THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
MEDORA, NORTH DAKOTA

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

BradyMartz

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Theodore Roosevelt Presidential Library Foundation and Subsidiary
Medora, North Dakota

Opinion

We have audited the accompanying financial statements of Theodore Roosevelt Presidential Library Foundation and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Theodore Roosevelt Presidential Library Foundation and Subsidiary as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Adoption of New Accounting Standards

As discussed in Note 1 to the consolidated financial statements, Theodore Roosevelt Presidential Library Foundation and Subsidiary changed its method of accounting for leases in 2022 due to the adoption of FASB ASC 842 effective January 1, 2022, using the modified retrospective approach by recognizing a cumulative effect adjustment at the beginning of the period of adoption.

Emphasis of Matter

As discussed in Note 16 to the consolidated financial statements, a prior period adjustment was recorded. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Theodore Roosevelt Presidential Library Foundation and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
FARGO, NORTH DAKOTA

May 11, 2023

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	$ 78,068,965	$ 32,568,699
Investments	20,445,926	22,638,354
Grants receivable	-	912,215
Current portion of promises to give	10,452,450	8,537,500
Prepaid assets	47,253	29,321
Total current assets	109,014,594	64,686,089
Non-current assets:		
Promises to give, net of current portion and unamortized discounts	8,219,965	4,200,969
Right-of-use asset	71,126	-
Intangible assets, net	339,467	416,327
Property and equipment, net	2,811,427	1,593,284
Construction in process	23,241,430	10,323,061
Total non-current assets	34,683,415	16,533,641
Total assets	$ 143,698,009	$ 81,219,730

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities:		
Accounts payable	$ 692,367	$ 2,463,855
Short-term note payable	420,000	-
Accrued expenses	315,371	267,640
Current portion of operating lease liability	36,120	-
Current portion of contract for deed	130,000	130,000
Total current liabilities	1,593,858	2,861,495
Non-current liabilities:		
Operating lease liability, net of current portion above	35,006	-
Contract for deed, net of current portion above	390,000	390,000
Deferred grant revenue	25,340,948	25,000,000
Total non-current liabilities	25,765,954	25,390,000
Total liabilities	27,359,812	28,251,495
Net assets:		
Without donor restrictions	84,905,567	28,621,056
With donor restrictions	31,432,630	24,347,179
Total net assets	116,338,197	52,968,235
Total liabilities and net assets	$ 143,698,009	$ 81,219,730

See notes to the consolidated financial statements

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	$ 53,596,137	$ 16,173,333	$ 69,769,470
Grant	-	1,409,458	1,409,458
Interest and investment loss, net	(2,678,721)	(18,030)	(2,696,751)
Other	4,025	-	4,025
Net assets released from restrictions	10,479,310	(10,479,310)	-
Total revenues and other support	61,400,751	7,085,451	68,486,202
Expenses:			
Program	1,422,093	-	1,422,093
Supporting services:			
Management and general	2,310,704	-	2,310,704
Fundraising	1,383,443	-	1,383,443
Total expenses	5,116,240	-	5,116,240
Change in net assets	56,284,511	7,085,451	63,369,962
Net assets, beginning of year	28,621,056	24,347,179	52,968,235
Net assets, end of year	$ 84,905,567	$ 31,432,630	$ 116,338,197

	2021 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	$ 21,559,762	$ 5,685,000	$ 27,244,762
Grant	-	912,215	912,215
Interest and investment loss, net	161,717	14,870	176,587
Net assets released from restrictions	18,222,142	(18,222,142)	-
Total revenues and other support	39,943,621	(11,610,057)	28,333,564
Expenses:			
Program	10,977,298	-	10,977,298
Supporting services:			
Management and general	7,611,421		7,611,421
Fundraising	1,578,223	-	1,578,223
Total expenses	20,166,942	-	20,166,942
Change in net assets	19,776,679	(11,610,057)	8,166,622
Net assets, beginning of year	18,844,377	25,957,236	44,801,613
Prior period adjustment	(10,000,000)	10,000,000	-
Net assets, end of year	$ 28,621,056	$ 24,347,179	$ 52,968,235

