



Financial Statements
December 31, 2017 and 2016

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

The Sherwin Miller Museum of Jewish Art, Inc.

Table of Contents

December 31, 2017 and 2016

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



Independent Auditor's Report

To the Sherwin Miller Museum of Jewish Art, Inc. Board,
Jewish Federation of Tulsa
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 statements of financial position as of December 31, 2017 and 2016, 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 audits. We conducted our audits 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years 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 temporarily restricted 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 temporarily restricted net assets and unrestricted net assets have been restated and an adjustment has been made to net assets as of January 1, 2016 to correct the errors. 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 and into Jewish Federation of Tulsa, a related party, in January 2018. Although The Sherwin Miller Museum of Jewish Art, Inc. ceased to exist at that time, 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
November 13, 2018

The Sherwin Miller Museum of Jewish Art, Inc.
 Statements of Financial Position
 December 31, 2017 and 2016

	2017	2016 (As restated)
Assets		
Cash and cash equivalents	\$ 126,083	\$ 71,940
Promises to give	-	49,283
Inventory	3,737	6,512
Operating investments	452,460	406,681
Endowment investments	2,412,652	2,160,178
Prepaid expenses	14,123	8,752
Related party receivables	360	1,420
Property and equipment, net	520,970	556,006
Permanent collection - see Note 5	-	-
	\$ 3,530,385	\$ 3,260,772
 Liabilities and Net Assets		
Accounts payable	\$ 1,439	\$ 19,850
Accrued expenses	8,614	62
	10,053	19,912
 Net Assets		
Unrestricted		
Undesignated	575,050	648,616
Board-designated endowment	2,412,652	2,160,178
	2,987,702	2,808,794
 Temporarily restricted	532,630	432,066
 Total net assets	3,520,332	3,240,860
 Total liabilities and net assets	\$ 3,530,385	\$ 3,260,772

The Sherwin Miller Museum of Jewish Art, Inc.
Statements of Activities
Years ended December 31, 2017 and 2016

	2017	2016
Changes in unrestricted net assets:		
Public support:		
Donations	\$ 58,657	\$ 47,375
Grant revenue	38,038	15,000
Admissions and programs	13,009	16,359
Gross special fund-raising event	121,273	124,640
Less cost of direct benefits to donors	(28,652)	(23,513)
Net special fund-raising event	92,621	101,127
Total public support	202,325	179,861
Other revenues:		
Museum store sales	2,438	3,166
Less cost of goods sold	(3,698)	(2,414)
Net museum store sales	(1,260)	752
Membership revenue	33,596	30,982
Net investment return	339,094	106,209
Total other revenue	371,430	137,943
Net assets released from restrictions	35,973	78,663
Total unrestricted revenues and public support	609,728	396,467
Expenses and losses:		
General and administrative	64,333	66,267
Fund-raising and development	13,471	23,318
Programs and membership services	353,016	351,767
Total unrestricted expenses	430,820	441,352
Increase (decrease) in unrestricted net assets	178,908	(44,885)
Changes in temporarily restricted net assets:		
Donations	74,013	6,000
Grant revenue	4,500	23,000
Net investment return	58,024	18,352
Net assets released from restrictions	(35,973)	(78,663)
Increase (decrease) in temporarily restricted net assets	100,564	(31,311)
Change in Net Assets	279,472	(76,196)
Net Assets, Beginning of Year	3,240,860	3,317,056
Net Assets, End of Year	<u>\$ 3,520,332</u>	<u>\$ 3,240,860</u>

The Sherwin Miller Museum of Jewish Art, Inc.

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Activities		
Change in net assets	\$ 279,472	\$ (76,196)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	44,597	45,547
Net realized and unrealized gain on investments	(365,420)	(95,042)
Changes in operating assets and liabilities		
Promises to give	49,283	50,000
Inventory	2,775	1,058
Prepaid expenses	(5,371)	(1,185)
Related party receivables	1,060	(1,420)
Accounts payable	(18,411)	(4,077)
Accrued liabilities	8,552	(8)
Net Cash used for Operating Activities	<u>(3,463)</u>	<u>(81,323)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	3,483,075	1,536,970
Purchases of investments	(3,415,908)	(1,490,907)
Purchases of property and equipment	<u>(9,561)</u>	<u>(19,215)</u>
Net Cash from Investing Activities	<u>57,606</u>	<u>26,848</u>
Net Change in Cash and Cash Equivalents	54,143	(54,475)
Cash and Cash Equivalents, Beginning of Year	<u>71,940</u>	<u>126,415</u>
Cash and Cash Equivalents, End of Year	<u>\$ 126,083</u>	<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 donations 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. As of December 31, 2017 and 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 as of December 31, 2017 and 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 years ended December 31, 2017 and 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 years ended December 31, 2017 and 2016, the Museum has no permanently restricted net assets.

Revenue and Revenue Recognition

Revenue is recognized when earned. Donations 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 years ended December 31, 2017 and 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 2015.

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.

