

DUPAGE COUNTY HISTORICAL MUSEUM, INC.
WHEATON, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

March 27, 2017

Board of Directors
DuPage County Historical Museum Foundation, Inc.
Wheaton, Illinois

We have audited the accompanying financial statements of the DuPage County Historical Museum Foundation, Inc., which comprise the Statement of Financial Position as of December 31, 2016 and 2015, and the related Statement of Activities and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Foundation as of and for the year ended December 31, 2015, and the related notes to the financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the DuPage County Historical Museum Foundation Inc., Illinois, as of December 31, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DuPage County Historical Museum Foundation, Inc., Illinois', basic financial statements. The individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Statement of Financial Position
December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 65,504	\$ 241,945
Receivables - net of allowance		
Accounts	13,992	47,986
Prepays	625	700
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 80,121</u>	<u>\$ 290,631</u>
LIABILITIES		
Accounts payable	\$ 8,190	\$ 11,935
Other payable	21,744	21,744
Deferred revenue	3,616	194
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>33,550</u>	<u>33,873</u>
NET ASSETS		
Temporarily restricted	1,091	207,869
Unrestricted	45,480	48,889
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>46,571</u>	<u>256,758</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 80,121</u>	<u>\$ 290,631</u>

The notes to the financial statements are an integral part of this statement.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Statement of Activities
For the Fiscal Year Ended December 31, 2016**

	Totals	Unrestricted	Temporarily Restricted
Revenue and support			
Fund raising events revenues			
Casino night	\$ 21,844	\$ 21,844	\$ -
Golf outing	45,396	45,396	-
Other	4,994	4,994	-
Total fund raising events revenues	<u>72,234</u>	<u>72,234</u>	<u>-</u>
Fund raising event costs			
Casino night	9,671	9,671	-
Golf outing	30,309	30,309	-
Hope and history event	2,379	2,379	-
Other	402	402	-
Total fund raising event costs	<u>42,761</u>	<u>42,761</u>	<u>-</u>
Total net fund raising event revenue	29,473	29,473	-
Memberships	1,220	1,220	-
Contributions	8,607	8,607	-
Sponsorships	4,000	4,000	-
Other revenue	1,012	1,012	-
TOTAL REVENUE AND SUPPORT	<u>44,312</u>	<u>44,312</u>	<u>-</u>
Expenses			
Management and general			
Administrative	187,830	(1,706)	189,536
Bank and credit card fees	191	191	-
Memberships	496	496	-
Total management and general	<u>188,517</u>	<u>(1,019)</u>	<u>189,536</u>
Development			
Salary reimbursement	34,462	34,462	-
Contribution to Wheaton Park District	31,520	14,278	17,242
Total development	<u>65,982</u>	<u>48,740</u>	<u>17,242</u>
TOTAL EXPENSES	<u>254,499</u>	<u>47,721</u>	<u>206,778</u>
CHANGES IN NET ASSETS	(210,187)	(3,409)	(206,778)
NET ASSETS - BEGINNING	<u>256,758</u>	<u>48,889</u>	<u>207,869</u>
NET ASSETS - ENDING	<u>\$ 46,571</u>	<u>\$ 45,480</u>	<u>\$ 1,091</u>

The notes to the financial statements are an integral part of this statement.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Statement of Activities
For the Fiscal Year Ended December 31, 2015**

	Totals	Unrestricted	Temporarily Restricted
Revenue and support			
Fund raising events revenues			
Gift shop sales	\$ 25	\$ 25	\$ -
Casino night	15,544	15,544	-
Golf outing	40,133	40,133	-
Other	150	150	-
Total fund raising events revenues	<u>55,852</u>	<u>55,852</u>	-
Fund raising event costs			
Casino night	5,079	5,079	-
Golf outing	28,232	28,232	-
Other	195	195	-
Total fund raising event costs	<u>33,506</u>	<u>33,506</u>	-
Total net fund raising event revenue	22,346	22,346	-
Memberships	530	530	-
Contributions	238,317	34,117	204,200
Sponsorships	475	475	-
Other revenue	104	104	-
TOTAL REVENUE AND SUPPORT	<u>261,772</u>	<u>57,572</u>	<u>204,200</u>
Expenses			
Management and general			
Administrative	6,144	6,144	-
Bank and credit card fees	13	13	-
Total management and general	<u>6,157</u>	<u>6,157</u>	-
Development			
Salary reimbursement	22,455	22,455	-
TOTAL EXPENSES	<u>28,612</u>	<u>28,612</u>	-
CHANGES IN NET ASSETS	233,160	28,960	204,200
NET ASSETS - BEGINNING	<u>23,598</u>	<u>19,929</u>	<u>3,669</u>
NET ASSETS - ENDING	<u>\$ 256,758</u>	<u>\$ 48,889</u>	<u>\$ 207,869</u>

