

**NORTHAMPTON COUNTY HISTORICAL  
& GENEALOGICAL SOCIETY**

**FINANCIAL REPORT**

**December 31, 2021**



**BUCKNOLISICKY.COM**

*A Professional Corporation*

**Certified Public Accountants | Business Consultants**

# **NORTHAMPTON COUNTY HISTORICAL AND GENEALOGICAL SOCIETY**

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## **Table of Contents**

**December 31, 2021**

### **Page**

#### **Independent Auditors' Report**

1-2

#### **Financial Statements**

Statement of assets, liabilities and net assets – modified cash basis

3

Statement of revenues and expenses – modified cash basis

4

Statement of functional expenses – modified cash basis

5-6

Notes to the financial statements

7-15



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of Northampton County Historical and Genealogical Society

### **Opinion**

We have audited the accompanying financial statements of Northampton County Historical and Genealogical Society (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2021 and 2020, and the related statements of revenues and expenses – modified cash basis and functional expenses – modified cash basis for the years 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 assets, liabilities and net assets of Northampton County Historical and Genealogical Society as of December 31, 2021 and 2020, and its revenues and expenses for the years then ended in conformity with the modified cash basis of accounting as described in Note 2.

### **Basis for Opinion**

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

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditors' 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 auditors' 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 Northampton County Historical and Genealogical Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northampton County Historical and Genealogical Society's ability to continue as a going concern for a reasonable period of time.

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

*Buckno Lisicky + Company*

Allentown, Pennsylvania

July 27, 2022

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY**  
**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis**  
**December 31, 2021 and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 471,217	\$ 583,274
Investments	2,891,470	2,403,312
Beneficial interest in perpetual trust	138,099	131,792
Inventory	1,171	4,925
Property and equipment, net	<u>5,051,229</u>	<u>5,209,919</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,553,186</u></b>	<b><u>\$ 8,333,222</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Security deposits payable	\$ 500	\$ 500
PPP loan payable	<u>-</u>	<u>29,340</u>
<b>TOTAL LIABILITIES</b>	<b><u>500</u></b>	<b><u>29,840</u></b>
 <b>NET ASSETS</b>		
Without donor restriction	8,185,188	7,867,618
With donor restriction	<u>367,498</u>	<u>435,764</u>
<b>TOAL NET ASSETS</b>	<b><u>8,552,686</u></b>	<b><u>8,303,382</u></b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 8,553,186</u></b>	<b><u>\$ 8,333,222</u></b>

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY**
**Statement of Revenues and Expenses - Modified Cash Basis**
**Years Ended December 31, 2021 and 2020**

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND OTHER SUPPORT						
Program:						
Admissions	\$ 1,847	\$ -	\$ 1,847	\$ 1,567	\$ -	\$ 1,567
Membership dues	70,104	-	70,104	39,432	-	39,432
Library revenue	1,286	-	1,286	902	-	902
Education programs	3,574	-	3,574	650	-	650
Museum store sales	12,720	-	12,720	5,043	-	5,043
Contributions and gifts	304,826	-	304,826	38,803	47,087	85,890
Grants	163,298	18,371	181,669	77,404	86,320	163,724
Special events	181,586	-	181,586	172,802	-	172,802
Exhibit sales	-	-	-	285	-	285
Rent	45,249	-	45,249	42,116	-	42,116
Miscellaneous	12	-	12	5	-	5
Investment return, net	385,007	83	385,090	315,259	11	315,270
Change in value of perpetual trust	-	10,048	10,048	-	12,157	12,157
Net assets released from restrictions	96,768	(96,768)	-	69,407	(69,407)	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>1,266,277</b>	<b>(68,266)</b>	<b>1,198,011</b>	<b>763,675</b>	<b>76,168</b>	<b>839,843</b>
EXPENSES						
Program expenses	621,577	-	621,577	542,620	-	542,620
Supporting services:						
Management and general	192,746	-	192,746	167,584	-	167,584
Fundraising	134,384	-	134,384	58,597	-	58,597
<b>TOTAL EXPENSES</b>	<b>948,707</b>	<b>-</b>	<b>948,707</b>	<b>768,801</b>	<b>-</b>	<b>768,801</b>
<b>CHANGE IN NET ASSETS</b>	<b>317,570</b>	<b>(68,266)</b>	<b>249,304</b>	<b>(5,126)</b>	<b>76,168</b>	<b>71,042</b>
NET ASSETS, Beginning of Year	7,867,618	435,764	8,303,382	7,872,744	359,596	8,232,340
<b>NET ASSETS, End of Year</b>	<b>\$ 8,185,188</b>	<b>\$ 367,498</b>	<b>\$ 8,552,686</b>	<b>\$ 7,867,618</b>	<b>\$ 435,764</b>	<b>\$ 8,303,382</b>