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Supporting Services		
	Program	Management and General	Fundraising	Total
Artifacts	$ 242,675	$ -	$ -	$ 242,675
Bad debts expense	-	135,000	-	135,000
Construction consulting	-	36,786	-	36,786
Depreciation and amortization	-	136,741	-	136,741
Dues and memberships	215	16,400	3,822	20,437
Events	24,494	39,569	29,198	93,261
Fundraising consulting	-	-	112,183	112,183
Institutional planning	256,880	221,916	6,607	485,403
Insurance	21,622	138,644	-	160,266
Interest expense	-	20,800	-	20,800
Legal and accounting	41,056	241,583	11,096	293,735
Meetings	2,523	45,057	5,347	52,927
Miscellaneous	-	5,512	-	5,512
Office rent	-	39,875	1,200	41,075
Office supplies	1,705	16,378	1,371	19,454
Operating Leases	-	40,942	-	40,942
Payroll taxes	19,405	51,852	52,826	124,083
Postage	-	6,839	3,098	9,937
Printing	-	3,463	12,580	16,043
Programming and partnerships	348,525	-	-	348,525
Projects and initiatives	7,809	-	-	7,809
Public relations and marketing	50,770	62,960	50,826	164,556
Recruiting and development	-	26,369	1,736	28,105
Repairs and maintenance	-	44,745	648	45,393
Salaries and benefits	353,360	864,284	990,721	2,208,365
Small equipment	1,390	6,357	-	7,747
Technology	-	29,466	13,778	43,244
Travel	48,572	50,629	82,655	181,856
Utilities	1,092	28,537	3,751	33,380
Total Expenses	$ 1,422,093	$ 2,310,704	$ 1,383,443	$ 5,116,240

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Supporting Services		
	Program	Management and General	Fundraising	Total
Bad debts expense	$ -	$ 6,087,483	$ -	$ 6,087,483
Depreciation and amortization	-	112,670	-	112,670
Dues and memberships	-	3,519	-	3,519
Events	11,086	34,166	161,767	207,019
Fundraising consulting	-	-	317,030	317,030
Grant expense	10,000,000	-	-	10,000,000
Institutional planning	245,021	86,293	-	331,314
Insurance	-	16,482	-	16,482
Interest expense	-	19,500	-	19,500
Legal and accounting	42,586	329,311	131,916	503,813
Meetings	4,131	59,500	2,149	65,780
Miscellaneous	-	2,840	791	3,631
Office rent	-	36,765	31,455	68,220
Office supplies	271	18,799	6,776	25,846
Payroll taxes	9,244	31,777	32,048	73,069
Postage	-	2,925	4,579	7,504
Printing	-	4,249	17,326	21,575
Programming and partnerships	330,656	-	-	330,656
Public relations and marketing	113,592	6,960	43,930	164,482
Recruiting and development	-	1,475	72,552	74,027
Repairs and maintenance	-	30,169	-	30,169
Salaries and benefits	216,431	608,359	684,629	1,509,419
Small equipment	-	58,999	643	59,642
Technology	161	2,244	5,195	7,600
Travel	3,604	43,870	42,345	89,819
Utilities	515	13,066	2,121	15,702
Website	-	-	20,971	20,971
Total Expenses	$ 10,977,298	$ 7,611,421	$ 1,578,223	$ 20,166,942

