



## CITY COUNCIL AGENDA ITEM

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Date: February 4, 2014

To: Brian Kischnick, City Manager

From: Loraine Campbell, Exec. Director, Troy Historic Village  
Judy Iceman, President Troy Historical Society

Subject: Troy Historical Society Annual Report FYE June 30, 2013

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### History

The Troy Historical Society is pleased to provide Troy City Council and City Management their Annual Report for FYE 2013. During the period ending June 30, 2013, the THS Board of Trustees recognized that they had successfully transitioned from a volunteer organization that supported the Troy Historic Village to a nonprofit business that manages the Village. However, through a comprehensive strategic planning process, they also realized that sustainability in the 21<sup>st</sup> century will require an even greater transformation in both the organization and the Village. They have embraced that challenge as individuals and as a group.

The Board of Trustees and Executive Director committed to provide \$19,000 in cash contributions in FYE 2014 and developed a three year rolling budget. The leadership organized standing committees that are actively working to address critical issues outlined in the strategic plan and in this annual report. The Board also allocated funds to hire a part time marketing coordinator to increase community awareness of the Village, and a part time fund development director to build relationships that will increase long-term financial support. During the first half of FY 2013-14, the Troy Historical Society hired those staff members, met its financial obligations, and is working earnestly to meet or exceed FYE 2014 budgeted revenues.

Finally, the Board is grateful for the City's continued support and investment to protect and enhance our shared cultural resources, which bring history and heritage to life for residents and visitors from across the region.



## Annual Report

Fiscal Year Ending June 30, 2013





**Annual Report**  
Fiscal Year Ending  
June 30, 2013

On behalf of the Board of Trustees of the Troy Historical Society and the staff of the Troy Historic Village, I am pleased to present the Annual Report for the Fiscal Year Ending June 30, 2013.

We have accomplished a great deal during the past year. New volunteers, board members and staff contributed important skills to improve operational efficiencies in the Troy Historic Village, expand programs, and usher the Board of Trustees through a comprehensive strategic planning process. We embraced our mission to stimulate discovery and cultivate life-long appreciation of history through meaningful experiences that engage the public. We also reaffirmed our vision to be an indispensable economic and community development resource in Troy.

Winston Churchill once said, "The farther backward you can look, the farther forward you are likely to see." During 2012-13 we set goals for 2020. We envisioned a 21st century cultural institution that is known and valued throughout southeast Michigan. However, this pathway remains guided by the sustained vision and hard work of Society members who worked together for over forty years to establish the Troy Historic Village. We look forward to sharing our continued progress with you each year.

Sincerely,

Lorraine Campbell  
Executive Director



# I. Introduction

Fiscal Year Ending (FYE) June 30, 2013 was significant for the Troy Historical Society (THS) and the Troy Historic Village (THV). It was the second full year that the Society operated the Village after the City of Troy transferred governance and management responsibilities to THS in FYE 2012, and the Society initiated a comprehensive strategic planning process that began in January 2013.

This Annual Report for FYE 2013 shares how THS and THV have continued to evolve and grow, supporting our mission to stimulate discovery and cultivate a life-long appreciation of history. We reaffirmed our commitment to preserve and expand Troy's historical resources and educate our visitors. We also embraced a vision where the Troy Historic Village actively contributes to Troy's economic development, and the Village is recognized as an indispensable cultural resource for the City of Troy and Southeast Michigan.

The Troy Historical Society is becoming a strategically focused, operationally efficient, financially prudent, and effective organization that governs, strengthens, and guides the Troy Historic Village. The initiation of a strategic planning process for THS enabled us to:

- Refocus and re-energize by better understanding our mission, vision, and values
- Analyze and assess our external and internal environments to identify the most critical issues facing our organization
- Formulate specific goals and strategies to address these critical issues
- Develop action steps and financial projections to establish a clear and practical direction for our future

The critical issues and goals identified in the 2013 strategic plan for THS serve as the outline for this Annual Report. The activities and accomplishments achieved by THS/THV board members, volunteers, and staff during FYE 2013 are described in the following sections:

- **Financial Viability**
- **Experience**
- **Awareness**
- **Adequate Resources**
- **Organizational Culture**





**Annual Report**  
Fiscal Year Ending  
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## II. Financial Viability

**Strategic Goal:** Serve as responsible financial stewards and achieve an appropriate level of philanthropic contributions, revenue growth, grant funding, and visitor/customer volumes to sustain and grow the Village operations on a long-term basis.

The FYE 2013 audited financial statements (included in the Supporting Documents) show that the Troy Historical Society was able to successfully manage operations and generate a modest net income of \$19,626 for the year, which represents an operating margin of 6.5%.

Total revenues for FYE 2013 totaled \$302,819. Operations generated revenues of \$131,676 (43% of total revenues) from the following areas:

<b>School programs:</b>	<b>\$85,207 (28% of total revenues)</b>
<b>Public programs:</b>	<b>\$18,499 (6%)</b>
<b>Other (Admissions, Rentals, Store):</b>	<b>\$27,970 (9%)</b>

Fund development efforts generated \$96,142 (32% of total revenues) from the following sources:

<b>Donations:</b>	<b>\$42,160 (14%)</b>
<b>Grants (Foundations):</b>	<b>\$25,692 (8%)</b>
<b>Sponsorships:</b>	<b>\$20,400 (7%)</b>
<b>Other (Memberships, Events):</b>	<b>\$ 7,890 (3%)</b>

A significant donation was received from Janet and Joel Garrett who generously gave \$10,000 to support renovations to the Niles Barnard House. Over 30 volunteers offered their time, energy, and “sweat equity” to make various improvements to the Niles Barnard House.