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Statement of Functional Expenses - Modified Cash Basis****Year Ended December 31, 2021**

	<b>Program Expenses</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 170,787	\$ 58,715	\$ 30,866	\$ 260,368
Payroll taxes	18,343	6,399	3,634	28,376
Employee benefits	8,109	2,703	-	10,812
Professional fees	-	23,118	-	23,118
Advertising and marketing	-	-	4,781	4,781
Insurance	17,368	17,369	-	34,737
Bank fees	-	1,135	-	1,135
Collections exhibits	13,803	-	-	13,803
Occupancy and maintenance	148,545	10,479	-	159,024
Miscellaneous expense	1,192	28,469	-	29,661
Museum store purchases	8,141	-	-	8,141
Education expenses	53,453	-	-	53,453
Passport to history	2,339	-	-	2,339
Postage	-	2,981	-	2,981
Office supplies	2,137	6,849	670	9,656
Technology	4,099	4,373	3,053	11,525
Depreciation	169,131	28,126	-	197,257
Other taxes	221	-	-	221
Special events and meetings	3,909	2,030	91,380	97,319
	<u>\$ 621,577</u>	<u>\$ 192,746</u>	<u>\$ 134,384</u>	<u>\$ 948,707</u>

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Statement of Functional Expenses - Modified Cash Basis****Year Ended December 31, 2020**

	<b>Program Expenses</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 189,945	\$ 51,011	\$ 47,481	\$ 288,437
Payroll taxes	19,924	7,806	5,249	32,979
Employee benefits	13,784	4,595	-	18,379
Professional fees	-	24,508	-	24,508
Advertising	-	-	4,603	4,603
Insurance	16,064	16,065	-	32,129
Bank fees	-	1,013	-	1,013
Collections exhibits	3,139	-	-	3,139
Occupancy and maintenance	78,514	7,883	-	86,397
Miscellaneous expense	-	3,140	-	3,140
Museum store purchases	3,227	-	-	3,227
Education	38,806	-	-	38,806
Passport to history	5,826	-	-	5,826
Postage	-	1,261	2	1,263
Office supplies	2,641	6,427	1,211	10,279
Technology	-	14,757	-	14,757
Depreciation	170,169	28,269	-	198,438
Other taxes	504	-	-	504
Special events and meetings	77	849	51	977
	<u>\$ 542,620</u>	<u>\$ 167,584</u>	<u>\$ 58,597</u>	<u>\$ 768,801</u>



## **NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY**

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### **Notes to the Financial Statements**

**December 31, 2021 and 2020**

#### **NOTE 1. NATURE OF ACTIVITIES**

Northampton County Historical & Genealogical Society is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was founded in 1906 and its mission is to preserve the past, serve the present and shape the future of Northampton County. The major sources of revenue are contributions, grants, membership dues and return on investments.

The Society provides public admission hours for its display and interpretation of its holdings at the Sigal Museum, Bachmann Publick House and Jacob Nicholas House. More than 75 lectures, programs and events annually are open to the public, covering a wide range of topics on Northampton County and American history, including public school field trips and educational outreach in the schools. The extensive local history and genealogical files of the society's library are available for review by students, scholars, local historians and those undertaking genealogical research.

#### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of accounting**

The accompanying financial statements have been prepared on the modified cash basis which is a basis of accounting that differs from generally accepted accounting principles in the United States of America. Certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. With the exception of the Society's accounting for the changes in market value of investments, the capitalization and depreciation of non-historical property, accounting for inventory and accruing payroll liabilities, all remaining transactions are recognized on the cash basis. The Society reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions.

##### **Basis of presentation**

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (ASU) No. 2016-14, which provides guidance for the classification of net assets. The amounts for each of the two classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Net assets without donor restrictions – net assets of the Society whose use has not been restricted by an outside donor or law. They are available for any use carrying out the operation of the Society. This class also includes assets previously restricted where restrictions have expired or have been met.

Net assets with donor restriction – net assets of the Society whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Society. When such stipulations end or are fulfilled, the net assets with donor restrictions are released to net assets without donor restrictions. Certain restrictions may need to be maintained in perpetuity.

**Contributions**

Contributions are recorded as received. All contributions are generally available for unrestricted use unless specifically restricted by the donor.

**Donated services**

The Society receives volunteer services donated by its members in the carrying out of its program services. No amounts have been reflected in the financial statements for these services in that they do not meet the criteria for recognition.

**Program services**

Program services include museum functions, historical programs, educational programs and meetings. Any fee collected for services is recognized when the cash is collected.

**Use of estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Store inventory**

Inventory is valued by management at the lower of cost or market using the first-in, first-out method. Items to be sold on consignment are not included in museum inventory.

**Property and equipment**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Additions and betterments of \$500 or more are capitalized while maintenance and repairs that do not improve or extend the original useful lives of the respective assets are expenses as incurred:

	Years
Buildings and improvements	10-40
Furniture and equipment	3-10

**Sales tax**

The Society collects the appropriate sales tax from its non-exempt customers and remits the entire amount to the appropriate State. The Society's accounting policy is to include the tax collected and remitted to the State in revenues and costs of sales.

**Advertising**

The Society expenses the costs of advertising the first time the advertising takes place, except for trade show brochures relating to the following year. Advertising expense is \$4,781 and \$4,603 for the years ended December 31, 2021 and 2020, respectively.

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Notes to the Financial Statements****December 31, 2021 and 2020****Collections**

The Society maintains a collection of rare books, diaries, pamphlets, manuscripts, documents, paintings, photographs, furniture, and various artifacts. The collections, which were acquired through purchases and contributions since the Society's inception, are not recognized as assets on the statement of assets, liabilities and net assets. Purchases of collection items are recorded as operating expenses in the year in which the items are acquired. Contributed collection items are not reflected on the financial statements.

**Income taxes**

The Society is a non-profit organization that is exempt from income taxes under the section 501(c)(3) of the Internal Revenue Code. The Society files a Return of Organization Exempt From Income Tax annually. The Society's returns for 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and support services. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. Expenses that are generally allocated on the basis of estimated time and effort include salaries and wages and payroll taxes. Expenses that are generally allocated on the basis of square footage include depreciation and occupancy expenses.

**Date of management's review**

In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through July 27, 2022, the date the financial statements were available to be issued.

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2021 and 2020 consists of the following:

	2021	2020
Construction in progress	\$ 30,000	\$ -
Buildings	7,002,951	6,994,952
Furniture and equipment	<u>156,506</u>	<u>155,938</u>
	7,189,457	7,150,890
Less: accumulated depreciation	<u>(2,138,228)</u>	<u>(1,940,971)</u>
	<u>\$5,051,229</u>	<u>\$5,209,919</u>

Depreciation charged to expense was \$197,257 and \$198,438 for 2021 and 2020, respectively.

**NOTE 4. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments are presented at estimated fair market value. Fair value is the selling price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards defines fair value and establishes a hierarchy that prioritizes the types of inputs used in the valuation technique. The inputs are categorized in the following levels:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Directly or indirectly observable inputs other than quoted prices included for identical or similar assets and liabilities other than Level 1;

Level 3: Unobservable inputs not corroborated by market data, thereby requiring the entity to use the best available information in the circumstances, including the entity's own data.