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 63,369,962	$ 8,166,622
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	136,742	112,670
Operating lease expense	40,942	-
Investment return, net	2,384,365	(154,445)
Collections of restricted contributions	(9,345,000)	(15,207,000)
Net effects on operating cash flows due to changes in:		
Grants receivable	912,215	44,087,785
Other receivables	-	116
Promises to give	(5,933,946)	(4,844,442)
Prepaid assets	(17,932)	(22,395)
Accounts payable	(1,771,488)	1,889,154
Accrued expenses	47,730	102,979
Operating lease liability	(40,942)	-
Deferred grant revenue	340,948	(4,109,517)
Net cash provided (used) by operating activities	50,123,596	30,021,527
Cash flows from investing activities:		
Purchases of investments	(121,326,981)	(13,077,594)
Sales of investments	121,135,044	5,000,000
Purchase of property and equipment	(13,776,393)	(9,487,256)
Net cash provided (used) by investing activities	(13,968,330)	(17,564,850)
Cash flows from financing activities:		
Collections of contributions restricted to building project	5,340,000	15,197,000
Collections of contributions restricted to endowment	4,005,000	10,000
Principal paid on long-term debt	-	(130,000)
Net cash provided (used) by financing activities	9,345,000	15,077,000
Change in cash and cash equivalents	45,500,266	27,533,677
Cash and cash equivalents - beginning of year	32,568,699	5,035,022
Cash and cash equivalents - end of year	$ 78,068,965	$ 32,568,699
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 20,800	$ 19,500
Supplemental schedule of non-cash investing and Financing activities:		
Equipment financed through issuance of Long-term debt	$ -	$ 650,000
Land purchased through the issuance of short-term Note payable	(420,000)	-

See notes to the consolidated financial statements

NOTE 1 NATURE OF OPERATIONS, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, AND PRINCIPLES OF CONSOLIDATION

Nature of Operations

Theodore Roosevelt Presidential Library Foundation and Subsidiary (the Organizations) are a nonprofit organization that is planning, building, and overseeing operations of the Theodore Roosevelt Presidential Library.

Principles of Consolidation

The consolidated financial statements include the accounts of Theodore Roosevelt Presidential Library Foundation and Eagle Ridge Lodge of Medora, LLC (collectively, the Organizations). Eagle Ridge Lodge of Medora, LLC is 100% owned by Theodore Roosevelt Presidential Library Foundation as a single member LLC. All significant intercompany transactions and accounts have been eliminated.

Basis of Presentation

The accounting and reporting principles followed by the Organizations conform with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board (FASB). Net assets and 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 net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If restrictions are satisfied during the same fiscal year of the gift, the entire transaction is reported as net assets without donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when received and released from restrictions when the assets are placed in service.

Estimates

The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Revenue Recognition

The Organizations recognize revenue on contributions and grants when it has an unrestricted right to use of the funds. The Organizations use the funds it receives for planning, building, and overseeing operations of the Theodore Roosevelt Presidential Library. This revenue is a non-exchange transaction, which is transfer of assets that is unconditional, voluntary, and nonreciprocal.

Recently adopted accounting pronouncement

Effective January 1, 2022, the Organizations adopted FASB ASC 842, *Leases*. The Organizations determine if an arrangement contains a lease at inception based on whether the Organizations have the right to control the asset during the contract period and other facts and circumstances. The Organizations elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of a right-of-use-asset of $111,163 and operating lease liabilities of $111,163 as of January 1, 2022. The adoption of FASB ASC 842 did not have a material impact on the Organizations' results of consolidated operations or cash flows.

In 2020, FASB issued ASU 2020-07, *Not-for-Profit* (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for contributed Nonfinancial Assets. This ASU addresses presentation and disclosure requirements for not-for-profit entities for contributed nonfinancial assets. The Organizations have implemented the provisions of ASU 2020-07 applicable to the presentation and disclosures and the implementation of this standard has no effect on the net assets.

Cash and Cash Equivalents

The Organizations are including its checking, savings and money market accounts as cash and cash equivalents in these consolidated financial statements along with other highly liquid investments with an original maturity date of twelve months or fewer.

The Organizations maintain its cash and cash equivalents in bank deposit accounts which, at times, may exceed the federally insured limits as guaranteed by the Federal Deposit Insurance Corporation. The Organizations maintains their cash deposits in financial institutions. The Organizations have not experienced any losses in such accounts nor does it believe it is exposed to any significant credit risk on cash and cash equivalents.

Investments

The Organizations account for investments in accordance with GAAP. Under GAAP, investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the consolidated statements of financial position. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Related investment fees are netted against investment income as appropriate.