THS received \$20,000 in a grant from the Kresge Foundation and other grant funding totaled just under \$6,000.

In addition to the support provided by the City of Troy to maintain the facilities and grounds of the Troy Historic Village, the City also provided \$75,000 (25% of total revenues) to support the operational costs of the Village. This amount is considerably less than the costs to support operations when the Village was operated by the City, but is critically important to maintain financial viability.

Total expenses for FYE 2013 totaled \$283,193. Salaries / wages and payroll taxes for Troy Historic Village staff represented the largest expense from operations, totaling \$176,672 or 62% of total expenses.

Other major expenses included the following:

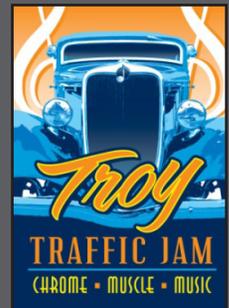
<b>Equipment rentals:</b>	<b>\$16,819</b>	<b>(6%)</b>
<b>Professional fees:</b>	<b>\$14,007</b>	<b>(5%)</b>
<b>Program supplies:</b>	<b>\$12,745</b>	<b>(4.5%)</b>
<b>Repairs and maintenance:</b>	<b>\$10,518</b>	<b>(4%)</b>
<b>Improvements to Niles-Barnard House:</b>	<b>\$ 7,827</b>	<b>(3%)</b>

Total assets (current assets and property & equipment) for THS totaled \$146,823 in FYE 2013, an increase of \$34,867 from FYE 2012.

The Troy Traffic Jam Classic Car Show is a major fundraising event for the Troy Historic Village and is held in August. Major sponsors for the event include Kelly Services, Kirco/Columbia Center, and the Suburban Collection. The event raised \$14,016 for the Village in FYE 2013.

There were 31 facility rentals in FYE 2013 which generated \$11,763 in revenue.

**A list of Financial Sponsors is included in Supporting Documents.**





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Fiscal Year Ending  
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### III. Visitor Experience

**Strategic Goal:** Establish the Troy Historic Village as a unique cultural destination that is convenient, accessible, meaningful, relevant, affordable, and dynamic. The Village is a popular gathering and happening place for residents in Troy and Southeast Michigan.

An integral part of the mission of the Troy Historic Village is not only the preservation of unique and historically valuable resources, but also the education of our visitors and guests. Numerous educational programs were offered by Troy Historic Village staff during FYE 2013. These diverse programs, which appealed to youngsters and adults, including the following:

- **School Field Trips** – Consistently attracts the largest number of visitors to the Village and contributes the largest source of revenues. Elementary school children from various schools in Troy and surrounding areas experience hands-on demonstrations in the log cabin, Poppleton school, and the other buildings in the Village. In FYE 2013, there were 12,012 participants and \$85,207 in revenue was generated.
- **Summer Programs** – History Fun provided 6 weeks of programmed activities for children (69 children participated generating \$8,780 in gross revenue).
- **Civil War Days** – Offered over five days and recaptured what it was like during the Civil War, enhanced by trained historical re-enactors and various participatory events like square dancing and marching in lines like Confederate or Union soldiers. Middle school children enjoy this unique educational experience, including a contest measuring the speed of a telegraph message and text message orchestrated by President Lincoln. (Yes, really!). There were 1,186 visitors for this program in FYE 2013 which generated \$17,790 in revenue.
- **Civil War Twilight Tour** – Created a magical experience where visitors could relive the triumphs, pains, and family trials of the Civil War era. Fiddle and dulcimer music; stories shared by reenactors including a postmaster, Union officer, and grieving widow; and a campfire chat by Confederate soldiers were part of the experience.
- **Christmas and Halloween Holiday Events** – Halloween and Christmas were celebrated at the Village with a unique set of experiences for children and adults. The Old-Fashioned Christmas event had over 380 visitors and generated \$1,007. The Halloween event attracted 240 visitors and generated \$988. Both of these events were generously sponsored by Genisys Credit Union, Tim Horton's, and Meijer.

- **Evening Village Talks** – Celebrated the rich history of the Great Lakes region. In FYE 2013, various speakers shared valuable information on a wide array of topics including Interlochen Arts, Dr. Ben Carson, Pewabic Pottery, and the War of 1812.
- **Thursday Teas at Two** – Through the generous sponsorship of Elizabeth Kaniarz, Financial Consultant, monthly speaking events were offered, giving visitors a chance to enjoy a hot cup of tea, light refreshments, and historical information on topics as diverse as the Detroit Zoo, Civil War quilts, and shipwrecks on the Great Lakes.
- **Cheddar's Preschool Story Hour** – Provided pre-school age children with an ongoing opportunity to be greeted by a loveable character named Cheddar the Mouse and hear stories read by a Village staff member.
- **Artisan Arts Workshops** – Prompted by increased interest in blacksmithing, the Village has begun creating a series of engaging programs for participants to learn time-honored techniques for metal, wood, clay, textiles, and paper.

In FYE 2013, the Troy Historic Village creatively utilized the Village grounds to form a **Pioneer Garden** containing an appetizing array of fresh vegetables including lettuce, tomatoes, peppers, corn, and carrots. The project was organized by the efforts of volunteer Bill Warren and the generous contribution of plants by Nino Salvaggio's grocery store. Partnering with buildOn (whose mission is to break the cycle of poverty, illiteracy and low expectations through service and education) made a memorable and unique experience for several students from Oak Park and Detroit Renaissance High Schools.