Certain financial instruments are carried at cost on the balance sheets, approximate fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents and other current liabilities. For long-term assets, the Society will continue to utilize the exemption from certain disclosure requirements for financial instruments provided by FASB ASC 825-10-50-3.

The following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used from December 31, 2020.

*Equity securities, U.S. Government securities and unit investment trusts:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value of shares held by the plan at year end.

*Outside perpetual trusts:* Measured based on quoted market prices of the underlying securities and other relevant information generated by market transactions, divided by the Society's share based on its pro-rata share of distributable income of the trusts.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Society's measure of financial instruments at fair value as of December 31, 2021 and 2020 are:

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Notes to the Financial Statements****December 31, 2021 and 2020**

<u>2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>TOTAL</u>
Cash and equivalents	\$ 111,972	\$ -	\$ -	\$ 111,972
Fixed income	815,298	-	-	815,298
Fixed income: accrued int.	2,764	-	-	2,764
Equity securities	1,853,733	-	-	1,853,733
Liquid real assets	107,703	-	-	107,703
Outside Perpetual Trust	-	-	138,099	138,099
	<u>\$ 2,891,470</u>	<u>\$ -</u>	<u>\$ 138,099</u>	<u>\$ 3,029,569</u>

  

<u>2020</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>TOTAL</u>
Cash and equivalents	\$ 62,784	\$ -	\$ -	\$ 62,784
Fixed income	645,874	-	-	645,874
Fixed income: accrued int.	2,958	-	-	2,958
Equity securities	1,593,701	-	-	1,593,701
Liquid real assets	97,995	-	-	97,995
Outside Perpetual Trust	-	-	131,792	131,792
	<u>\$ 2,403,312</u>	<u>\$ -</u>	<u>\$ 131,792</u>	<u>\$ 2,535,104</u>

**NOTE 5. BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Society is the beneficiary of a perpetual trust held by Wilmington Trust. Terms of the trust provide for quarterly income distributions to the Society. Distributions from the Trust were \$3,820 and \$3,504 for 2021 and 2020, respectively. Distributions are unrestricted. The amount recorded as an asset represents the fair value of the Society's beneficial interest held by the bank which was \$138,099 and \$131,792 as of December 31, 2021 and 2020.

The table below sets forth a summary of changes in fair value of the trust, a Level 3 asset, for the years ended December 31, 2021 and 2020:

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Notes to the Financial Statements****December 31, 2021 and 2020**

	2021	2020
Balance, Beginning of Year	<u>\$ 131,792</u>	<u>\$ 123,044</u>
Additions:		
Interest and dividends	2,399	1,915
Realized gains	2,617	2,145
Unrealized gains	<u>8,652</u>	<u>11,091</u>
	<u>13,668</u>	<u>15,151</u>
Distributions:		
Distributions to beneficiary	(3,820)	(3,504)
Fees and expenses	<u>(3,541)</u>	<u>(2,899)</u>
	<u>(7,361)</u>	<u>(6,403)</u>
Balance, End of Year	<u>\$ 138,099</u>	<u>\$ 131,792</u>

**NOTE 6. NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Society's net assets without donor restrictions is comprised of amounts for the following purposes as of December 31, 2021 and 2020:

	2021	2020
Undesignated	<u>\$ 114,694</u>	<u>\$ 121,648</u>
Board-designated:		
Endowment	2,891,470	2,403,312
Collections account	127,795	132,739
Investment in property and equipment	<u>5,051,229</u>	<u>5,209,919</u>
Total Net Assets Without Donor Restrictions	<u>\$ 8,185,188</u>	<u>\$ 7,867,618</u>

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2021 and 2020:

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Notes to the Financial Statements****December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Subject to purpose or time:		
Capital campaigns	\$ 28,407	\$ 65,116
Library	94,551	95,853
Program grants	<u>106,441</u>	<u>143,003</u>
	<u>229,399</u>	<u>303,972</u>
 Perpetual in nature:		
Beneficial perpetual trust	<u>138,099</u>	<u>131,792</u>
	<u>138,099</u>	<u>131,792</u>
 Total Net Assets With Donor Restrictions	<u><u>\$ 367,498</u></u>	<u><u>\$ 435,764</u></u>