Grants Receivable

Grants receivable are recognized as revenue in the period the grant is earned.

Promises to Give

Unconditional promises to give are recognized as contributions at the time they are received. Promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the date in which the promises are received. The Organizations determine an allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. These promises to give are reflected as either current or long-term receivables on the consolidated statements of financial position.

Intangible Assets

Intangible assets consist of website development costs. The website is amortized using the straight-line method over 7 years.

Property and Equipment

Property and equipment acquisitions in excess of $5,000 are capitalized and recorded at cost when purchased and at fair value when received as a donation. Expenditures for maintenance and repairs that do not extend the useful life of the asset or add to the productive capacity are expensed as incurred.

When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation expense is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

Depreciation of property and equipment is computed using the straight-line method over the following useful lives:

Description	Life
Furniture and equipment	4 - 7 Years
Buildings	39 Years
Leasehold improvements	15 Years

Fair Value Measurement

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the authoritative guidance are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2022.

Mutual funds – Mutual funds are valued at the net asset value of shares held by the Organizations at year-end based on information obtained from the security exchanges on which they are traded.

Exchange-Traded funds – Valued at the net asset value of shares held by the Organizations at year-end based on unadjusted quoted prices from an exchange or broker-dealer market that is deemed to be active.

Stocks & Bonds – Valued based on the quoted market prices for publicly traded securities in an active market.

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

Leases (Lessee)

The Organizations are the lessee in multiple noncancelable operating leases. The Organizations lease its office, storage, and copiers under operating leases (see Note 8).

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Organizations obtain substantially all of the economic benefits from and have the ability to direct the use of the asset. Operating and finance lease right-of-use ("ROU") assets and liabilities for leases with an initial lease term of more than 12 months, or that contain an option to purchase that the Organizations are reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the Organizations use their incremental borrowing rate based on the information available at the lease commencement date. The incremental borrowing rate reflects the interest rate the Organizations would have to pay to borrow funds on a collateralized basis over a similar term.

The Organizations have elected to not recognize ROU assets and lease liabilities for short-term leases. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organizations are reasonably certain to exercise. The Organizations continue to record rent expense for short term leases on a straight-line basis over the lease term.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The Organizations' lease agreements do not include any material residual value guarantees or restrictive covenants.

Operating Leases

Operating lease assets represent the Organizations' right to use an underlying asset for the lease term and ROU lease liabilities represent the Organizations' obligation to make lease payments arising from the lease. Operating lease agreements may contain tenant improvement allowances, rent holidays, rent escalation clauses and/or contingent rent provisions. The ROU lease asset includes any required base rent payments and excludes lease incentives and variable operating expenses. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Donated Materials, Facilities, and Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received. The Organizations receive donated services from unpaid volunteers who assist in conducting the Organizations' programs. No amounts have been recognized in the consolidated statements of activities because the criteria for recognition under GAAP have not been met.

Donations of materials, facilities, and other non-monetary items, including purchases by the Organizations at prices significantly less than fair value, are recorded at fair value when the value is reasonably determinable for the asset received.

Advertising Costs

The Organizations expense advertising costs as they are incurred.

Income Taxes

The Foundation is exempt from payment of federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation files its Form 990 information returns in the U.S. federal jurisdiction.

Eagle Ridge Lodge of Medora, LLC, as a single member LLC, does not incur income taxes. The earnings/losses are included in the Foundation's Form 990. The consoldiated financial statements, therefore, do not include a provision for income taxes.

The Organizations' policy is to evaluate the likelihood that its uncertain tax positions will prevail based upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits and payroll taxes, which are allocated based on estimates of time and effort by the Organizations' management.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organizations monitor liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organizations have various sources of liquidity at its disposal, including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organizations consider all expenditures related to its ongoing programming activities and the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12-months, the Organizations operate with a budget and anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statements of financial position, comprise the following:

	2022	2021
Cash and cash equivalents	$ 78,068,965	$ 32,568,699
Grants receivable	-	912,215
Promises to give	10,452,450	8,537,500
Investments	20,445,926	22,638,354
Total financial assets	108,967,341	64,656,768
Less assets limited to use due to donor restrictions	(31,432,630)	(24,347,179)
Financial assets available to meet cash needs for general expenditures within one year	$ 77,534,711	$ 40,309,589

As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organizations review its liquidity monthly with the Board of Directors.

