

**Financial Statements**

**HISTORICAL SOCIETY OF  
CENTRAL FLORIDA, INC.**

**September 30, 2022 and 2021**

**HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.**

**Financial Statements**

**September 30, 2022 and 2021**

**(With Independent Auditor's Report Thereon)**

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

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## **Independent Auditor's Report**

The Board of Directors  
Historical Society of Central Florida, Inc.

### **Opinion**

We have audited the accompanying financial statements of Historical Society of Central Florida, Inc. (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Historical Society of Central Florida, Inc. as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Historical Society of Central Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Historical Society of Central Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Historical Society of Central Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Historical Society of Central Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Schaefer, Tschoegge, Whittemut, Mitchell & Shuidan, LLP*

Maitland, Florida  
December 30, 2022

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Statements of Financial Position**

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 413,075	352,891
Grants receivable	175,950	90,031
Investments (note 3)	569,868	632,358
Inventory	3,001	3,260
Prepaid expenses	16,213	64,803
	<u>16,213</u>	<u>64,803</u>
Total assets	<u>\$ 1,178,107</u>	<u>1,143,343</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 17,213	16,468
Deferred grants and sponsorships	186,443	138,029
Deferred membership revenue	6,961	7,655
Rental deposits	9,314	2,494
Education deposits	2,848	2,007
Notes payable (notes 4)	119,818	122,764
	<u>119,818</u>	<u>122,764</u>
Total liabilities	<u>342,597</u>	<u>289,417</u>
Net assets:		
Without donor restrictions	513,346	531,762
With donor restrictions (note 5)	322,164	322,164
	<u>322,164</u>	<u>322,164</u>
Total net assets	<u>835,510</u>	<u>853,926</u>
Total liabilities and net assets	<u>\$ 1,178,107</u>	<u>1,143,343</u>

See accompanying notes to financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

Statement of Activities and Changes in Net Assets

Years ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions:		
Support and revenue:		
Support from Orange County (note 2)	\$ 2,289,385	2,171,879
Special events	131,986	97,348
Rental income (loss), net of expenses of \$27,939 and \$49,487 in 2022 and 2021, respectively	991	(43,136)
Grants (note 7)	355,630	331,509
In-kind contributions (note 1)	39,536	39,536
Contributions	41,838	41,557
Programs - Education	78,030	69,867
Memberships	12,541	12,144
Admissions	60,716	47,599
Museum store sales	5,457	5,882
Investment income (loss) (note 3)	(56,179)	40,416
Other income	1,300	13,865
Total support and revenue	<u>2,961,231</u>	<u>2,828,466</u>
Program services:		
Exhibits	636,736	811,249
Education and volunteer	651,214	577,815
Research	913,067	832,963
Total program services	<u>2,201,017</u>	<u>2,222,027</u>
Supporting services:		
Management and general	671,728	390,676
Marketing	50,646	106,295
Fundraising	56,256	78,058
Total supporting services	<u>778,630</u>	<u>575,029</u>
Total expenses	<u>2,979,647</u>	<u>2,797,056</u>
Change in net assets	(18,416)	31,410
Net assets, beginning of year	<u>853,926</u>	<u>822,516</u>
Net assets, end of year	<u>\$ 835,510</u>	<u>853,926</u>

See accompanying notes to financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended September 30, 2022

