



Financial Statements  
December 31, 2016

**The Sherwin Miller Museum of  
Jewish Art, Inc.**

The Sherwin Miller Museum of Jewish Art, Inc.

Table of Contents

December 31, 2016

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|                                       |   |
|---------------------------------------|---|
| Independent Auditor's Report.....     | 1 |
| Financial Statements                  |   |
| Statement of Financial Position ..... | 3 |
| Statement of Activities.....          | 4 |
| Statement of Cash Flows.....          | 5 |
| Notes to Financial Statements.....    | 6 |



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## Independent Auditor's Report

The Board of Trustees  
The Sherwin Miller Museum of Jewish Art, Inc.  
Tulsa, Oklahoma

### Report on the Financial Statements

We have audited the accompanying financial statements of The Sherwin Miller Museum of Jewish Art, Inc., which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### 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 The Sherwin Miller Museum of Jewish Art, Inc. as of December 31, 2016, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Correction of Errors**

As discussed in Note 9 to the financial statements, certain errors resulting in overstatement of amounts previously reported for permanent collection assets and unrestricted net assets as of December 31, 2015, were discovered by management of The Sherwin Miller Museum of Jewish Art, Inc. during the current year. Accordingly, amounts reported for permanent collection and unrestricted net assets have been restated and an adjustment has been made to net assets as of December 31, 2015 to correct the error. Our opinion is not modified with respect to this matter.

**Emphasis of Matter**

As discussed in Note 10 to the financial statements, The Sherwin Miller Museum of Jewish Art, Inc. merged with the Jewish Federation of Tulsa, a related party, in January 2018. Although The Sherwin Miller Museum of Jewish Art, Inc. ceased to exist, the accompanying financial statements have been prepared on a going concern basis. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Tulsa, Oklahoma  
February 9, 2018

The Sherwin Miller Museum of Jewish Art, Inc.  
Statement of Financial Position  
December 31, 2016

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|                                   |              |
|-----------------------------------|--------------|
| Assets                            |              |
| Cash and cash equivalents         | \$ 71,940    |
| Promises to give                  | 49,283       |
| Inventory                         | 6,512        |
| Operating investments             | 384,600      |
| Endowment investments             | 2,182,259    |
| Prepaid expenses                  | 8,752        |
| Related party receivables         | 1,420        |
| Property and equipment, net       | 556,006      |
| Permanent collection - see Note 5 | -            |
|                                   | \$ 3,260,772 |
|                                   |              |
| Liabilities and Net Assets        |              |
| Accounts payable                  | \$ 19,850    |
| Accrued expenses                  | 62           |
|                                   | 19,912       |
|                                   |              |
| Net Assets                        |              |
| Unrestricted                      |              |
| Undesignated                      | 574,095      |
| Board-designated endowment        | 2,182,259    |
|                                   | 2,756,354    |
| Temporarily restricted            | 484,506      |
|                                   | 3,240,860    |
| Total liabilities and net assets  | \$ 3,260,772 |

The Sherwin Miller Museum of Jewish Art, Inc.  
Statement of Activities  
Year ended December 31, 2016

|  |                            |
|--|----------------------------|
| Changes in unrestricted net assets:            |                            |
| Public support:                                |                            |
| Donations                                      | \$ 47,375                  |
| Grant revenue                                  | 15,000                     |
| Admissions and programs                        | 16,359                     |
| Gross special fund-raising event               | 124,640                    |
| Less cost of direct benefits to donors         | <u>(23,513)</u>            |
| Net special fund-raising event                 | 101,127                    |
| Total public support                           | 179,861                    |
| Other revenues:                                |                            |
| Museum store revenue                           | 3,166                      |
| Less cost of goods sold                        | <u>(2,414)</u>             |
| Net museum store revenue                       | 752                        |
| Membership revenue                             | 30,982                     |
| Net investment return                          | <u>106,209</u>             |
| Total other revenue                            | 137,943                    |
| Net assets released from restrictions          | <u>78,663</u>              |
| Total unrestricted revenues and public support | 396,467                    |
| Expenses and losses:                           |                            |
| General and administrative                     | 66,267                     |
| Fund-raising and development                   | 23,318                     |
| Programs and membership services               | <u>351,767</u>             |
| Total unrestricted expenses                    | <u>441,352</u>             |
| Decrease in unrestricted net assets            | <u>(44,885)</u>            |
| Changes in temporarily restricted net assets:  |                            |
| Donations                                      | 6,000                      |
| Grant revenue                                  | 23,000                     |
| Net investment return                          | 18,352                     |
| Net assets released from restrictions          | <u>(78,663)</u>            |
| Decrease in temporarily restricted net assets  | <u>(31,311)</u>            |
| Change in Net Assets                           | <u>(76,196)</u>            |
| Net Assets, Beginning of Year as restated      | <u>3,317,056</u>           |
| Net Assets, End of Year                        | <u><u>\$ 3,240,860</u></u> |