A creative educational and hands on garden was created adjacent to the Poppleton school house. The **ABC Garden** enhanced learning the alphabet by displaying the names of plants and having durable artifacts reinforce the learning. For example, an old clothes iron was displayed next to the irises to highlight the letter "I". This garden was enhanced in FYE 2013 through a generous grant and volunteer support from the Troy Garden Club. Members from the Troy Garden Club ran an ABC Garden Story Hour over the summer for children age 5 to 7, pairing stories with garden activities.

Various prototypes for interpretive signage and visitor engagement displays were created to research the most appealing, attractive, and informative displays. Based on visitor feedback, permanent signage and interactive displays will be created in the coming years when sufficient resources are secured.

The hours of operation of the Village were expanded in FYE 2013 to include Fridays and Saturdays during summer and the Village is projected to be open Monday through Friday throughout the year.



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## IV. Public Awareness

**Strategic Goal:** Establish region-wide awareness of the Troy Historic Village programs and services.

One of the important critical issues identified early in the strategic planning process for THS was the low level of awareness of the Troy Historic Village currently in Troy and surrounding areas. The Society will address this issue in the coming years by developing more robust and dynamic marketing and public relations initiatives, but also by strengthening and expanding partnerships with other community groups and organizations.

THS and the Troy Historic Village have partnered with several organizations in Troy and surrounding areas for many years. In FYE 2013, we enjoyed successful events and programs with the following organizations:

- **Troy Garden Club** – The partnership with the Troy Garden Club has existed for over 40 years. Garden Club members generously offer their time and talents to plant and maintain the various flower beds in the Village. The annual Garden Club Walk took place in July and the Troy Historic Village was a featured garden. The Club Boutique at the Village offered outdoor art, unique jewelry, and other arts and crafts. Over 800 visitors toured the Village during the walk.
- **Troy Nature Society** – Staff and volunteers from the Troy Historic Village and Troy Nature Society jointly worked on two major events in FYE 2013, “Maple Syrup Time – Past and Present” and “Through Trails, Time, and Troy.”
- **Troy Chamber of Commerce** – THV hosted the Chamber’s Economic Development Committee and a member morning meeting.
- **Michigan Museums Association** – The Village hosted a meeting of the MMA board members and museum professionals from SE Michigan for a relaxing evening program catered through the generous sponsorship of Ruth’s Chris Steak House.
- **Detroit Institute of Art** – THV participated in the DIA Inside/Out project to display a replication of DIA artwork on the Village grounds.

Through the efforts of Village staff and THS board support, the Village newsletter was enhanced in FYE 2013 to provide a new attractive layout, content improvements, and a quarterly distribution schedule. Electronic distribution was utilized to reduce operating costs.

Improvements to the Village website were undertaken in FYE 2013 to improve content and utilize other social media such as Facebook and Twitter. Future enhancements will allow for smart phone accessibility and search engine optimization.

## V. Adequate Resources

**Strategic Goal:** Maintain sufficient financial, technical, and human resources to support the operations and capital projects of the Village.

An essential responsibility of the Troy Historical Society and THV staff is to properly maintain the historic resources in the Village, which includes accessioned items like documents, pictures, and other physical items. These responsibilities also include properly managing the maintenance of the Village grounds and facilities. In FYE 2013, several projects were undertaken and completed to maintain the Village facilities, including the following:

- Repairs to Niles-Barnard House (replacement of windows, other improvements undertaken to received permission from the City of Troy for temporary occupancy)
- Repairs to Poppleton School cupola
- Exterior painting of Caswell House
- Restoration of Blacksmith Shop bellows
- Specifications and preparation of a Request for Proposal to replace hot water heating system in main building

Limited human and financial resources continue to present a challenge to properly manage artifacts and other historical collections. The Village used the services of two interns from Wayne State University to continue the scanning and organization of materials. Efforts to intensify collections management will continue in FYE 2014 and beyond.

Village and City of Troy management staff members met several times during the year with the new City Manager to familiarize him with the Troy Historic Village and discuss ways of working together effectively. Topics for these meetings included an overview of the Troy Historical Society's contributions and a brief history of the facilities in the Troy Historic Village; the renewable Five-Year Agreement between the City and THS for Use, Operation, and Management of the Troy Historic Village; and the overall strategic direction for the Village.

Village staff met with City of Troy staff to update the Village's Five-Year Capital Maintenance Plan to include it in the City of Troy's Capital Improvement Plan. Among the specific capital projects to be included are replacement of old paver pathways, relocation of the Gazebo, an engineering study to support the master site plan, and replacement of the deteriorating stone surface at the front entrance of the main building.



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In FYE 2013 Village staff and THS board members jointly worked on defining the technical specifications for a new phone and IT system for the Village, and identifying potential vendors for the new system. Several discussions also were conducted with City of Troy staff regarding the proposed changes and the technical, pricing, and service options that could be provided by the City. A new telephone/IT system was selected in late 2013 (SunTel Services) and the system will be installed in January 2013.

Three new staff members were added to the Village in FYE 2013, including coordinators for Communications and Marketing, and an additional historic interpreter. These part-time positions will enhance our ability to communicate with the public and our stakeholders, and increase public awareness of the Village.

## VI. Organizational Culture

**Strategic Goal:** Continue the transformation of the Troy Historical Society and Board of Trustees to a governance organization dedicated to the preservation and growth of the Troy Historic Village. Improve the level of expertise and performance of the staff and Board of Trustees through training, customer service, and community involvement.

The commitment of the members of the Troy Historical Society to support the Troy Historic Village over this past year and in the 47 years since the Society was formed continues to be significant. THS assumed governance and management responsibilities for the Village in FYE 2012 when the City made significant budget cuts and ended full operational support for THV. Since its formation in 1966, THS members and financial supporters of the Troy Historical Society contributed over \$1.3 million supplement the significant investments made by the City of Troy to acquire, relocate, and construct most of the historical facilities in the Troy Historic Village.