	Program Services			Total Program Services	Supporting Services			Total Supporting Services	Total Expenses
	Exhibits	Education and Volunteer	Research		Management and General	Marketing	Fund Raising		
Salaries and related expenses	278,652	247,082	462,077	987,811	342,003	24,437	16,559	382,999	1,370,810
Contract labor	742	5,799	1,113	7,654	1,475	67	51	1,593	9,247
Professional fees	97,893	88,511	146,043	332,447	107,070	9,093	6,638	122,801	455,248
Insurance	8,580	7,800	19,877	36,257	24,331	780	585	25,696	61,953
Office expenses	16,657	13,989	22,095	52,741	14,728	1,339	1,143	17,210	69,951
Software and computer costs	22,554	21,798	33,831	78,183	22,042	2,050	1,538	25,630	103,813
Advertising and marketing costs	33,419	54,858	50,128	138,405	32,659	3,038	2,279	37,976	176,381
Travel and meetings	5,347	271	447	6,065	291	27	20	338	6,403
Employee relations	1,789	1,553	2,562	5,904	1,883	155	121	2,159	8,063
Facilities and equipment	116,350	104,847	174,493	395,690	102,703	9,636	7,106	119,445	515,135
Museum Operations	54,753	243	401	55,397	261	24	18	303	55,700
Rentals	-	5,185	-	5,185	-	-	-	-	5,185
Education programs	-	140	-	140	-	-	-	-	140
Special event costs	-	99,055	-	99,055	-	-	20,198	20,198	119,253
Bank charges	-	83	-	83	18,820	-	-	18,820	18,903
Interest expense	-	-	-	-	3,462	-	-	3,462	3,462
Total expenses	<u>636,736</u>	<u>651,214</u>	<u>913,067</u>	<u>2,201,017</u>	<u>671,728</u>	<u>50,646</u>	<u>56,256</u>	<u>778,630</u>	<u>2,979,647</u>

See accompanying notes to financial statements.



HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

Statement of Functional Expenses

Year ended September 30, 2021

	Program Services			Total Program Services	Supporting Services			Total Supporting Services	Total Expenses
	Exhibits	Education and Volunteer	Research		Management and General	Marketing	Fund Raising		
Salaries and related expenses	356,583	265,693	527,204	1,149,480	191,669	55,896	8,453	256,018	1,405,498
Contract labor	28,089	16,618	18,901	63,608	9,413	3,196	3,121	15,730	79,338
Accounting and legal fees	-	-	-	-	8,100	-	-	8,100	8,100
Contract services	105,035	58,353	70,024	233,412	35,012	11,671	11,671	58,354	291,766
Professional fees	-	85	-	85	15	45	148	208	293
Insurance	14,296	7,942	16,533	38,771	17,083	1,588	1,588	20,259	59,030
Office expenses	48,762	28,118	32,416	109,296	17,809	5,403	5,461	28,673	137,969
Software and computer costs	24,686	16,401	16,457	57,544	8,299	2,743	2,743	13,785	71,329
Advertising and marketing costs	59,744	45,676	39,829	145,249	19,915	6,638	8,223	34,776	180,025
Travel and meetings	181	258	121	560	60	20	20	100	660
Employee relations	2,608	1,449	1,738	5,795	1,414	290	290	1,994	7,789
Facilities and equipment	164,067	89,000	107,617	360,684	58,218	18,451	16,962	93,631	454,315
Museum Operations	4,142	71	85	4,298	42	14	14	70	4,368
Rentals	3,056	1,698	2,038	6,792	1,019	340	340	1,699	8,491
Education programs	-	585	-	585	261	-	-	261	846
Special event costs	-	45,868	-	45,868	-	-	18,324	18,324	64,192
Bank charges	-	-	-	-	22,347	-	700	23,047	23,047
Total expenses	<u>811,249</u>	<u>577,815</u>	<u>832,963</u>	<u>2,222,027</u>	<u>390,676</u>	<u>106,295</u>	<u>78,058</u>	<u>575,029</u>	<u>2,797,056</u>

See accompanying notes to financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Statements of Cash Flows**