The Sherwin Miller Museum of Jewish Art, Inc.  
Statement of Cash Flows  
Year ended December 31, 2016

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|   |                  |
|---|------------------|
| Operating Activities  |                  |
| Change in net assets  | \$ (76,196)      |
| Adjustments to reconcile change in net assets to net cash used for operating activities |                  |
| Depreciation  | 45,547           |
| Net realized and unrealized gain on investments   | (95,042)         |
| Changes in operating assets and liabilities   |                  |
| Promises to give  | 50,000           |
| Inventory   | 1,058            |
| Prepaid expenses  | (1,185)          |
| Related party receivables   | (1,420)          |
| Accounts payable  | (4,077)          |
| Accrued liabilities   | (8)              |
|   | <hr/>            |
| Net Cash used for Operating Activities  | (81,323)         |
|   |                  |
| Cash Flows from Investing Activities  |                  |
| Proceeds from sale of investments   | 1,536,970        |
| Purchases of investments  | (1,490,907)      |
| Purchases of property and equipment   | (19,215)         |
|   | <hr/>            |
| Net Cash from Investing Activities  | 26,848           |
|   |                  |
| Net Change in Cash and Cash Equivalents   | (54,475)         |
|   |                  |
| Cash and Cash Equivalents, Beginning of Year  | 126,415          |
|   | <hr/>            |
| Cash and Cash Equivalents, End of Year  | <u>\$ 71,940</u> |

**Note 1 - Principal Activity and Significant Accounting Policies**

**Organization**

The Sherwin Miller Museum of Jewish Art, Inc. (the Museum) is located in Tulsa, Oklahoma. The Museum was founded in 1966 as the Gershon & Rebecca Fenster Museum of Jewish Art, through the cooperative efforts of several local Jewish families. Their purpose was to bring the local Jewish community an understanding of its heritage through artifacts, as well as to serve as a resource center of Jewish history and culture. The Museum is dedicated to the collection and preservation of art and artifacts pertinent to the history of the Jewish people from its beginning to the present, the history of the Jewish settlement in Oklahoma and the American Southwest, art by Jewish artists and artisans and about matters Jewish, and the Holocaust and its lessons. The Museum's founding coincided with the acquisition of a collection of Judaica facilitated by Sherwin Miller, the Museum's first curator. In 2000, the Fenster Museum renamed the Museum in recognition of Mr. Miller's seminal vision.

The Museum is a not-for-profit institution incorporated in the State of Oklahoma administered by a Board of Trustees representing the diverse Tulsa area in addition to the Jewish community. The Museum is a beneficiary agency of the Jewish Federation of Tulsa (the Federation) and relies upon the generosity of private donors and public support. The Museum's professional staff manage day-to-day operations with the assistance of volunteers who perform a variety of duties.

**Cash and Cash Equivalents**

The Museum considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contributions in the statement of activities. The Museum determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2016, no allowance was determined to be necessary. One donor accounted for 100% of the promises to give at December 31, 2016.

**Gift Shop Inventory**

Inventory is comprised of merchandise held for sale in the gift shop, and is stated at the lower of cost or market determined by the first-in first-out method. The Museum has determined that no allowance for inventory obsolescence was necessary at December 31, 2016.



## **Property and Equipment**

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to twenty-two years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2016.