In FYE 2013, 113 individuals volunteered over 4,200 hours by serving on the Board of Trustees and various committees, organizing and sponsoring educational programs, and assisting in special events.

After assuming operational and governance responsibilities for the Village, the THS Board understood that it needed to transform from a social group that shared a love of history and financially supported facility projects in the Village, to an organization that functioned more like a business. The THS Board approved a resolution to adopt Generally Accepted Accounting Principles (GAAP) financial statements and utilize accrual-based accounting procedures (versus cash-based accounting).

The 2013 strategic plan for THS identified several initiatives to enhance the governance and management performance of the organization. In FYE 2013, significant progress was made by THS to transform itself. The mission statement for THS was revised and a new vision statement was created that reinforced the organization's essential purpose as PRESERVATION, EDUCATION, ECONOMIC DEVELOPMENT, and COMMUNITY DEVELOPMENT.

During FYE 2013, a review of THS Board composition, Trustee responsibilities, and needed technical and professional expertise was undertaken. The importance of THS/THV staff and trustees' commitment, enthusiasm, and involvement was emphasized. A comprehensive review of Board committees, including their structure and responsibilities, was also begun in FYE 2013.

**A list of volunteers is included in the Supporting Documents.**



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**Supporting  
Documents**

## **VII. Supporting Documents for FYE 2013**

- **THS Board of Trustees**
- **THS Board Committee Members**
- **FYE 2013 Audited Financial Statements**
- **Financial Sponsors**
- **Volunteers**
- **Collections Report**



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**Supporting  
Documents**

**Board of Trustees**  
**Troy Historical Society**  
**2012-2013**

Judy	Iceman	President	Administration and Sales, SunTel Services; troop leader, Girl Scouts of America, five years
Ward	Randol	Vice President & Assistant Treasurer	Attorney, Dickinson Wright LLC; member, Troy Downtown Development
John	Lavender	Treasurer	Retired Networking Consultant, IBM; volunteer instructor, Troy Senior Computer Center; President, St. Augustine Lutheran Church & School Foundation
Sherrill	Jackson	Secretary	Instructor, Troy Nature Society; Retired Project Manager, EDS; Docent, Detroit Zoological Society
Barbara	Chambers		Code Enforcement Officer, City of Clawson; member, Troy Historic District Commission
Jim	Crandall		Retired corporate and real estate tax consultant
Alison	Iceman		Environmental Services Specialist, HealthCure
Mary	Kerwin		Development and Special Events Director, Boys & Girls Club of Troy
Rosemary	Kornacki		Retired sales executive, Broner Safety. Former chair of the Troy Historical Commission. Professional musician.
Sue	Lavender		Retired bookkeeper; Recording Secretary, State Board Lutheran Child and Family Service Auxiliary; member and Past Treasurer, Oakland County Quilt Guild
Michael	Nowosatko		Small business owner; graphic designer; Committee Chairman, Troop 1701, Boy Scouts of America
Fred	Rounds		Retired engineer, General Motors
Judy	Siess		Retired, Michigan Family Independence Agency; past Board member, YWCA of Metro Detroit
Cindy	Stewart		Community Affairs Director, City of Troy; Past President, Board of Directors, Boys & Girls Club of Troy; Board of Directors, Troy People Concerned; Board of Directors, Troy Youth Assistance
Jonathan	Strong		Account Vice President, Financial Advisor, UBS; active leader, Boy Scouts of America; member, Troy Chamber of Commerce
Ann	Toth		Middle School teacher, Holy Name Catholic School
David	Zuza		Economic Development Committee, Troy Chamber of Commerce; strategic planner and hospital administrator

**Board Committee Members  
Troy Historical Society**

**EXECUTIVE COMMITTEE**

Judy Iceman, President  
Ward Randol, Vice President  
John Lavender, Treasurer  
Sherrill Jackson, Secretary  
Mary Kerwin, Chair, Board Development  
Jonathan Strong, Chair, Fund Development  
Cindy Stewart, Chair Mktg. & Public Relations  
Ann Toth, Liaison, Programming & Services  
Jim Crandall, Chair, Village Operations

**BOARD DEVELOPMENT COMMITTEE  
W/SUB-COMMITTEE NOMINATING**

Mary Kerwin, Chairperson (both Board Dev. and Nominating)  
Sherrill Jackson, Member  
Sue Lavender, Member  
Barb Chambers, Member

**FINANCE COMMITTEE  
W/SUB-COMMITTEE VILLAGE STORE**

John Lavender, Treasurer, Chairperson  
Jim Crandall, Member  
Ward Randol, Vice President  
Fred Rounds, Member  
Jeff Lambrecht, Volunteer  
Barb Chambers, Chairperson: Village Store  
Susan Ball, CPA Volunteer

**FUND DEVELOPMENT COMMITTEE**

Jonathan Strong, Chairperson  
Rosemary Kornacki, Member  
Cindy Stewart, Member  
David Zuza, Staff

**HUMAN RESOURCES COMMITTEE  
W/SUB-COMMITTEE MEMBERSHIP**

Judy Iceman, Chairperson  
John Lavender, Member  
Sue Lavender, Chairperson: Membership  
Lorraine Campbell, Staff



**Annual Report**  
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**Supporting  
Documents**



## **Annual Report**

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## **Supporting Documents**

## **Board Committee Members (Cont.) Troy Historical Society**

### **MARKETING & PUBLIC RELATIONS COMMITTEE W/SUB-COMMITTEE VILLAGE PRESS**

Cindy Stewart, Chairperson  
Mike Nowosatko, Member  
Dick Beltramini, Volunteer  
Alison Iceman, Chairperson: Village Press  
Kim Hutchison, Staff