Years ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (18,416)	31,410
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of SBA loan	-	(10,000)
Net unrealized and realized (gain) loss on investments	77,604	(18,940)
Changes in operating assets and liabilities:		
Grants receivable	(85,919)	(32,502)
Inventory	259	1,669
Prepaid expenses	48,590	(8,682)
Accounts payable and accrued expenses	745	(1,561)
Deferred grants and scholarships	48,414	72,126
Deferred membership revenue	(694)	2,225
Rental deposits	6,820	(2,942)
Education deposits	841	200
Net cash provided by operating activities	<u>78,244</u>	<u>33,003</u>
Cash flows from investing activities:		
Purchases of investments	(168,573)	(188,157)
Proceeds from sales of investments	153,459	172,607
Net cash used in investing activities	<u>(15,114)</u>	<u>(15,550)</u>
Cash flows from financing activities:		
Payments on notes payable	(2,946)	(2,198)
Net cash used in financing activities	<u>(2,946)</u>	<u>(2,198)</u>
Change in cash and cash equivalents	60,184	15,255
Cash and cash equivalents at beginning of year	<u>352,891</u>	<u>337,636</u>
Cash and cash equivalents at end of year	<u>\$ 413,075</u>	<u>352,891</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 3,462</u>	<u>-</u>

See accompanying notes to financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies**

**(a) Nature of Operations**

The Historical Society of Central Florida, Inc. (the “Society”) is a not-for-profit corporation organized for the purpose of collecting, arranging, restoring and preserving historical artifacts. In cooperation with the Board of Commissioners of Orange County, Florida, the Society has constructed, and operates, the Orange County Regional History Center (the “Center”) in Orlando, Florida, as discussed further in Note 2.

**(b) Liquidity and Availability**

As of September 30, 2022, the Society has \$1,158,893 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date were \$322,164 as of September 30, 2022. The Society has a goal to maintain financial assets, which consist of cash and investments, on hand to meet 180 days of normal operating expenses, which are, on average, approximately \$300,000. The Society has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Society invests cash in excess of daily requirements in various investments.

The following table reflects the Society’s financial assets as of September 30, 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 413,075
Investments	569,868
Grants receivable	<u>175,950</u>
Total financial assets	1,158,893
Funds for TDT Project	<u>(322,164)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 836,729</u>

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(c) Cash and Cash Equivalents**

The Society considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**(d) Investments**

Investments are reported at fair value in the statement of financial position. Gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor restrictions or by law.

**(e) Fair Value of Financial Instruments**

The Society reports its financial instruments at fair value using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 – Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation based on observable quoted prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management’s best estimate of what market participants would use as value.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(e) Fair Value of Financial Instruments - Continued**

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying values of certain financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, grants receivable, prepaid expenses, accounts payable and other current liabilities, and deferred revenue.

The Society's Level 1 financial assets consist of investments identified in Note 3. The Society has no Level 2 or Level 3 financial assets or liabilities.

**(f) Inventory**

Inventory is stated at average cost, subject to lower of cost or market. Inventory consists of various items sold in the Center's gift shop.

**(g) Property and Equipment, Net**

Property and equipment are stated at cost less accumulated depreciation. When assets are retired or otherwise disposed of, the asset's cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the period of disposition. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is provided for property and equipment using the straight-line method based on estimated useful lives ranging from 3 to 10 years.

**(h) Artifacts**

A substantial portion of the Society's artifacts are items which have been donated, but for which no value has been assigned. The Society has elected to exercise the option to not capitalize the items that meet the definition of "collections" as prescribed by accounting principles generally accepted in the United States of America. Therefore, the fair value of donated exhibits and artifacts is not reflected in the accompanying financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(i) Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Society may also receive indications of intent to support, which are commitments that are open-ended and subject to unilateral change by the donor. The amounts are not measurable since the commitments do not express a term or period. Thus, they are not considered to be unconditional promises to give and are not recognized prior to the receipt of the contribution. Pledges and grants receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The majority of contributions are received through grants from the State of Florida and various foundations and individuals. Management periodically evaluates the collectability of grants receivable and establishes an allowance for uncollectible receivables when it estimates that amounts recorded are not likely to be received.