The notes to the financial statements are an integral part of this statement.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Statement of Cash Flows
For the Fiscal Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH FROM OPERATING ACTIVITIES		
Change in net assets	\$ (210,187)	\$ 233,160
Adjustments to reconcile change in net assets to net cash from operating activities:		
Accounts receivable	33,994	(38,320)
Prepays	75	(500)
Accounts payable	(3,745)	(4,298)
Deferred revenue	3,422	(1,785)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(176,441)	188,257
CASH AND CASH EQUIVALENTS - BEGINNING	241,945	53,688
CASH AND CASH EQUIVALENTS - ENDING	\$ 65,504	\$ 241,945

The notes to the financial statements are an integral part of this statement.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation Purpose

The DuPage County Historical Museum Foundation, Inc. (Foundation), incorporated under the Not-for-profit Corporation Act of the State of Illinois, is engaged in fund-raising activities solely to benefit the DuPage County Historical Museum (Museum). The Museum is an educational institution operated as a facility of the Wheaton Park District, owned by the County of DuPage by resolution of the County Board pursuant to state statute. The Museum's principal purposes are to educate the general public through the collection, preservation, interpretation, and exhibition of materials which document the history of DuPage County and its relationship to Illinois and the nation, and to provide local history services for historical organizations and for scholarly endeavors. The Foundation's primary function is to raise funds to support the Museum's mission.

Basis of Accounting

The Foundation utilizes the accrual method of accounting, which recognizes revenues when earned and expenses when incurred. These financial statements have been prepared to focus on the Foundation as a whole. Balances and transactions are presented according to the existence or absence of donor imposed restrictions. This is accomplished by classifying fund balances and transactions into three classes of net assets: permanently restricted, temporarily restricted, and unrestricted.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Foundation.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may be met by actions of the Foundation, or by the passage of time.

Unrestricted net assets – Net assets not subject to donor imposed stipulations. Revenues are reported in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation, or by law. Expiration of temporary restrictions on net assets (i.e. the donor imposed stipulated purpose has been fulfilled, or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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 reported period. Actual results could differ from those estimates.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

For the purpose of the Statement of Financial Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Receivables

In the Statement of Financial Position, receivables are stated at the amount billed. The Foundation does not charge late fees on amounts past due. An allowance for uncollectible accounts has not been established since management believes all accounts are substantially collectible. Management's periodic evaluation of the collectability of receivables is based on past experience, known and inherent risks in the receivables, adverse situations that may affect the obligee's ability to repay, and current economic conditions. Receivables deemed uncollectible are charged to expense.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Contributions

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

Gifts of property and equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income Taxes

The Foundation has been granted a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation is required to pay Federal and State income taxes only on net unrelated business income. There is no such income for the current year.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2016**

NOTE 2 – DETAIL NOTES ON ALL FUNDS

Cash and Cash Equivalents

At December 31, 2016, cash and cash equivalents included \$65,504 held in commercial banks of which \$65,504 was insured by the Federal Deposit Insurance Corporation.

Net Assets

Permanently restricted net assets – The Foundation currently has no permanently restricted net assets.

Temporarily restricted net assets – Temporarily restricted net assets balances at December 31, 2016 and December 31, 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Museum new roof construction	\$ -	\$ 200,000
Future interactive exhibit stations	1,091	7,869
	<u>\$ 1,091</u>	<u>\$ 207,869</u>

Contributed Goods/Services

The Foundation recognized contribution revenue and related expenses for certain goods and services received at fair value. For the years ended December 31, 2016 and December 31, 2015, those included the following:

	<u>2016</u>	<u>2015</u>
Equipment, supplies, and other services for fundraising events	\$ 4,263	\$ -

In addition, volunteers donated a number of hours, estimated at a value of approximately \$684 and \$0 for the years ended December 31, 2016 and December 31, 2015, respectively, in the Foundation's fundraising efforts, which is not reflected in the accompanying financial statements.