### **PROGRAMMING & SERVICES**

Ann Toth, Board Liaison  
Judy Siess, Member  
Matthew Hackett, Staff  
Stephanie Suszek, Staff

### **VILLAGE OPERATIONS COMMITTEE**

Jim Crandall, Chairperson  
Ward Randol, Member  
Alison Iceman, Member  
Fred Rounds, Member



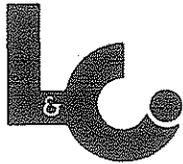
**Annual Report**  
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**Supporting  
Documents**

**TROY HISTORICAL SOCIETY  
(a non-profit corporation)**

**FINANCIAL STATEMENTS**

**For the year ended June 30, 2013**



# Lazzara & Company, P.C.

Certified Public Accountants  
Certified Valuation Analysts  
Business Advisors & Consultants

"We're in the business of caring"

Michael J. Lazzara, CPA, MBA, CVA  
Mary Ellen Taylor, CPA  
David A. Lazzara, CPA

David H. Martin, CPA  
Randall C. DiFalco, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Troy Historical Society  
Troy, Michigan

We have audited the accompanying financial statements of Troy Historical Society, a Michigan non-profit corporation, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

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

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

16010 Nineteen Mile Road, Suite 102, Clinton Township, MI 48038

Phone 586.263.1000 Fax 586.263.1005

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Troy Historical Society as of June 30, 2013, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Basis of Accounting**

As described in Note 2, the prior year financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The net assets as of June 30, 2012 have been restated to reflect the change from the modified cash basis to the accrual basis of accounting utilizing generally accepted accounting principles.

*Lazzara & Company, P.C.*

LAZZARA & COMPANY, P.C.  
December 11, 2013

**TROY HISTORICAL SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2013**

ASSETS

CURRENT ASSETS

Cash	\$ 109,608
Cash - restricted	4,004
Pledges receivable	15,000
Inventory	13,276
Prepaid expenses	<u>2,775</u>

TOTAL CURRENT ASSETS	<u>144,663</u>
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PROPERTY AND EQUIPMENT

Office equipment	2,724
Less: accumulated depreciation	<u>( 564)</u>

PROPERTY AND EQUIPMENT, NET	<u>2,160</u>
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TOTAL ASSETS	<u>\$ 146,823</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 9,028
Rental deposits payable	3,100
Deferred revenue	<u>29,670</u>

TOTAL CURRENT LIABILITIES	<u>41,798</u>
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NET ASSETS

Unrestricted	98,037
Temporarily restricted	<u>6,988</u>

TOTAL NET ASSETS	<u>105,025</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 146,823</u>
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The accompanying notes to financial statements are an integral part of these financial statements

**TROY HISTORICAL SOCIETY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Donations	\$ 30,576	\$ 11,584	\$ 42,160
Program revenue	103,706	-	103,706
Admissions	2,759	-	2,759
Merchandise sales	11,844	-	11,844
Memberships	5,130	-	5,130
Rental income	11,763	-	11,763
Sponsorships	20,400	-	20,400
Grants	98,821	1,871	100,692
Fundraising	2,760	-	2,760
Interest	13	-	13
Other	1,592	-	1,592
Net assets released from restrictions	<u>12,342</u>	<u>(12,342)</u>	<u>-</u>
Total public support and revenue	<u>301,706</u>	<u>1,113</u>	<u>302,819</u>
Expenses			
Program services	171,566	-	171,566
Fundraising	11,327	-	11,327
Management and general	<u>99,118</u>	<u>-</u>	<u>99,118</u>
Total expenses	<u>282,011</u>	<u>-</u>	<u>282,011</u>
Change in Net Assets	<u>\$ 19,695</u>	<u>\$ 1,113</u>	<u>\$ 20,808</u>

The accompanying notes to financial statements are an integral part of these financial statements

**TROY HISTORICAL SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, June 30, 2012, as originally reported	\$ 103,044	\$ 5,875	\$ 108,919
Prior period adjustment for change in accounting method (see Note 2)	<u>(24,702)</u>	<u>-</u>	<u>(24,702)</u>
Net Assets, June 30, 2012, restated	78,342	5,875	84,217
Change in net assets for the year ended June 30, 2013	<u>19,695</u>	<u>1,113</u>	<u>20,808</u>
Net Assets, June 30, 2013	<u>\$ 98,037</u>	<u>\$ 6,988</u>	<u>\$ 105,025</u>

The accompanying notes are an integral part of these financial statements

**TROY HISTORICAL SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 20,808
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation expense	353
(Increase) decrease in operating assets	
Pledges receivable	(15,000)
Inventory	1,502
Prepaid expenses	175
Increase (decrease) in operating liabilities	
Accrued expenses	1,648
Accrued payroll and taxes	(3,037)
Rental deposits payable	1,825
Deferred revenue	<u>10,672</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>18,946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Acquisition of equipment	<u>(954)</u>
<b>NET INCREASE IN CASH</b>	<b>17,992</b>
CASH, JULY 1, 2012	<u>95,620</u>
CASH, JUNE 30, 2013	<u><b>\$ 113,612</b></u>