## **Investments**

The Museum records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

## **Permanent Collection**

The collections, which were acquired through purchases and contributions since the Museum's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items were restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

## **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Trustees for board-designated endowment and a building and property fund.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of time.

The Museum reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Museum’s actions. As of and for the year ended December 31, 2016, the Museum has no permanently restricted net assets.

### **Revenue and Revenue Recognition**

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

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to the Museum’s services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended December 31, 2016.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the supporting services benefited.

### **Income Taxes**

The Museum is organized as an Oklahoma nonprofit corporation and has been recognized by the Internal Revenue Services (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii). The Museum is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Museum is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that the Museum is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Museum has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Museum would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The Museum’s Form 990 and other income tax filings required by state, local, or non-US tax authorities are no longer subject to tax examination for years before 2014.

### **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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

## **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Museum has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundation supportive of the Museum's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Trustees. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Trustees believe that the investment policies and guidelines are prudent for the long-term welfare of the Museum.

## **Note 2 - Fair Value Measurements and Disclosures**

The Museum reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they are comprised of open-end mutual funds and common stocks with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at December 31, 2016.

|                           | Total               | Fair Value Measurements at December 31, 2016 Using                            |   |  |
|---------------------------|---------------------|---|---|--|
|                           |                     | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <u>Assets</u>             |                     |   |   |  |
| Investments               |                     |   |   |  |
| Common stock              | 1,688,009           | 1,688,009   | -   | -  |
| Mutual funds              |                     |   |   |  |
| Fixed income securities   |                     |   |   |  |
| Government obligations    | 196,272             | 196,272   | -   | -  |
| Nongovernment obligations | 534,218             | 534,218   | -   | -  |
| Total                     | <u>\$ 2,418,499</u> | <u>\$ 2,418,499</u>   | <u>\$ -</u>   | <u>\$ -</u>  |

At December 31, 2016, investments of \$148,360 are not included in the table above as these investments are held at cost.

### Note 3 - Net Investment Return

Net investment return consists of the following for the year ended December 31, 2016:

|   |                   |
|---|-------------------|
| Operating investments                         |                   |
| Interest and dividends                        | \$ 5,864          |
| Net realized and unrealized gain (loss)       | 14,108            |
| Less investment management and custodial fees | <u>(1,620)</u>    |
|   | <u>18,352</u>     |
| Endowment investments                         |                   |
| Interest and dividends                        | 36,062            |
| Net realized and unrealized gain (loss)       | 80,934            |
| Less investment management and custodial fees | <u>(10,787)</u>   |
|   | <u>106,209</u>    |
|   | <u>\$ 124,561</u> |

**Note 4 - Property and Equipment**

Property and equipment consists of the following at December 31, 2016:

|   |                          |
|---|--------------------------|
| Building improvements and permanent museum fixtures | \$ 704,040               |
| Furniture and equipment                             | <u>126,021</u>           |
|   | 830,061                  |
| Less accumulated depreciation                       | <u>(274,055)</u>         |
|   | <u><u>\$ 556,006</u></u> |

**Note 5 - Permanent Collection**

The Museum adopted a comprehensive collections management policy in 1983, which was last revised and updated by the Board of Trustees in 2012. The document addresses procedures for accessioning, documentation, and other aspects of collection management. The collection is made up of art objects that are held for public exhibition, education, and research in furtherance of public service. Each of the items are catalogued, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections management policy requires that proceeds from sales be used to acquire other items for the collection. In accordance with the options outlined in Financial Accounting Standards Board Accounting Standards Codification 958-605, *Not-for-Profit Entities-Revenue Recognition* (ASC 958-605), contributions of works of art and historical value, the collection is not capitalized. No collection items were deaccessioned during the year ended December 31, 2016.