Recent Accounting Guidance

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14, Not-for-Profit Entities. This comprehensive standard provides guidance on net asset classification, required disclosures on liquidity, and availability of resources; requires expanded disclosure about expenses and investment returns; and eliminates the requirement to present or disclose the indirect method reconciliation if using the direct method when presenting cash flows. The standard is effective for annual periods beginning after December 15, 2017. Management is evaluating the impact of adopting this new accounting standard on the financial statements.

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.

As of December 31, 2017, investments consist of cash equivalents and accrued interest receivable. These investments are held at cost and are not included in the fair value hierarchy.

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 Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (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, 2017 and 2016:

	2017	2016
Operating investments		
Interest and dividends	\$ 37,913	\$ 36,062
Net realized and unrealized gain	312,159	80,934
Less investment management and custodial fees	(10,978)	(10,787)
	339,094	106,209
 Endowment investments		
Interest and dividends	6,593	5,864
Net realized and unrealized gain	53,261	14,108
Less investment management and custodial fees	(1,830)	(1,620)
	58,024	18,352
	\$ 397,118	\$ 124,561

Note 4 - Property and Equipment

Property and equipment consists of the following at December 31, 2017 and 2016:

	2017	2016
Building improvements and permanent museum fixtures	\$ 713,601	\$ 704,040
Furniture and equipment	126,021	126,021
	839,622	830,061
Less accumulated depreciation	(318,652)	(274,055)
	\$ 520,970	\$ 556,006

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 years ended December 31, 2017 and 2016.

Note 6 - Restricted Net Assets

Temporarily restricted net assets at December 31, 2017 and 2016, consist of:

	2017	2016 (As restated)
Temporarily restricted		
Restricted by donors for		
Contributions received for next year's operations	\$ 64,834	\$ 28,000
Building and property maintenance	223,554	137,802
Promises to give	-	49,283
Livingston Jewish art collection	144,393	124,413
Herb Miller student education expenses	77,215	69,945
Other	22,634	22,623
Total temporarily restricted	\$ 532,630	\$ 432,066

Net assets were released from restrictions as follows during the year ended December 31, 2017 and 2016:

	2017	2016
Expiration of time restrictions	\$ 28,000	\$ 29,565
Qualifying expenditures	7,973	49,098
Total released from restrictions	\$ 35,973	\$ 78,663

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 as of December 31, 2017 and 2016.

As of December 31, 2017 and 2016, the Museum had the following endowment net asset composition by type of fund:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2017				
Board-designated endowment	\$ 2,412,652	\$ -	\$ -	\$ 2,412,652
December 31, 2016 (As restated)				
Board-designated endowment	\$ 2,160,178	\$ -	\$ -	\$ 2,160,178

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.

The Sherwin Miller Museum of Jewish Art, Inc.
Notes to Financial Statements
December 31, 2017 and 2016

Changes in Endowment net assets for the years ended December 31, 2017 and 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Year ended December 31, 2017</u>				
Endowment net assets, beginning of year	\$ 2,160,178	\$ -	\$ -	\$ 2,160,178
Investment return				
Investment income, net of fees	28,935	-	-	28,935
Net realized and unrealized gain	312,159	-	-	312,159
	341,094	-	-	341,094
Contributions	11,380	-	-	11,380
Transfer to remove board-designated endowment funds	(100,000)	-	-	(100,000)
Endowment net assets, end of year	<u>\$ 2,412,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,412,652</u>
<u>Year ended December 31, 2016 (As restated)</u>				
Endowment net assets, beginning of year	\$ 2,176,050	\$ -	\$ -	\$ 2,176,050
Investment return				
Investment income, net of fees	25,275	-	-	25,275
Net realized and unrealized gain	80,934	-	-	80,934
	106,209	-	-	106,209
Contributions	13,168	-	-	13,168
Transfer to remove board-designated endowment funds	(135,249)	-	-	(135,249)
Endowment net assets, end of year	<u>\$ 2,160,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,160,178</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 \$67,631 and \$59,728 for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the Museum had outstanding payables to the Federation of \$-0- and \$18,444, respectively.

Note 9 - Restatement

During the year ended December 31, 2017, the Museum's Board of Trustees discovered errors in the classification of several of its designated and restricted funds. As a result, the Museum reclassified certain amounts resulting in a modification to the balances at January 1, 2016 and December 31, 2016 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.

The following is a summary of the effects of the restatement in the Museum's December 31, 2016 statement of financial position:

	As Previously Reported	Adjustment	As Restated
As of December 31, 2016			
Assets			
Operating investments	\$ 384,600	\$ 22,081	\$ 406,681
Endowment investments	2,182,259	(22,081)	2,160,178
Net Assets			
Unrestricted			
Undesignated	574,095	74,521	648,616
Board-designated endowment	2,182,259	(22,081)	2,160,178
Temporarily restricted	484,506	(52,440)	432,066

Note 10 - Subsequent Events

The Board of Trustees of the Museum approved a merger of the Museum into the Federation effective January 1, 2018. Such merger has occurred.

Subsequent events have been evaluated through November 13, 2018, the date the financial statements were available to be issued.