The accompanying notes are an integral part of these financial statements

**TROY HISTORICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Fundraising</u>	<u>Management and General</u>	
Contracted Services				
Contract services	\$ 12,962	\$ 2,835	\$ 1,321	\$ 17,118
Food and beverage	<u>129</u>	<u>-</u>	<u>411</u>	<u>540</u>
Total contracted services and expenses	<u>13,091</u>	<u>2,835</u>	<u>1,732</u>	<u>17,658</u>
Direct Program Expenses				
Payroll and related expenses	49,862	-	-	49,862
Lectures and exhibit fees	2,669	-	-	2,669
Supplies	12,745	-	-	12,745
Merchandise and awards	<u>7,775</u>	<u>-</u>	<u>-</u>	<u>7,775</u>
Total direct program expenses	<u>73,051</u>	<u>-</u>	<u>-</u>	<u>73,051</u>
Occupancy Expenses				
General liability insurance	<u>-</u>	<u>-</u>	<u>2,004</u>	<u>2,004</u>
Administrative Expenses				
Advertising	2,542	-	80	2,622
Payroll and related expenses	67,049	8,102	48,622	123,773
Rental expenses	1,837	-	14,982	16,819
Office, printing and postage	1,132	284	3,690	5,106
Insurance	-	-	673	673
Professional fees	1,363	-	19,075	20,438
Supplies	74	55	5,104	5,233
Repairs and maintenance	10,258	-	510	10,768
Depreciation	-	-	353	353
Bank service charges	<u>960</u>	<u>51</u>	<u>393</u>	<u>1,404</u>
Total administrative expenses	<u>85,215</u>	<u>8,492</u>	<u>93,482</u>	<u>187,189</u>
Other Expenses				
Travel	-	-	38	38
Miscellaneous expense	<u>209</u>	<u>-</u>	<u>1,862</u>	<u>2,071</u>
Total other expenses	<u>209</u>	<u>-</u>	<u>1,900</u>	<u>2,109</u>
Total functional expenses	<u>\$ 171,566</u>	<u>\$ 11,327</u>	<u>\$ 99,118</u>	<u>\$ 282,011</u>

The accompanying notes to financial statements are an integral part of these financial statements

**TROY HISTORICAL SOCIETY**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 1 - Nature of Organization**

Troy Historical Society (the Organization) is a non-profit corporation located in Troy, Michigan that promotes the knowledge and appreciation of local, state and national heritage among its citizens and school children. The Organization was formed in order to foster and encourage the collection and preservation of historical artifacts and to study and conduct historical research. The Organization's source of revenue is principally donations and program revenue.

**The Troy Historic Village**

Effective July 1, 2011 the City of Troy entered into a 5 year non-exclusive agreement with the Troy Historical Society that allows the Organization to occupy and use the Troy Historic Village and its buildings for the sole purpose of promoting the mission and vision of the City of Troy and the Troy Historical Society through mission and vision focused historical programs. Under this agreement the Organization is authorized to manage and operate the Village and will retain all revenues earned from the Village operation (see note 3).

**The Heritage Campaign**

From 2006 to 2013 the Troy Historical Society has embarked on a major capital campaign to expand and improve the Troy Historic Village. The Campaign encompasses 5 projects: relocation and rehabilitation of the Niles Barnard House; reconstruction and rehabilitation of a Historic Barn; the 1927 Township Hall Adaptive Reuse; creation of a Gateway to the Village Green; and creation of an Endowment Maintenance Fund for the buildings and the Village Green (see note 3).

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This is a change from the prior year's financial statements, which were presented using the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The following are the changes to the assets, liabilities and net assets at June 30, 2012 to reflect the conversion from the modified cash basis of accounting to the accrual basis of accounting:

Prepaid expenses	\$ 2,950
Accrued expenses	(7,379)
Rental deposits payable	(1,275)
Deferred revenue	<u>(18,998)</u>
Change in net assets	<u>(24,702)</u>

**TROY HISTORICAL SOCIETY**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Cash**

The Organization places its temporary cash investments with high credit quality financial institutions. At June 30, 2013, the Organization maintained cash balances in regular checking accounts and money market accounts. One of the money market accounts and the cash accumulated by the certain book sales from the Troy Historic Village Store (Village Store) is restricted for use by the Heritage Campaign.

**Receivables**

Contributions and grants are recognized when there is a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not included as revenue until such time as the conditions have been substantially met. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on past experience and management's analysis of specific promises made. At June 30, 2013, there was no allowance for uncollectible receivables.

**Inventory**

The Village Store retail inventory is valued at the lower of cost or market. Certain books included in the inventory totaling \$2,983 and the future sales of these books are restricted to the Heritage Campaign.

**Property and Equipment**

Property and equipment are recorded at cost when purchased and at fair market value when contributed. Maintenance and repairs are charged to current operations as incurred, whereas major improvements are capitalized. Office equipment is depreciated on a straight line basis over a useful life of 7 years.

**Functional Expenses**

The costs of providing program and supporting services have been reported on a functional basis in the statement of activities and changes in net assets. Direct and indirect costs have been allocated between programs and general and administrative based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

**Income Taxes**

The Organization is a private, non-profit organization operating in accordance with Section 501(c)(3) of the Internal Revenue Code. The Organization has no uncertain tax positions that qualify for either recognition or disclosure in these financial statements.

**TROY HISTORICAL SOCIETY**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Deferred Revenue**

Deferred revenue consists of advances for future programs, events, rents and grants. The Organization recognizes revenue once the program, event or rental has concluded. Grants are recognized once the funds are allowed to be utilized as called for under the grant conditions.

**Classification of Net Assets**

Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified as temporarily restricted, permanently restricted or unrestricted. Donor-imposed restrictions that expire with the passage of time, or that can be removed by meeting certain requirements, are classified as temporarily restricted net assets.

*Unrestricted Net Assets* - This portion of the Organization's net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenues earned, program services provided, unrestricted contributions and all operating expenses are reported in this category. The Organization records donor-restricted contributions, whose restrictions have been satisfied in the same reporting period, as unrestricted support in such year.

