

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION  
MEDORA, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of Theodore Roosevelt Presidential Library Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Theodore Roosevelt Presidential Library Foundation as of December 31, 2021 and 2020, 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 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.

### Responsibilities of Management for the Financial Statements

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

In preparing the 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'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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Theodore Roosevelt Presidential Library Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Theodore Roosevelt Presidential Library Foundation'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 & ASSOCIATES, P.C.**  
**FARGO, NORTH DAKOTA**

April 25, 2022

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

**ASSETS**

	2021	2020
Current Assets:		
Cash and Cash Equivalents	\$ 32,568,699	\$ 5,035,022
Investments	22,638,354	14,406,315
Grants Receivable	912,215	45,000,000
Other Receivables	-	116
Current Portion of Pledges Receivable	8,537,500	2,746,300
Prepaid Assets	29,321	6,926
Total Current Assets	64,686,089	67,194,679
Non-Current Assets:		
Pledges Receivable, Net of Current Portion and Unamortized Discounts	4,200,969	5,147,727
Intangible Assets, Net	416,327	493,188
Property and Equipment, Net	1,593,284	-
Construction in Process	10,323,061	1,814,898
Total Non-Current Assets	16,533,641	7,455,813
Total Assets	<u>\$ 81,219,730</u>	<u>\$ 74,650,492</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accounts Payable	\$ 2,463,855	\$ 574,701
Accrued Expenses	267,640	164,661
Current Portion of Contract for Deed	130,000	-
Total Current Liabilities	2,861,495	739,362
Non-Current Liabilities:		
Contract for Deed	390,000	-
Deferred Grant Revenue	25,000,000	29,109,517
Total Non-Current Liabilities	25,390,000	29,109,517
Total Liabilities	28,251,495	29,848,879
Net Assets:		
Without Donor Restrictions	38,621,056	18,844,377
With Donor Restrictions	14,347,179	25,957,236
Total Net Assets	52,968,235	44,801,613
Total Liabilities and Net Assets	<u>\$ 81,219,730</u>	<u>\$ 74,650,492</u>

See Notes to the Financial Statements

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021		
	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 Income	161,717	14,870	176,587
Net Assets Released from Restrictions	18,222,142	(18,222,142)	-
Total Revenues and Other Support	<u>39,943,621</u>	<u>(11,610,057)</u>	<u>28,333,564</u>
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	<u>20,166,942</u>	<u>-</u>	<u>20,166,942</u>
Change in Net Assets	19,776,679	(11,610,057)	8,166,622
Net Assets, Beginning of Year	<u>18,844,377</u>	<u>25,957,236</u>	<u>44,801,613</u>
Net Assets, End of Year	<u>\$ 38,621,056</u>	<u>\$ 14,347,179</u>	<u>\$ 52,968,235</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	\$ 5,099,858	\$ 12,351,052	\$ 17,450,910
Grant	-	19,935,928	19,935,928
Interest and Investment Income	234,863	5,290	240,153
Net Assets Released from Restrictions	7,068,175	(7,068,175)	-
Total Revenues and Other Support	<u>12,402,896</u>	<u>25,224,095</u>	<u>37,626,991</u>
Expenses:			
Program	2,026,215	-	2,026,215
Supporting Services:			
Management and General	1,016,194	-	1,016,194
Fundraising	1,001,747	-	1,001,747
Total Expenses	<u>4,044,156</u>	<u>-</u>	<u>4,044,156</u>
Change in Net Assets	8,358,740	25,224,095	33,582,835
Net Assets, Beginning of Year	<u>10,485,637</u>	<u>733,141</u>	<u>11,218,778</u>
Net Assets, End of Year	<u>\$ 18,844,377</u>	<u>\$ 25,957,236</u>	<u>\$ 44,801,613</u>

See Notes to the Financial Statements

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

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

See Notes to the Financial Statements

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Benefits	\$ 401,848	\$ 377,002	\$ 303,530	\$ 1,082,380
Construction Consulting	702,500	-	-	702,500
Fundraising Consulting	-	-	380,830	380,830
Institutional Planning	210,000	154,781	-	364,781
Programming and Partnerships	350,336	-	-	350,336
Grant Expense	305,000	-	-	305,000
Legal and Accounting	12,641	274,633	12,641	299,915
Events	-	-	138,214	138,214
Public Relations and Marketing	-	-	84,500	84,500
Meetings	-	49,086	12,271	61,357
Travel	-	39,442	9,861	49,303
Payroll Taxes	19,284	13,169	14,581	47,034
Amortization	-	44,835	-	44,835
Recruiting and Search	-	38,652	-	38,652
Office Rent	11,964	12,327	11,964	36,255
Office Supplies	7,734	8,350	7,734	23,818
Printing	-	-	21,704	21,704
Insurance	4,064	2,776	3,073	9,913
Utilities	844	869	844	2,557
Miscellaneous Expense	-	272	-	272
<b>Total Expenses</b>	<b>\$ 2,026,215</b>	<b>\$ 1,016,194</b>	<b>\$ 1,001,747</b>	<b>\$ 4,044,156</b>