**Note 6 - Restricted Net Assets**

Temporarily restricted net assets at December 31, 2016, consist of:

|  |                          |
|--|--------------------------|
| Temporarily restricted                     |                          |
| Restricted by donors for                   |                          |
| Contributions received for 2017 operations | \$ 28,000                |
| Building and property maintenance          | 188,678                  |
| Promises to give                           | 49,283                   |
| Livingston Jewish art collection           | 124,413                  |
| Herb Miller student education expenses     | 71,509                   |
| Other                                      | <u>22,623</u>            |
| Total temporarily restricted               | <u><u>\$ 484,506</u></u> |

Net assets were released from restrictions as follows during the year ended December 31, 2016:

|                                  |                         |
|----------------------------------|-------------------------|
| Expiration of time restrictions  | \$ 29,565               |
| Qualifying expenditures          | <u>49,098</u>           |
| Total released from restrictions | <u><u>\$ 78,663</u></u> |

**Note 7 - Endowment Fund**

The Museum's endowment (the Endowment) was primarily established to fund the Museum's operating budget. The Endowment includes certain unrestricted net assets designated for endowment by the Board of Trustees. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Museum had no donor-imposed restrictions on the endowment funds at December 31, 2016.

As of December 31, 2016, the Museum had the following endowment net asset composition by type of fund:

| <u>Year ended December 31, 2016</u> | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u> |
|-------------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------|
| Board-designated endowment          | \$ 2,182,259        | \$ -                              | \$ -                              | \$ 2,182,259 |

### Investment and Spending Policies

The Museum has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the Endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is, net of management fees, 4% greater than the rate of inflation as measured by the broad, domestic Consumer Price Index (CPI) on an annual basis. Actual return in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Museum uses an endowment spending-rate formula to determine the maximum amount to spend from the Endowment each year. The rate, determined and adjusted from time to time by the Board of Trustees, is applied to the average fair value of the Endowment investments for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year. During 2016, the spending rate maximum was 5%. In establishing this policy, the Board of Trustees considered the long-term expected return on the Endowment, and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

Changes in Endowment net assets for the year ended December 31, 2016 are as follows:

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
| <u>Year ended December 31, 2016</u>                 |                     |                                   |                                   |                     |
| Endowment net assets, beginning of year             | \$ 2,198,131        | \$ -                              | \$ -                              | \$ 2,198,131        |
| Investment return                                   |                     |                                   |                                   |                     |
| Investment income, net of fees                      | 25,275              | -                                 | -                                 | 25,275              |
| Net realized and unrealized gain                    | 80,934              | -                                 | -                                 | 80,934              |
|   | <u>106,209</u>      | <u>-</u>                          | <u>-</u>                          | <u>106,209</u>      |
| Contributions                                       | 13,168              | -                                 | -                                 | 13,168              |
| Transfer to remove board-designated endowment funds | (135,249)           | -                                 | -                                 | (135,249)           |
| Endowment net assets, end of year                   | <u>\$ 2,182,259</u> | <u>\$ -</u>                       | <u>\$ -</u>                       | <u>\$ 2,182,259</u> |

**Note 8 - Related Party Transactions**

The Museum is a beneficiary agency of the Federation. The Museum leases its building from the Federation. The lease agreement, executed in 2002, is for an initial term of fifty years with five successive renewal options of ten years each. The rent payable pursuant to this lease is \$1 per year. Monthly occupancy assessments charged the Museum by the Federation, based on square footage and including maintenance, janitorial services, utilities and security, were \$59,728 for the year end December 31, 2016. As of December 31, 2016, the Museum had an outstanding payable to the Federation of \$18,444.

**Note 9 - Restatement**

During the year ended December 31, 2016, the Museum's Board of Trustees discovered errors in the classification of several of its funds. As a result, the Museum reclassified certain funds resulting in a modification to the opening balance for each of the net asset classifications on the statement of financial position. This restatement had no impact on previously reported net assets in total.

In addition, the Museum had previously recorded an asset of \$325,404 for its Permanent Collection (see further discussion in Note 6). It was determined in 2016 that this asset should have been reduced to no value on the statement of financial position in a previous year upon the adoption of the guidance under ASC 958-605. As a result, the balance for the Permanent Collection and temporarily restricted net assets have been reduced by \$325,404 as of December 31, 2015.

**Note 10 - Subsequent Events**

The Board of Trustees of the Museum voted in 2017 to approve a merger of the Museum into the Federation effective January 1, 2018.

Subsequent events have been evaluated through February 9, 2018, the date the financial statements were available to be issued.