*Temporarily Restricted Net Assets* - This portion of the Organization's net assets is limited to use specified by donor-imposed restrictions. When donor restrictions expire, or the nature and purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities and changes in net assets - modified cash basis as net assets released from restrictions.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. Actual results could differ from those estimates.

**Contributed Services**

The Organization generally pays for services requiring specific expertise and employs a combination of part-time and full time employees. Many individuals volunteer their time and perform a variety of tasks that assist in the administration and operations of the Organization, consequently, no amounts have been reflected in the financial statements for donated services.

**TROY HISTORICAL SOCIETY**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Subsequent Events**

Subsequent events have been evaluated through December 11, 2013 which is the date the financial statements were available to be issued.

**Note 3 – Contracts**

Heritage Campaign - The Troy Historical Society has entered into an agreement with the City of Troy that requires both parties to work together in order to achieve the goal of completing the five projects as described as the Heritage Campaign (see note 1). The total cost estimate to complete the Heritage Campaign is approximately \$7,700,000. The Troy Historical Society's main commitment, called for in the contract, is to seek donations from corporations, foundations, governmental agencies and individuals in order to raise the required funds. The Society will also assist the City of Troy in other various administration duties related to the Heritage Campaign Projects.

The Troy Historic Village – Effective July 1, 2011 the City of Troy entered into a five year non-exclusive agreement with the Troy Historical Society that allows the Organization to occupy and use the Troy Historic Village and its buildings for the sole purpose of promoting the mission and vision of the City of Troy and the Troy Historical Society through mission and vision focused historical programs. Under this agreement the Organization is authorized to manage and operate the Troy Village and will retain all revenues earned from the Village operation. The City of Troy will provide an annual operations appropriation to the Organization to cover the utilities, insurance, building maintenance, ground maintenance, and trash removal at least at the same level as incurred in the fiscal 2010-2011 period.

The City of Troy will maintain a separate \$50,000 capital fund for repairs and improvements which will be renewed to a balance of \$50,000 each year.

The Organization has agreed to pay \$3,481 each quarter to the City of Troy for the use of their telephone and internet service through June 30, 2013 and on a quarter to quarter basis thereafter.

**Note 4 – Troy Historical Village Store**

On April 1, 2009, the Troy Museum Guild (Gift Shop) became a standing committee of the Troy Historical Society and in July 2011 was renamed "The Village Store." The Troy Historical Society plans to continue to operate the store and any net proceeds will help contribute to the Organization's causes as described in its Operation Guidelines. The standing committee of the Village Store, at its discretion, decides how its excess cash will be allocated between funding general operations and the Heritage Campaign.

**TROY HISTORICAL SOCIETY**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 5 - Fair Value of Financial Instruments**

The financial position of the Organization at June 30, 2013 includes certain financial instruments that may have a fair value that is different from the value currently reflected in the financial statements. The carrying amounts of financial instruments, including cash and cash equivalents, pledge receivables, accrued expenses, payables and deferred revenue approximated fair value at June 30, 2013 because of the relatively short maturity of these instruments.

**Note 6 – Leases**

The Organization has entered into various lease obligations as described below:

The Organization has entered into an agreement with the City of Troy that provides phones, computers and the internet to the Organization for \$3,481 per quarter. This contract is valid for one year and can be renewed each year thereafter at a mutually agreed upon amount.

The Organization has entered into a 3 year agreement for office equipment with monthly payments of \$74. This agreement ends in November, 2014.

Future lease payments are as follows:

June 30, 2014	\$888
June 30, 2015	666

**Note 7 – Concentration of Revenue**

Two grants accounted for approximately 28% of the total revenue received by the Organization during the year.

**Note 8 – Subsequent Events**

Subsequent events have been evaluated through December 11, 2013, which is the date the financial statements were available to be issued.

On August 6, 2013, the City of Troy made a \$75,000 grant to the Organization that is to be used for operations.

On September 30, 2013 the Kresge Foundation made a grant to the organization of \$15,000 to be used for the Museum operations.

On November 19, 2013 the Troy Historical Society entered into a lease agreement for \$21,357 of phone and computer equipment that will have a lease term of 3 years and a payment of \$697 per month. This leased equipment will replace the equipment that is currently being leased from the City of Troy.



**Annual Report**  
Fiscal Year Ending  
June 30, 2013

**Supporting  
Documents**

**Financial Sponsors**  
**Troy Historical Society**  
**FYE July 1, 2012 - June 30, 2013**

**Individuals**

Viola Aspinwall-Smith  
Marsha Baergen  
Laura Bahnmler  
Leonard Bantleon  
Loraine Campbell  
Karol Carter  
Paul Clark  
Barbara Crandall  
Linda Davis  
Judy Davy  
Patricia Gates  
Joan Geering  
Matthew Hackett  
Joyce Haslukowicz  
Albert Hatala  
James Hawkins  
Judith Holmberg  
Judy Iceman  
Helen Jarrait  
Marilyn Jarrait  
Kathy Johnson  
Bonnie Kalef  
Mary Kerwin  
Rosemary Kornacki  
Marie Koski  
Padma Kuppa  
Lois Lance  
John Lavender  
Jean Lawrence  
Russell Lewis  
Ellen Maier  
Kay McFarland  
Julie McGee  
Karen McMahon  
Mary Lou Meade  
Verna Meinershagen  
John Mitchell  
Beth Mosshart  
Andrew O'Gawa  
Bob Olree  
John Parkinson  
Anne Partlan  
Thomas Passingham  
Susan Price  
Erica Proschkow  
John Ragan  
Ward Randol  
Irene Reich