See Notes to the Financial Statements



**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 8,166,622	\$ 33,582,835
Adjustments to Reconcile Change in Net Assets to Net Cash provided (used) by Operating Activities:		
Depreciation and Amortization	112,670	44,835
Change in Value of Investments	(154,445)	(177,649)
Net Effects on Operating Cash Flows Due to Changes in:		
Grants Receivable, Net	44,087,785	(45,000,000)
Other Receivables	116	(116)
Pledges Receivable	(4,844,442)	(7,894,027)
Prepaid Assets	(22,395)	(6,926)
Accounts Payable	1,889,154	351,372
Accrued Expenses	102,979	108,415
Deferred Grant Revenue	(4,109,517)	29,109,517
Net Cash Provided (used) by Operating Activities	45,228,527	10,118,256
Cash Flows from Investing Activities:		
Purchases of Investments	(13,077,594)	(14,177,571)
Sales of Investments	5,000,000	-
Purchase of Intangible Assets	-	(538,023)
Purchase of Property and Equipment	(9,487,256)	(1,599,791)
Net Cash Provided (used) by Investing Activities	(17,564,850)	(16,315,385)
Cash flow from financing activity:		
Principal paid on long-term debt	(130,000)	-
Change in Cash and Cash Equivalents	27,533,677	(6,197,129)
Cash and Cash Equivalents - Beginning of Year	5,035,022	11,232,151
Cash and Cash Equivalents - End of Year	\$ 32,568,699	\$ 5,035,022
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 19,500	\$ -
Supplemental schedule of non-cash investing and Financing activities:		
Equipment financed through issuance of Long-term debt	\$ 650,000	\$ -

See Notes to the Financial Statements

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

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

**Basis of Presentation**

The accounting and reporting principles followed by the Foundation conform with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board (FASB). 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 Foundation 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.

**Estimates**

The preparation of 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 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 Foundation recognizes revenue on contributions and grants when it has an unrestricted right to use of the funds. The Foundation uses 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.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

**Cash and Cash Equivalents**

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

The Foundation maintains 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 Foundation maintains its cash deposits in large, well-capitalized financial institutions. The Foundation has 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 Foundation accounts 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 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.

**Pledges Receivable**

Pledges receivable are unconditional promises to give that are recognized as contributions at the time pledges are received. Pledges receivable 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 Foundation determines an allowance for uncollectable pledges based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectable. These promises to give are reflected as either current or long-term receivables on the 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.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

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 Foundation has 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, 2021.

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

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2021 AND 2020

Exchange-Traded funds – Valued at the net asset value of shares held by the Foundation 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 Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**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 Foundation receives donated services from unpaid volunteers who assist in conducting the Foundation's programs. No amounts have been recognized in the 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 Foundation 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 Foundation expenses 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.

The Foundation's 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 statements of activities. The 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.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

The 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 Foundation's management.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Foundation monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has 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 Foundation considers 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 Foundation operates 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 statements of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 32,568,699	\$ 5,035,022
Grants Receivable	912,215	45,000,000
Pledges Receivable	8,537,500	2,746,300
Investments	<u>22,638,354</u>	<u>14,406,315</u>
 Total Financial Assets	 64,656,768	 67,187,637
 Less Assets Limited to Use due to Donor Restrictions	 <u>(14,347,179)</u>	 <u>(25,957,236)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u>\$ 50,309,589</u>	 <u>\$ 41,230,401</u>

As part of the Foundation's 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 Foundation reviews its liquidity monthly with the Board of Directors.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 3 INVESTMENTS**

Costs and fair values of investments at December 31, 2021 and 2020 are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>December 31, 2021</b>				
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
<b>Total Investments</b>	<b>\$ 22,830,826</b>	<b>\$ 130,002</b>	<b>\$ (322,474)</b>	<b>\$ 22,638,354</b>
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>December 31, 2020</b>				
Exchange-Traded Funds	\$ 10,450,135	\$ 6,818	\$ -	\$ 10,456,953
Bonds	3,778,531	170,831	-	3,949,362
<b>Total Investments</b>	<b>\$ 14,228,666</b>	<b>\$ 177,649</b>	<b>\$ -</b>	<b>\$ 14,406,315</b>

**NOTE 4 FAIR VALUE MEASUREMENTS**

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

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Marketable Securities:</b>				
Exchange-Traded Funds	\$ 17,546,094	\$ -	\$ -	\$ 17,546,094
Mutual Funds	1,982	-	-	1,982
Bonds	-	5,090,278	-	5,090,278
<b>Total Investments</b>	<b>\$ 17,548,076</b>	<b>\$ 5,090,278</b>	<b>\$ -</b>	<b>\$ 22,636,372</b>
	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Marketable Securities:</b>				
Exchange-Traded Funds	\$ 10,456,953	\$ -	\$ -	\$ 10,456,953
Bonds	-	3,949,362	-	3,949,362
<b>Total Investments</b>	<b>\$ 10,456,953</b>	<b>\$ 3,949,362</b>	<b>\$ -</b>	<b>\$ 14,406,315</b>