Other Payable

The Foundation entered into a consulting services contract with another Foundation, to share the cost of engaging a consultant to develop a capacity building and strategic plan for future development opportunities. The Foundation owes their share for the professional services incurred under the contract to the second Foundation.

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Notes to the Financial Statements
December 31, 2016**

NOTE 2 – DETAIL NOTES ON ALL FUNDS – Continued

DuPage Foundation Account

The DuPage Foundation Account (DF), formerly the DuPage Community Foundation, established a designated account, the Agency Fund, on behalf of the Foundation in September 2007. The purpose of this account is to strengthen the future of the Foundation and enhance its purpose. The account is considered a designated fund of DF and not an asset of the Foundation.

Donations made to DF and designated by the DF's Board of Directors for future use by the Foundation are deposited into the Agency Fund. The Board of Directors of the Foundation can designate the use of monies in the Agency Fund, and can withdraw funds beginning approximately one year after the Agency Fund's balance meets or exceeds \$25,000. The Agency Fund had a balance of \$26,661 at December 31, 2016 (\$24,871 at December 31, 2015). The Foundation received \$0 from the Agency Fund during 2016 and \$1,105 during 2015.

Upon achieving the required balance of \$25,000, annual disbursements must meet the following requirements, which were all met upon 2016 disbursement:

- Income must support distribution
- Maximum distribution of 5% of the fund balance
- Minimum distribution of \$500

The Foundation maintains an investment pool for all its funds which consists primarily of marketable equity securities, mutual funds, United States government and agency securities and corporate debt securities. No specific securities are designated for a specific fund. Realized gains/losses, unrealized gains/losses, and dividend and interest income net of fees are divided monthly on a prorated basis across all funds of the Foundation.

SUPPLEMENTAL SCHEDULES

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Schedule of Revenue and Support - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget	Actual	Variance Over (Under)
Revenue and support			
Fund raising events revenues			
Casino night	\$ 16,719	\$ 21,844	\$ 5,125
Golf outing	37,775	45,396	7,621
Hope and history event	28,500	-	(28,500)
Other	4,200	4,994	794
Total fund raising events revenues	<u>87,194</u>	<u>72,234</u>	<u>(14,960)</u>
Fund raising event costs			
Casino night	5,718	9,671	3,953
Golf outing	25,025	30,309	5,284
Hope and history event	28,500	2,379	(26,121)
Other	2,450	402	(2,048)
Total fund raising event costs	<u>61,693</u>	<u>42,761</u>	<u>(18,932)</u>
Total net fund raising event revenue	<u>25,501</u>	<u>29,473</u>	<u>3,972</u>
Memberships	<u>500</u>	<u>1,220</u>	<u>1,720</u>
Contributions	<u>30,000</u>	<u>8,607</u>	<u>38,607</u>
Sponsorships	<u>1,500</u>	<u>4,000</u>	<u>5,500</u>
Other revenue	<u>750</u>	<u>1,012</u>	<u>1,762</u>
TOTAL REVENUE AND SUPPORT	<u><u>\$ 58,251</u></u>	<u><u>\$ 44,312</u></u>	<u><u>\$ 51,561</u></u>

DUPAGE COUNTY HISTORICAL MUSEUM FOUNDATION, INC.

**Schedule of Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Budget	Actual	Variance Over (Under)
Expenses			
Management and general			
Administrative	\$ 204,063	\$ 187,830	\$ (16,233)
Bank and credit card fees	610	191	(419)
Memberships	450	496	46
Total management and general	<u>205,123</u>	<u>188,517</u>	<u>(16,606)</u>
Development			
Salary reimbursement	35,000	34,462	(538)
Contribution to Wheaton Park District	-	31,520	31,520
Total development	<u>35,000</u>	<u>65,982</u>	<u>30,982</u>
 TOTAL EXPENSES	 <u>\$ 240,123</u>	 <u>\$ 254,499</u>	 <u>\$ 14,376</u>