

AMERICAN HISTORICAL SOCIETY  
OF GERMANS FROM RUSSIA

FINANCIAL STATEMENTS

DECEMBER 31, 2023



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

AMERICAN HISTORICAL SOCIETY  
OF GERMANS FROM RUSSIA  
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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Historical Society of Germans from Russia  
Lincoln, Nebraska

### **Opinion**

We have audited the accompanying financial statements of the American Historical Society of Germans from Russia (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2023, and the related statements of support, revenue, and expenses - modified cash basis, functional expenses - modified cast basis, and cash flows - modified cash basis 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 the American Historical Society of Germans from Russia as of December 31, 2023, and the changes in their net assets and their cash flows for the year then ended, in accordance with the modified cash basis of accounting, as described in Note 1.

### **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 the American Historical Society of Germans from Russia 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.

### **Basis of Accounting**

We draw attention to Note 1 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 this matter.

### **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.

## 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, including omissions, 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 the American Historical Society of Germans from Russia'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 the American Historical Society of Germans from Russia'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.

Dana F Cole + Company, LLP

Lincoln, Nebraska  
July 8, 2024

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	
Cash	76,432
Short-term investments	147,175
Total current assets	<u>223,607</u>
OTHER ASSETS	
Long-term investments	<u>3,233,594</u>
TOTAL ASSETS	<u><u>3,457,201</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Credit cards payable	4,618
Payroll liabilities accrued	8,028
Total current liabilities	<u>12,646</u>
NET ASSETS	
Without donor restrictions	1,492,264
With donor restrictions	
Time and purpose restrictions	1,585,546
Restricted in perpetuity	366,745
Total net assets	<u>3,444,555</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>3,457,201</u></u>

See accompanying notes to financial statements.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	155,475	52,663	208,138
Membership fees	88,789	14,665	103,454
Convention revenue	72,190		72,190
Inventory sales less cost of goods sold of \$45,735	54,415		54,415
Research and translation services	3,199		3,199
Investment income	9,044	338,740	347,784
Royalties	2,291		2,291
Miscellaneous income	408		408
Net assets released from restriction	<u>322,126</u>	<u>(322,126)</u>	
Total revenues and other support	<u>707,937</u>	<u>83,942</u>	<u>791,879</u>
<b>EXPENSES</b>			
Program	539,619		539,619
Management and general	117,341		117,341
Fundraising	49,524		49,524
Total expenses	<u>706,484</u>		<u>706,484</u>
<b>CHANGE IN NET ASSETS</b>	1,453	83,942	85,395
<b>NET ASSETS, beginning of year</b>	1,991,578	1,868,349	3,859,927
Change of basis of accounting	<u>(500,767)</u>		<u>(500,767)</u>
<b>NET ASSETS, beginning of year, as restated</b>	1,490,811	1,868,349	3,359,160
<b>NET ASSETS, end of year</b>	<u>1,492,264</u>	<u>1,952,291</u>	<u>3,444,555</u>

See accompanying notes to financial statements.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023

	Program	Management and General	Fundraising	Total
Salaries	229,253	38,705	29,773	297,731
Payroll taxes	22,830	3,854	2,965	29,649
Benefits	12,411	2,095	1,612	16,118
Professional fees	26,959	19,606	2,451	49,016
Advertising	881	646	4,345	5,872
Office expense	21,477	10,045	3,118	34,640
Information technology	19,022	13,834	1,729	34,585
Occupancy	27,903	20,293	2,537	50,733
Travel	833	606	76	1,515
Conference activities	78,465			78,465
Insurance	9,102	6,620	827	16,549
Readership	65,541			65,541
Licenses		82		82
Grants	21,442			21,442
Miscellaneous	<u>3,500</u>	<u>955</u>	<u>91</u>	<u>4,546</u>
 Total expenses	 <u>539,619</u>	 <u>117,341</u>	 <u>49,524</u>	 <u>706,484</u>

See accompanying notes to financial statements.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>85,395</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized gain on investments	571,738
Unrealized loss (gain) on investments	(335,184)
Changes in assets and liabilities:	
Increase (decrease) in liabilities:	
Credit card payable	(694)
Payroll liabilities accrued	<u>6,863</u>
Total adjustments	<u>242,723</u>
Net cash provided by operating activities	<u>328,118</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(1,132,401)
Sales of investments	931,514
Reinvested interest and dividends	<u>(111,213)</u>
Net cash used in investing activities	<u>(312,100)</u>
NET INCREASE IN CASH	16,018
CASH, beginning of year	<u>60,414</u>
CASH, end of year	<u><u>76,432</u></u>

See accompanying notes to financial statements.



AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The American Historical Society of Germans from Russia (the Society), is a not-for-profit organization, which was organized in 1968. The mission of the American Historical Society of Germans from Russia is to discover, collect, preserve, and share the history, cultural heritage, and genealogical legacy of German Settlers in the Russian Empire.

Basis of Accounting

Beginning January 1, 2023, the Society adopted the modified cash basis of accounting. Accordingly, these financial statements of the Society have been prepared utilizing the modified cash basis of accounting. Modifications have been made record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transactions or events occurred and to record investments at their fair market value. All other transactions are recognized as either revenue or expenses when received or paid in cash.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. As such, 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:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board may designate, from net assets without donor restrictions, net assets for specific purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Society utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities Revenue Recognition*. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Society records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Society with its operations. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Revenue Recognition

Membership dues are for a calendar year period and are recognized as income when received, in accordance with the modified cash basis of accounting. Event sponsorships are also recognized as income when received.

The Society sells museum-related merchandise on a retail basis to customers. The performance obligation is the delivery of the good to the customers. The transaction price is established by the Society based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Society recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board of Directors for investment.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investments

The Society utilizes FASB ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. FASB ASC 958-320 sets standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statement of activities. Fair value is determined by quoted market values.