NOTE 3 INVESTMENTS

Costs and fair values of investments at December 31, 2022 and 2021 are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2022				
Exchange-Traded Funds	$ 127,751	$ -	$ (9,597)	$ 118,154
Mutual Funds	4,739	(402)	-	4,337
Bonds	20,178,494	144,941	-	20,323,435
Total Investments	$ 20,310,984	$ 144,539	$ (9,597)	$ 20,445,926

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2021				
Exchange-Traded Funds	$ 17,868,568	$ -	$ (322,474)	$ 17,546,094
Mutual Funds	1,757	225	-	1,982
Bonds	4,960,501	129,777	-	5,090,278
Total Investments	$ 22,830,826	$ 130,002	$ (322,474)	$ 22,638,354

NOTE 4 FAIR VALUE MEASUREMENTS

The following table presents the Organizations' fair value hierarchy of assets measured at fair value on a recurring basis:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Exchange-Traded Funds	$ 118,154	$ -	$ -	$ 118,154
Mutual Funds	4,337	-	-	4,337
Bonds	-	20,323,435	-	20,323,435
Total Investments	$ 122,491	$ 20,323,435	$ -	$ 20,445,926

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Exchange-Traded Funds	$ 17,546,094	$ -	$ -	$ 17,546,094
Mutual Funds	1,982	-	-	1,982
Bonds	-	5,090,278	-	5,090,278
Total Investments	$ 17,548,076	$ 5,090,278	$ -	$ 22,638,354

NOTE 5 PROMISES TO GIVE

Promises to give are recorded after discounting at a rate of 4.27% percent to the present value of the future cash flows. Unconditional promises to give as of December 31, 2022 and 2021 are as follows:

	2022	2021
Unconditional promises to give	$ 22,075,851	$ 13,231,481
Less allowance for uncollectible promises to give	332,000	197,000
Less: discount to net present value	3,071,436	296,012
Net unconditional promises to give	18,672,415	12,738,469
Less: current portion	10,452,450	8,537,500
Long-term portion	$ 8,219,965	$ 4,200,969
Amounts due in:		
Less than one year	$ 10,452,450	$ 8,537,500
One to five years	9,668,957	4,476,481
More than five years	1,954,444	217,500
Total	$ 22,075,851	$ 13,231,481

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2022	2021
Land	$ 1,423,788	$ 145,764
Furniture and equipment	96,870	96,870
Buildings	1,326,586	1,326,586
Leasehold improvements	59,874	59,874
Total property and equipment	2,907,118	1,629,094
Accumulated depreciation	(95,691)	(35,810)
Property and equipment, net	$ 2,811,427	$ 1,593,284

Depreciation expense totaled $68,384 and $35,810 for the years ended December 31, 2022 and 2021, respectively, and is included in management and general expenses on the consolidated statements of activities.

NOTE 7 INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31:

	2022	2021
Intangible assets	$ 538,023	$ 538,023
Less: accumulated amortization	(198,556)	(121,696)
Intangibles, net	$ 339,467	$ 416,327

NOTE 8 OPERATING LEASE ASSETS

The Organizations have a lease agreement for office space in Medora, North Dakota and a lease agreement for storage space in Dickinson, North Dakota. These leases expire in December 2026 and June 2026, respectively.

The Organizations also have lease agreements on copiers, one expiring in November 2024 and one expiring in March 2026.

