |
| Less: Accumulated depreciation<br>and amortization |                                   | <u>(654,536)</u>  | <u>(654,772)</u>  |
|  |                                   | <u>\$ 594,446</u> | <u>\$ 609,609</u> |

Included in Building and Improvements is \$200,000 of the Soldiers & Sailors Memorial building and \$61,114 of improvements made to the Kissam House; these assets are not depreciated.

The depreciation and amortization expense for the years 2014 and 2013 was \$19,913 and \$32,058, respectively.

**NOTE 7 - EMPLOYEE BENEFIT PLAN**

The Society sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. There were no contributions made by the Society for the years ended December 31, 2014 and 2013.

**NOTE 8 - RECLASSIFICATIONS**

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**NOTE 9 - ENDOWMENTS**

The Society's endowment consists of multiple funds established for a variety of purposes. Its endowment only includes donor-restricted endowment funds. As required by generally accepted accounting standards, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**HUNTINGTON HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – ENDOWMENTS (CONTINUED)**

The Society's Board of Trustees has interpreted the New York's enacted Uniform Prudent Management of Institutional Funds Act (UPIMFA) as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by the Act. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The following is a reconciliation of the activity in the Endowment funds for the years ended December 31:

|                            | 2014                      |                           |                   |
|----------------------------|---------------------------|---------------------------|-------------------|
|                            | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
| Balance, January 1, 2014   | \$ 11,069                 | \$ 152,688                | \$ 163,757        |
| Investment income          | 267                       | 3,680                     | 3,947             |
| Net investment gain        | 205                       | 2,832                     | 3,037             |
| Withdrawals from endowment | (362)                     | (4,987)                   | (5,349)           |
| Balance, December 31, 2014 | <u>\$ 11,179</u>          | <u>\$ 154,214</u>         | <u>\$ 165,392</u> |
|                            | 2013                      |                           |                   |
|                            | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
| Balance, January 1, 2013   | \$ 9,607                  | \$ 132,514                | \$ 142,121        |
| Investment income          | 183                       | 2,531                     | 2,714             |
| Net investment gain        | 967                       | 13,343                    | 14,310            |
| Additions to endowment     | 312                       | 4,300                     | 4,612             |
| Balance, December 31, 2013 | <u>\$ 11,069</u>          | <u>\$ 152,688</u>         | <u>\$ 163,757</u> |

**HUNTINGTON HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – LINE OF CREDIT**

The Society secured a bank line of credit for any amount up to \$350,000 dated October 27, 2014. The line of credit is secured by the Society's property located at 2 High Street. Amounts borrowed under this agreement bear interest at the bank's prime rate plus 150 basis points. The line of credit has an 18 month term. As of December 31, 2014, no funds were drawn from the line of credit. Until a draw is made, no payments are required on the credit line. In order to secure the credit line, closing expenses totaling \$21,112 were incurred. Closing expenses are being amortized over the life of the line of credit. Amortization expense for the year ended December 31, 2014 amounted to \$1,173.

**NOTE 11 – TRADE SCHOOL EXPANSION**

During 2013, the Society started a project to renovate and expand its Trade School property. At December 31, 2014 and 2013, construction in progress amount to \$571,619 and \$105,024 respectively.