**NOTE 8. BOARD DESIGNATED ENDOWMENT**

A portion of net assets without donor restrictions consist of endowment funds from a contributor, held in investments by the Society, in the Society's name. The Society invests the endowment funds in diversified publicly traded debt and equity securities, managed by a professional investment advisor. The Society spends up to the net income of the funds, generally the fund's interest and dividend income, which are used for museum operations and maintenance.

**Endowment Return Objectives, Risk Parameters and Strategies**

The Society has adopted an investment policy which has been approved by the Board of Directors. The investment objective is long-term growth generating comparable returns to current market indices. The Society's portfolio should be balanced with asset allocations consisting of cash, fixed income and common stocks.

**Endowment Spending Policy**

The Society is permitted to spend the earnings of the fund quarterly at its discretion. This is defined as the interest and dividends earned in the fiscal period. By practice, the Society recognized the portion of earnings on the endowment as distributed at the end of the fiscal year and reported as investment income in the without donor restrictions net asset class.

The following table represents the changes in the board designated endowment for the years ended December 31, 2021 and 2020:

**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY****Notes to the Financial Statements****December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning	\$ 2,403,312	\$ 2,146,513
Contributions	242,357	-
Investment return:		
Interest and dividends	42,341	38,044
Realized gains	107,723	94,505
Unrealized gains	251,398	196,768
Investment fees	(16,542)	(14,399)
Endowment withdrawal	<u>(139,119)</u>	<u>(58,119)</u>
Endowment net assets, ending	<u>\$ 2,891,470</u>	<u>\$ 2,403,312</u>

**NOTE 9. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is without donor restrictions limiting their use within one year of the balance sheet date, comprises the following:

	<u>2021</u>	<u>2020</u>
Financial assets available to fund general operations within one year		
Cash and cash equivalents	\$ 471,217	\$ 583,274
Investments	<u>2,891,470</u>	<u>2,403,312</u>
	<u>3,362,687</u>	<u>2,986,586</u>
Less those unavailable for general expenditures within one year, due to		
Financial assets subject to donor restrictions for specified purpose	(229,399)	(303,972)
Financial assets held for specified purpose designated by Board	<u>(3,019,265)</u>	<u>(2,536,051)</u>
	<u>(3,248,664)</u>	<u>(2,840,023)</u>
Plus other funds subject to appropriation for expenditure		
Endowment appropriations for operations in the next fiscal year	<u>58,119</u>	<u>139,119</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 172,142</u>	<u>\$ 285,682</u>

**NOTE 10. CONCENTRATION OF CREDIT RISK**

Financial instruments, which potentially subject the Society to concentrations of credit risk, consist of cash balances in excess of federally insured amounts. Periodically, the Society's cash was in excess of the federal deposit insurance limit of \$250,000. The Society has not experienced any losses as a result of these uninsured cash balances.

**NOTE 11. PPP LOAN**

On April 23, 2020, the Society received loan proceeds in the amount of \$29,340 under the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was



**NORTHAMPTON COUNTY HISTORICAL & GENEALOGICAL SOCIETY**

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**Notes to the Financial Statements****December 31, 2021 and 2020**

enacted March 27, 2020. The CARES Act provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after a minimum of eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of the loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

On January 12, 2021, the Society was notified that the full amount of the PPP Loan was forgiven. The forgiven portion of the loan was recognized as a governmental grant in the Statement of Revenues and Expenses for the year ending December 31, 2021.

On January 23, 2021, the Society received additional PPP Round 2 loans proceeds in the amount of \$50,039. The terms of the PPP Round 2 loan were the same as Round 1. On September 7, 2021, the full amount of the PPP loan was forgiven and recognized as a governmental grant in the Statement of Revenues and Expenses for the year ending December 31, 2021.