A summary of the classification of lease assets and liabilities as of December 31, 2022 is as follows:

Operating lease asset	$ 71,126
Current portion of operating lease liability	36,120
Operating lease liability, net	35,006
Total lease liability	$ 71,126

Future minimum payments on the operating lease liability for the years ending December 31 are as follows:

2023	$ 36,742
2024	15,563
2025	13,596
2026	6,399
Total undiscounted cash flows	72,300
Less: present value discount	(1,174)
Total lease liabilities	$ 71,126

A summary of the lease term, discount rate, and other lease information as of December 31, 2022 are as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 40,942
Weighted-average remaining lease term in years for operating leases	2.61
Weighted-average discount rate for operating leases	1.17%

NOTE 9 ENDOWMENTS

The State of North Dakota adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 31, 2009. GAAP provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to UPMIFA.

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Organizations have interpreted the North Dakota Uniform Prudent Management of Institutional Funds Act (NDUPMIFA) as requiring 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 Organizations classify as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any 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. Donor restricted amounts not retained in perpetuity are subject to the appropriation for expenditures by the Organizations in a manner consistent with the standard prescribed in UPMIFA.

In accordance with NDUPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Organizations and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Organizations; and
(7) The investment policies of the Organizations.

Return Objectives and Risk Parameters – The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream to fund the activities supported by the Organizations and to achieve growth in principal value while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that must be held in perpetuity or for a donor-specified period(s). The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield positive results while assuming a low level of investment risk.

Endowment net asset composition as of December 31, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
2022			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 4,186,625	$ 4,186,625
Accumulated investment gains (losses)	-	(10,725)	(10,725)
Total	$ -	$ 4,175,900	$ 4,175,900

	Without Donor Restrictions	With Donor Restrictions	Total
2021			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 176,335	$ 176,335
Accumulated investment gains (losses)	-	12,595	12,595
Total	$ -	$ 188,930	$ 188,930

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NDUPMIFA requires the Organizations to retain as a fund of perpetual duration (underwater endowments). At December 31, 2022, funds with original gift values of $4,186,625, fair values of $4,175,900, and deficiencies of $10,725 were reported in net assets with donor restrictions.

Strategies Employed for Achieving Objectives – The assets will be managed on a total return basis. While the Organizations recognize the importance of preservation of capital, they also adhere to the principle that varying degrees of investment risk are generally rewarded with compensating returns. It is not a breach of fiduciary responsibility to pursue riskier investment strategies if such strategies are in the Organizations' best interest on a risk-adjusted basis. Risk management of the investment program is focused on understanding both the investment and operational risks to which the Organizations are exposed. The objective is to minimize the operational risks for which they are willing to accept. To satisfy long-term rate of return objectives, the Organizations rely on an investment allocation with investments in marketable equity securities.

Spending Policy – The Organizations have a policy of appropriating for distribution each year 0 to 5 percent of the endowment fund's average fair value over the prior three years in which the distribution is planned. The policy considers the need to maintain sufficient financial stability for the operations of the Organizations.

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
2022			
Endowment net assets, January 1, 2022	$ -	$ 188,930	$ 188,930
Investment return, net	-	(18,030)	(18,030)
Contributions	-	4,005,000	4,005,000
Endowment net assets, December 31, 2022	$ -	$ 4,175,900	$ 4,175,900

	Without Donor Restrictions	With Donor Restrictions	Total
2021			
Endowment net assets, January 1, 2021	$ -	$ 171,625	$ 171,625
Investment return, net	-	7,305	7,305
Contributions	-	10,000	10,000
Endowment net assets, December 31, 2021	$ -	$ 188,930	$ 188,930

NOTE 10 DEFERRED GRANT REVENUE

During 2021 the Organizations received a $25 million conditional contribution. The Organizations shall hold the contributions and all investment income earned in a separate fund and not spend from it until construction of the Presidential Library is 50% complete and has assets to finish 80% of the building. The fund is to provide for the building of the Presidential Library. As of December 31, 2022, the deferred grant account had a balance of $25,340,948.