Gifts of cash and other assets are reported as restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

**(j) Revenue Recognition**

Special events revenue and rental income are recognized as revenue when the event or activity takes place and the income is earned.

Membership fees are recognized as revenue over the applicable membership period. Funds relating to the unexpired portion of the membership period are recorded as deferred membership revenue as of the Society's fiscal year end.

Admissions revenue represents museum entrance fees that are recognized as admission fees are paid. Museum store sales represent gift shop sales and are recognized as goods are sold.

Program revenue represents the fees paid by schools for their students' educational programs held at the Museum. Program revenue is recognized at the time the program takes place, and program fees paid in advance are recorded as deferred program revenue.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(k) In-Kind Contributions**

Contributions of assets, securities, goods, materials, supplies and facilities are recorded at their estimated fair value at the date of gift. Contributed services are recognized and recorded at their fair market value only to the extent they create and enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. In-kind contributions are recorded as revenue in the accompanying statements of activities and changes in net assets and as expenses in the accompanying statements of functional expenses or as assets in the accompanying statements of financial position are summarized as follows at September 30:

	<u>2022</u>	<u>2021</u>
Maintenance services	<u>\$ 39,536</u>	<u>39,536</u>

A substantial number of unpaid volunteers have donated significant amounts of their time to the Society's annual programs and exhibits, fundraising campaigns, and administrative services. However, due primarily to the nature of the services provided, they have not been reflected in the accompanying financial statements.

The in-kind contribution support from Orange County is reflected in Note 2 in the amounts of \$2,289,385 and \$2,171,879 for the years ended September 30, 2022 and 2021, respectively.

**(l) Income Taxes**

The Society is exempt from Federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Society is not aware of any activities that would jeopardize its tax-exempt status or that are subject to tax on unrelated business income, excise or other taxes. In addition, the Society has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(l) Income Taxes - Continued**

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of September 30, 2022, and 2021, the Society had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Society’s income tax returns are subject to review and examination by federal authorities. Since the Society’s income tax filings are subject to audit by federal taxing authorities, generally three years after they are filed, the Society is no longer subject to examinations by federal taxing authorities for the years ended before September 30, 2019. In addition, there are currently no pending income tax examinations by federal taxing authorities.

**(m) Functional Allocation of Expenses**

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent for each function. All other expenses are distributed based on management’s estimate of the relative functional activity.

**(n) Advertising and Marketing Costs**

Advertising and marketing costs are expensed as incurred during the year. Advertising and marketing expense for the years ended September 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Orange County support allocation (in-kind)	\$ 151,903	165,955
Collateral design	16,785	11,360
Other advertising costs	<u>7,693</u>	<u>2,710</u>
	<u>\$ 176,381</u>	<u>180,025</u>



HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies - Continued**

**(o) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**(p) Subsequent Events**

The Society has evaluated subsequent events through December 30, 2022, which is the date the financial statements were available to be issued. There were no events that are required to be recognized or disclosed in the accompanying financial statements.

**(2) Agreement with Orange County**

During 1998, the Society entered into a ten-year operating agreement with Orange County, Florida that formally defined the working relationship between the two parties. Under this agreement, both parties agreed to jointly participate in the cost of the conversion of the 1927 Orange County Courthouse building into the Orange County Regional History Center (the "Center"). Funding for the courthouse project was provided by the State of Florida, Orange County, the City of Orlando (including Downtown Community Redevelopment Agency) and a \$4 million capital campaign conducted by the Society.

During 2010 and again in 2021, the agreement with Orange County was restated and renewed for another ten-year period. As part of the renewal process, it was formally agreed that the Society shall use its discretion and undertake an endowment fund campaign to raise funds for a specific endowment to support the operations of the Center and the Society.

The Center is used to provide the citizens and visitors of Orange County a historical museum to house exhibits, artifacts, and educational tools and programs about the history of Central Florida and an outdoor plaza to contribute to the aesthetics and quality of life in Orange County and downtown Orlando, Florida.