Kristine Rose  
Fred Rounds  
Doris Schuchter  
Paola Seidel  
Jean Shedlik  
Eric Showalter  
John Sieffert  
George W. Smith  
Paul Stenborg  
Cindy Stewart  
Jeanne Stine  
Bud Stockdale  
Brian Stoutenburg  
Jonathan Strong  
Larry Tracey  
Marion Turowski  
Yvonne Waatti  
Rose Zawislak

**Organizations**

Ajax Paving  
Bagel Factory Café  
Brooksie Way Foundation  
City of Troy  
Detail LLC  
Elaine's Bagels  
EM Schroeder Insurance  
Genisys Credit Union  
Hopkins Burns Design Studio  
Kelly Services  
Kim's Family Restaurant  
Kirco/Columbia Center  
Kresge Foundation  
Macy's  
Master Auto  
Meijer  
Nino Salvaggio's Market  
Rocky Mountain Chocolate Factory  
Safebuilt Inc.  
SE Michigan Buick Club  
Starbucks Coffee  
Suburban Collection  
SunTel Services  
The Somerset Collection  
Tim Horton's Café and Bake Shop  
Woodward Warehouse

**List of Volunteers**  
**Troy Historical Society**  
**FYE July 1 2012 - June 30, 2013**

**Ambassadors**

Fred Barnard  
Kathy Briscoe  
Linda Davis  
Jo Grindem  
Sherrill Jackson  
Sue Lavender  
Julie Martz  
Kay McFarland  
Janet Schairer  
Jean Shedlik

**Village Store**

Barbara Chambers  
Judy Davy

**Public Programs**

Kathy Briscoe  
Mary Cornelius  
John Lavender  
Sue Lavender  
Michael Nowosatko  
Marian Nowosatko  
Ward Randol  
Jean Shedlik  
Gerry Young

**Special Events**

Jean Behl  
Pam Brady  
Kathy Briscoe  
Ron & Linda  
    Buchanan  
Seth Bucholz  
Jim Cassell  
Barb Chambers  
Mary Cornelius  
Phoebe Crandall  
Linda Davis  
Judy Davy  
Laura Deluca  
Andrew Drews  
Pat Eisenberger  
Pam Epple  
Helen Gach  
Joyce Green  
Jo Grindem  
Toni Grow  
Diane Gurzick  
Jeff Hendrie

Geoff Hoerauf  
Judy Iceman  
Alison Iceman  
Roger Kaniarz  
Mary Keewen  
Rosemary Kornacki  
John & Sue Lavender  
Susan & Kevin  
    Lindsey  
Janet Marshall  
Glen Marshall  
Dan McCarville  
Kay McFarland  
Mike & Marian  
Nowosatko  
Saim Raza  
Michelle Romig  
Fred & Muriel  
    Rounds  
Judy Rutherford  
Nirali Shah  
Jean & Paul Shedlik  
Judy Siess  
Cindy Stewart  
Ann Toth  
Steve Toth  
Susie Vette  
Bill Warren  
Gerry Young  
David Zuza

**Buildings & Grounds**

Mike Culpepper  
Dwight Presser  
Bill Ziemba

**Special Projects**

Glen Marshall  
Lynn McLean  
Dale Schairer  
Jennifer Perkins  
Bill Warren

**Troy Garden Club**

**Church of Latter Day  
Saints**

**buildOn**

**First United Methodist  
of Troy Youth**

**Boy Scout Group  
No. 1701**



**Annual Report**  
Fiscal Year Ending  
June 30, 2013

**Supporting  
Documents**



**Annual Report**  
Fiscal Year Ending  
June 30, 2013

**Collections Report**  
**Troy Historical Society**  
**FYE July 1 2012 - June 30, 2013**

**2012-2013 Accessioned Donations**

- Music box with photo album attached, 1907
- Two-man saw, 1900
- Rug beater, 1915
- Long-handled axe, 1900
- Ax handle, 1900
- Pick axe, 1910
- Ladies hat form
- Inkstand
- Depression glass:
  - 4 pink coffee cups
  - 1 pink creamer
  - 1 pink sugar bowl
  - 1 light pink platter
  - 2 clear platters with etched designs
  - 2 etched glass banana bowls
  - 1 etched glass ink bottle
  - 9 pressed glass bowls of various sizes
  - 1 clear pressed glass platter
  - 1 clear pressed glass dish
  - 2 pressed glass coasters
  - 2 clear pressed glass refrigerator boxes with lids
  - 11 green wine glasses made by Steuben Glass Works of Corning, NY
  - 9 pale pink sunburst-patterned plates
  - 1 pink dahlia-patterned platter
  - 4 pink sunburst-patterned saucers
  - 12 pink plates
  - 1 purple blown-glass candy dish
  - 1 purple ribbed console bowl
  - 2 satin glass vases, one with a glass top
  - 1 purple candy bowl
  - 1 purple platter
  - 3 purple dishes
  - 5 red plates
  - 1 frosted green water bottle with stopper
  - 2 purple twisted candlesticks
  - 1 white perfume bottle with stopper
  - 1 brown Bundt cake mold
  - 1 glass lamp with reflector and wall sconce
  - 2 decorative plates
  - 2 silver crumb pans
- 4 books (Old Granny Fox, The Adventures of Grandfather Frog, The Adventures of Chatterer the Squirrel and the Adventures of Danny Meadow Mouse).
- Pair of blacksmith's shears
- Green wooden doll cradle
- 349 photographs of Troy's World War II veterans
- 8 photographs of the Chatfield House
- 141 photographs of the establishment of the Troy Public Library
- 39 copies of Troy Today magazine

**Total number of donated items: 639**