Advertising

Advertising costs of the Society are expensed as incurred. Advertising expense for the year ended December 31, 2023, was \$5,871.

Income Taxes

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Society has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Society continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Society believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that would be material to the financial statements.

Functional Expenses

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

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CONCENTRATION OF CREDIT RISK

The Society had deposits in one financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, there were no uninsured deposits.

Financial instruments which potentially subject the Society to concentrations of credit risk consist principally of cash and investments. The cash and investments are in high quality institutions and companies with high credit ratings. The pledge receivable is with a community Society. Realization of this item is dependent on the estate that funds the receivable. As of December 31, 2023, the Society had no significant concentrations of credit risk.

NOTE 3. INVESTMENTS

The Society utilizes FASB ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in FASB ASC 820-10, fair value is the 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. In determining fair value, the Society uses various methods including market, income, and cost approaches. Based on these approaches, the Society often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Society utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Society is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS (Continued)

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the year ended December 31, 2023, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Cash and Cash Equivalents

Cash and cash equivalents and money market funds are recorded at fair value using quoted market prices. These are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Mutual Funds, Real Estate REIT, ETF's and Corporate Bonds

Mutual funds are valued at the daily closing prices as reported by the fund. Mutual funds held by the Society are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Society are deemed to be actively traded. Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs), and Corporate Bonds are classified as Level 1 as they are measured using quoted market prices in an active market for which closing market prices are readily available.

Fair Value on a Recurring Basis

The table below presents the balances of assets measured at December 31, 2023, at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
Cash equivalents	147,175	147,175		
Certificates of deposit	210,490	210,490		
Mutual funds				
Equities	2,492,538	2,492,538		
Fixed income	197,584	197,584		
REIT	193,816	193,816		
Exchange traded funds	98,686	98,686		
Corporate bonds	40,480	40,480		
	<u>3,380,769</u>	<u>3,380,769</u>	<u>          </u>	<u>          </u>
Totals	<u>3,380,769</u>	<u>3,380,769</u>	<u>          </u>	<u>          </u>

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS (Continued)

Fair Value on a Recurring Basis (Continued)

The carrying amounts, market value, unrealized gains, and unrealized losses of the Level 1 marketable securities at December 31, 2023, are as follows:

	Total Cost	Unrealized Gains (Losses)	Estimated Fair Value
Cash equivalents	147,175		147,175
Certificates of deposit	220,000	(9,510)	210,490
Mutual funds			
Equities	1,410,261	1,082,277	2,492,538
Fixed income	194,589	2,995	197,584
REIT	196,452	(2,636)	193,816
Exchange traded funds	109,242	(10,556)	98,686
Corporate bonds	<u>40,160</u>	<u>320</u>	<u>40,480</u>
	<u>2,317,879</u>	<u>1,062,890</u>	<u>3,380,769</u>

Management evaluates securities for other than temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial conditions and near-term prospects of the issuer, and (3) the intent and ability of the Society to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold securities for the foreseeable future, no declines are deemed to be other than temporary.

NOTE 4. NET ASSETS

Net assets with donor restrictions are available for the following as of December 31, 2023:

Net assets with donor restrictions:		
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due		1,585,546
Restricted in perpetuity		<u>366,745</u>
		<u>1,952,291</u>

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS (Continued)

Net Assets Restricted in Perpetuity

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

Interpretation of Relevant Law

The state of Nebraska has adopted Nebraska's Prudent Management of Institutional Funds Act (PMIFA). The Board of Directors has interpreted PMIFA as regarding the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets and maintained as such for appropriation for expenditure by the Society in a manner consistent with the standard of prudence prescribed by PMIFA.

In accordance with PMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Society and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Society.
- The investment policies of the Society.

AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS (Continued)

Investment Return Objectives, Risk Parameters, and Strategies

The Society has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3% - 5%, while growing the funds if possible. Therefore, the Society expects its endowment assets, over time, to produce an average rate of return equal to or greater than the rate of inflation, plus the distribution, plus all fees and expenses annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Society has a policy of appropriating for distribution each year a portion of the investments held in perpetuity. In establishing this policy, the Society considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Society expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 4% annually. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in net assets restricted in perpetuity as of December 31, 2023, are as follows:

Net assets restricted in perpetuity, beginning of year	446,579
Contributions	47,085
Investment income	17,881
Spending distribution	<u>(144,800)</u>
Net assets restricted in perpetuity, end of year	<u>366,745</u>



AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Society's financial assets available to meet cash needs for general expenditures within one year of the balance date of December 31, 2023, are as follows:

Cash	76,432
Short-term investments	<u>147,175</u>
	<u>223,607</u>

As part of the liquidity management plan, cash in excess of daily requirements is invested in money market funds.

NOTE 6. CHANGE IN BASIS OF ACCOUNTING

Beginning on January 1, 2023, the Society adopted the modified cash basis of accounting. This resulted in a reduction in beginning net assets of \$500,767 as follows:

Net assets balance - accrual basis	<u>3,859,927</u>
Omission of assets prescribed by the accrual basis of accounting:	
Accounts receivable	(11,200)
Accrued interest	(3,028)
Prepaid expenses	(1,295)
Inventory asset	(68,215)
Collection	(71,692)
Property and equipment	(388,024)
Omission of liabilities recorded on the accrual basis of accounting:	
Sales tax payable	391
Accrued wages	16,201
Deferred revenues	<u>26,095</u>
Balance, end of year	<u>3,359,160</u>

NOTE 7. SUBSEQUENT EVENT

In preparing the financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through July 8, 2024, the date the financial statements were available to be issued.