**SUPPLEMENTARY INFORMATION**

**HUNTINGTON HISTORICAL SOCIETY  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

|                              | 2014             |                                       |                  |                  |                  |                             |                   | Total            |                                  |             |
|------------------------------|------------------|---------------------------------------|------------------|------------------|------------------|-----------------------------|-------------------|------------------|----------------------------------|-------------|
|                              | Total            | Exhibit and<br>Museum<br>Conservation | Programs         |                  |                  | Library<br>and<br>Genealogy | Total<br>Programs |                  | General<br>and<br>Administrative | Fundraising |
|                              | \$               | \$                                    | \$               | \$               | \$               | \$                          | \$                | \$               | \$                               |             |
| Insurance                    | 19,725           | -                                     | -                | -                | -                | -                           | 19,725            | 4,931            | -                                | \$ 24,656   |
| Fundraising events           | -                | -                                     | -                | -                | -                | -                           | -                 | -                | 26,189                           | 26,189      |
| Museum shop                  | 11,216           | -                                     | -                | -                | -                | -                           | 11,216            | -                | -                                | 11,216      |
| Buildings and grounds        | 46,157           | -                                     | -                | -                | -                | -                           | 46,157            | -                | -                                | 46,157      |
| Depreciation/amortization    | 16,869           | -                                     | -                | -                | -                | -                           | 16,869            | 4,217            | -                                | 21,086      |
| Exhibits and conservation    | -                | 513                                   | -                | -                | -                | -                           | 513               | -                | -                                | 513         |
| Education                    | -                | -                                     | 5,151            | 8,828            | -                | -                           | 13,979            | -                | -                                | 13,979      |
| Genealogy                    | -                | -                                     | -                | -                | 12,357           | -                           | 12,357            | -                | -                                | 12,357      |
| Library                      | -                | -                                     | -                | -                | 83               | -                           | 83                | -                | -                                | 83          |
| Membership                   | -                | -                                     | -                | -                | -                | -                           | -                 | -                | 2,867                            | 2,867       |
| Professional fees            | -                | -                                     | -                | -                | -                | -                           | -                 | 8,078            | -                                | 8,078       |
| Miscellaneous                | -                | -                                     | -                | -                | -                | -                           | -                 | 4,528            | -                                | 4,528       |
| Office                       | -                | -                                     | -                | -                | -                | -                           | -                 | 18,189           | -                                | 18,189      |
| Salaries                     | -                | -                                     | 67,762           | 20,661           | 22,680           | -                           | 111,103           | 17,239           | 6,739                            | 135,081     |
| Payroll taxes                | -                | -                                     | 5,873            | 1,790            | 1,965            | -                           | 9,628             | 1,494            | 584                              | 11,706      |
| W/C and disability insurance | -                | -                                     | -                | -                | -                | -                           | -                 | 1,492            | -                                | 1,492       |
| Library/collections          | -                | -                                     | -                | -                | 1,677            | -                           | 1,677             | -                | -                                | 1,677       |
| <b>Total</b>                 | <b>\$ 93,967</b> | <b>\$ 513</b>                         | <b>\$ 78,786</b> | <b>\$ 31,279</b> | <b>\$ 38,762</b> | <b>\$ 243,307</b>           | <b>\$ 60,168</b>  | <b>\$ 36,379</b> | <b>\$ 339,854</b>                |             |



**HUNTINGTON HISTORICAL SOCIETY  
STATEMENTS OF FUNCTIONAL EXPENSES (Continued)  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

2013

|                              | Programs             |                                 |                                   |                                 |                       |                   |                            | Total             |
|------------------------------|----------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------|-------------------|----------------------------|-------------------|
|                              | Museum and Buildings | Exhibit and Museum Conservation | Festival and Educational Outreach | School and Educational Programs | Library and Genealogy | Total Programs    | General and Administrative |                   |
|                              | \$                   | \$                              | \$                                | \$                              | \$                    | \$                | \$                         | \$                |
| Insurance                    | \$ 18,622            | -                               | -                                 | -                               | -                     | \$ 18,622         | 4,655                      | \$ 23,277         |
| Fundraising events           | -                    | -                               | -                                 | -                               | -                     | -                 | -                          | 28,633            |
| Museum shop                  | 10,229               | -                               | -                                 | -                               | -                     | 10,229            | -                          | 10,229            |
| Buildings and grounds        | 44,969               | -                               | -                                 | -                               | -                     | 44,969            | -                          | 44,969            |
| Depreciation/amortization    | 25,646               | -                               | -                                 | -                               | -                     | 25,646            | 6,412                      | 32,058            |
| Exhibits and conservation    | -                    | 919                             | -                                 | -                               | -                     | 919               | -                          | 919               |
| Education                    | -                    | -                               | 6,349                             | 4,119                           | -                     | 10,468            | -                          | 10,468            |
| Genealogy                    | -                    | -                               | -                                 | -                               | 13,900                | 13,900            | -                          | 13,900            |
| Library                      | -                    | -                               | -                                 | -                               | 1,157                 | 1,157             | -                          | 1,157             |
| Membership                   | -                    | -                               | -                                 | -                               | -                     | -                 | -                          | 2,148             |
| Professional fees            | -                    | -                               | -                                 | -                               | -                     | -                 | 8,000                      | 8,000             |
| Miscellaneous                | -                    | -                               | -                                 | -                               | -                     | -                 | 4,794                      | 4,794             |
| Office                       | -                    | -                               | -                                 | -                               | -                     | -                 | 15,696                     | 15,696            |
| Salaries                     | -                    | -                               | 71,263                            | 31,475                          | 23,215                | 125,953           | 15,917                     | 153,404           |
| Payroll taxes                | -                    | -                               | 6,131                             | 2,708                           | 1,997                 | 10,836            | 1,369                      | 13,198            |
| W/C and disability insurance | -                    | -                               | -                                 | -                               | -                     | -                 | 970                        | 970               |
| Library/collections          | -                    | -                               | -                                 | -                               | 11,357                | 11,357            | -                          | 11,357            |
| <b>Total</b>                 | <b>\$ 99,466</b>     | <b>\$ 919</b>                   | <b>\$ 83,743</b>                  | <b>\$ 38,302</b>                | <b>\$ 51,626</b>      | <b>\$ 274,056</b> | <b>\$ 57,813</b>           | <b>\$ 43,308</b>  |
|                              |                      |                                 |                                   |                                 |                       |                   |                            | <b>\$ 375,177</b> |