The Center, which remains the property of Orange County, is jointly operated by the Society and Orange County. The Society provides artifacts to furnish the Center including the archives' collection and items in storage. These assets remain the property of the Society. Orange County provides the exhibits and these assets remain the property of Orange County. Orange County pays for all the maintenance and upkeep costs on the building, other costs related to the

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(2) Agreement with Orange County - Continued**

building and for certain other items to third parties. In addition, various employees of Orange County provide substantial services to the Society, including serving in the capacity of Executive Director. Total support received from Orange County is included in the accompanying statements of activities as “Support from Orange County” and in the accompanying statements of functional expenses and is summarized as follows at September 30:

	<u>2022</u>	<u>2021</u>
Orange County support (in-kind):		
Salaries and related costs	\$ 999,000	964,347
Contract labor	3,372	78,025
Professional fees	442,554	291,765
Insurance	39,001	39,712
Office expenses	66,953	135,066
Software and computer costs	102,519	68,571
Advertising and marketing costs	151,903	165,955
Travel and meetings	1,356	504
Employee relations	7,763	7,243
Facilities and equipment	473,750	411,847
Other costs	1,214	8,844
Total Orange County support (in-kind)	<u>\$ 2,289,385</u>	<u>2,171,879</u>

Any significant change in the relationship between the Society and Orange County could have a significant effect upon the operations and financial results of the Society.

**(3) Investments**

The fair value of investments consists of the following at September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 37,664	14,942
Level 1 investments:		
Fixed income securities – corporate bonds and bond mutual funds	350,400	433,742
Equity securities – mutual funds and common stock	181,804	183,674
	<u>\$ 569,868</u>	<u>632,358</u>

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(3) Investments - Continued**

Net investment income without donor restrictions consists of the following at September 30:

	<u>2022</u>	<u>2021</u>
Net realized and unrealized gain (loss)	\$ (77,604)	18,940
Dividends and interest	21,425	21,476
	<u>\$ (56,179)</u>	<u>40,416</u>

**(4) Note Payable**

During the year ended September 30, 2021, the Society entered into a promissory note with the U.S. Small Business Administration (SBA) in the amount of \$124,900 at a rate of 2.75%. Monthly payments in the amount of \$534 began in June 2021 and continue until May 2051 at which time all remaining principal and interest is due. The note is secured by all tangible property.

At September 30, 2022 long-term debt matures as follows:

2023	\$ 3,049
2024	3,134
2025	3,221
2026	3,311
2027	3,403
Thereafter	<u>103,700</u>
	<u>\$ 119,818</u>

**(5) Net Assets**

Net assets with donor restrictions consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
TDT funds - purpose restriction	<u>\$ 322,164</u>	<u>322,164</u>

HISTORICAL SOCIETY OF CENTRAL FLORIDA, INC.

**Notes to Financial Statements**

September 30, 2022 and 2021

**(6) Concentration of Credit Risk**

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Society has never experienced any losses related to these balances. At September 30, 2022 and 2021, insurance coverage amounted to \$250,000 per depositor at each financial institution.

Investments consist primarily of fixed income and equity securities (note 3). Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the current investment strategy is prudent for the long-term welfare of the Society.

**(7) Paycheck Protection Program (PPP) Loan**

In February 2021, the Society applied for and received loans in the amount of \$92,300, pursuant to the Paycheck Protection Program (PPP) established by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide relief in connection with the coronavirus pandemic. The notes bear interest at 1% and are subject to a payment deferral period of six months. However, the notes and related interest are subject to forgiveness when the proceeds of the loan are used to fund payroll and other allowable expenses as defined by the PPP. As of September 30, 2021, the Society incurred \$92,300 of qualifying expenditures and, accordingly, has recorded \$92,300 as PPP grant revenue in the accompanying statement of activities. As of September 30, 2021, these loans have been forgiven.