NOTE 11 CONTRACT FOR DEED

Long-term debt consisted of the following on December 31:

	Collateral	Rate	Maturity date	Annual payments (A)	2022	2021
Paul Douglas	Property	4.00%	Jan-26	$ 130,000	$ 520,000	$ 520,000
Less: current portion					(130,000)	(130,000)
Contract for deed, non-current					$ 390,000	$ 390,000

(A) Annual payments do not include interest which is paid in addition to principal.

The following is a schedule of principal payments due on the above contract for deed for the years ending December 31:

2023	$ 130,000
2024	130,000
2025	130,000
2026	130,000
Total	$ 520,000

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2022	2021
Subject to expenditure for specific purpose:		
Construction	$ 15,580,000	$ 15,080,000
Content studio	664,895	500,000
TRPL building fund	7,565	7,565
Operations	2,321,673	912,215
Design and construction	2,800,000	-
Land	420,000	-
Total	21,794,133	16,499,780
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	5,462,597	7,658,469
Endowments:		
Amount in perpetuity	4,186,625	176,335
Earnings not yet appropriated for general use	-	12,595
Underwater endowments	(10,725)	-
Total	4,175,900	188,930
Total net assets with donor restrictions (restated)	$ 31,432,630	$ 24,347,179

Net assets were released from donor restrictions for the years ended December 31, 2022 and 2021 as follows:

	2022	2021
Satisfaction of purpose restrictions	$ 2,175,105	$ 18,008,584
Expiration of time restrictions	8,304,205	213,558
Total net assets released from restrictions	$ 10,479,310	$ 18,222,142

NOTE 13 AGREEMENT WITH THE STATE OF NORTH DAKOTA

The Organizations have an agreement with the State of North Dakota which was established in the State Treasury in the North Dakota Sessions Laws 2019, Chapter 26, section 8, enacted by the 66th North Dakota Legislature and codified under North Dakota Century Code Section 54-07-12. The Act authorizes $50,000,000 to be invested under the supervision of the Board of University and School Lands. The granting of funds to the Organizations are subject to the Organizations certifying it has received the sum of one hundred million dollars of cash donations and binding promises to give for the construction of the Library. This requirement was met and certified during the year ended December 31, 2021.

The Land Board shall manage and invest the endowment fund to preserve its purchasing power and maintain stable distributions. The assets will be commingled with other assets of the Land Board for purposes of investment. The Land Board shall make annual distributions from the endowment fund in an amount equal to 4% of the endowment fund's trailing net average value calculated over the previous three fiscal years. The net average value calculation shall be based on the fiscal year-end balance as of June 30 of each fiscal year. The distributions shall be granted to the Organizations on a continuing basis to be distributed on the last business day of each calendar year thereafter. The Organizations shall use the grant funds for the operating expenses and maintenance costs of the Organizations including the operating expenses during the period of planning and construction. For December 31, 2022, $1,409,458 was awarded and received from the fund and is presented as grant revenue on the consolidated statements of activities. As of December 31, 2021 the Foundation recorded a grant receivable of $912,215 for the distributions.

The Agreement states the Organizations are required to make two grants. One grant will be for $10,000,000 to a higher education institution foundation and the other grant will be $300,000 to the City of Dickinson. The grant of $300,000 to the City of Dickinson was completed during the year ended December 31, 2020. The grant of $10,000,000 to Dickinson State University Heritage Foundation was completed during the year ended December 31, 2021.

NOTE 14 INCOME TAXES

It is the opinion of management that the Organizations have no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Organizations are subject to examination by the IRS, generally for three years after they were filed. All tax filings are up-to-date.

NOTE 15 DONATED SERVICES

Donated services valued at approximately $10,000 (based on minimum wage) for both years ended December 31, 2022 and 2021 have not been recognized in the accompanying statements of activities, as they do not meet the requirements for recognition.

NOTE 16 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, management identified that the prior year financial statements included an unrestricted contribution in the amount of $10,000,000 that was later altered to contain a restriction. As a result, the prior year net assets have been restated to transfer the funds from without donor restriction to with donor restriction.

NOTE 17 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Organizations' year-end. Subsequent events have been evaluated through May 11, 2023, the date to which the consolidated financial statements were available to be issued.