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 5 PLEDGES RECEIVABLE**

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges receivable are recorded after discounting at a rate of four percent to the present value of the future cash flows. Included in pledges receivable are the following unconditional promises to give as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Pledges receivable	\$ 13,231,481	\$ 8,664,493
Less allowance for uncollectible promises to give	197,000	-
Less: unamortized discount	<u>296,012</u>	<u>770,466</u>
Net pledges receivable	12,738,469	7,894,027
Less: current portion	<u>8,537,500</u>	<u>2,746,300</u>
Long-term portion	<u>\$ 4,200,969</u>	<u>\$ 5,147,727</u>
Amounts due in:		
Less than one year	\$ 8,537,500	\$ 2,746,300
One to five years	4,476,481	5,700,693
More than five years	<u>217,500</u>	<u>217,500</u>
Total	<u>\$ 13,231,481</u>	<u>\$ 8,664,493</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 145,764	\$ -
Furniture and Equipment	96,870	-
Buildings	1,326,586	-
Leasehold Improvements	<u>59,874</u>	<u>-</u>
Total property and equipment	1,629,094	-
Accumulated Depreciation	<u>(35,810)</u>	<u>-</u>
Property and equipment, net	<u>\$ 1,593,284</u>	<u>\$ -</u>

Depreciation expense totaled \$35,810 and \$0 for the years ended December 31, 2021 and 2020, respectively, and is included in management and general expenses on the statements of activities.



**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**NOTE 7 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 Foundation has 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 Foundation classifies 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 foundation in a manner consistent with the standard prescribed in UPMIFA.

In accordance with NDUPMIFA, the Foundation considers 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 Foundation 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 Foundation; and
- (7) The investment policies of the Foundation.

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream to fund the activities supported by the Foundation 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.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

Endowment net asset composition as of December 31, 2021 and 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>2021</u>			
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
	\$ -	\$ 188,930	\$ 188,930
Total	\$ -	\$ 188,930	\$ 188,930
	Without Donor Restrictions	With Donor Restrictions	Total
<u>2020</u>			
Donor-restricted Endowment Funds			
Original Donor-restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 166,335	\$ 166,335
Accumulated Investment Gains (Losses)	-	5,290	5,290
	\$ -	\$ 171,625	\$ 171,625
Total	\$ -	\$ 171,625	\$ 171,625

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 Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021 and 2020.

Strategies Employed for Achieving Objectives – The assets will be managed on a total return basis. While the Foundation recognizes 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 Foundation’s 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 Foundation is 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 Foundation relies on an investment allocation with investments in marketable equity securities.

Spending Policy – The Foundation has 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 Foundation.

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>2021</u>			
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
 <u>2020</u>			
Donor-restricted Endowment Funds			
Original Donor-restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 166,335	\$ 166,335
Accumulated Investment Gains (Losses)	-	5,290	5,290
Total	\$ -	\$ 171,625	\$ 171,625

**NOTE 8 DEFERRED GRANT REVENUE**

During 2021 the Foundation received a \$25 million conditional contribution. The Foundation shall hold the contributions 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. The Foundation had a conditional grant in 2020 with deferred revenue of \$29,109,517.

**NOTE 9 CONTRACT FOR DEED**

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

	Collateral	Rate	Maturity date	Annual payments (A)	2021	2020
Paul Douglas	Property	4.00%	Dec-25	\$ 130,000	\$ 520,000	\$ -
Less: current portion					(130,000)	-
Contract for deed, non-current					\$ 390,000	\$ -

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

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
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The following is a schedule of principal payments due on the above contract for deed for the years ending December 31:

2022	\$ 130,000
2023	130,000
2024	130,000
2025	<u>130,000</u>
Total	<u><u>\$ 520,000</u></u>

**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specific Purpose:		
Construction	\$ 5,080,000	\$ -
Content Studio	500,000	-
TRPL Building Fund	7,565	-
Operations	912,215	-
Matching Fund Support	-	17,886,314
Presidential Library Exhibits	-	5,025
Digital Library	-	245
Total	<u>6,499,780</u>	<u>17,891,584</u>
Subject to the Passage of Time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	7,658,469	7,894,027
Endowments:		
Amount in Perpetuity	176,335	166,335
Earnings Not Yet Appropriated for General Use	12,595	5,290
Total	<u>188,930</u>	<u>171,625</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 14,347,179</u></u>	<u><u>\$ 25,957,236</u></u>

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

Net assets were released from donor restrictions for the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Satisfaction of purpose restrictions	\$ 18,008,584	\$ 2,711,176
Expiration of time restrictions	213,558	4,356,999
 Total Net Assets Released from Restrictions	 \$ 18,222,142	 \$ 7,068,175

**NOTE 11 AGREEMENT WITH THE STATE OF NORTH DAKOTA**

The Foundation has 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 Foundation is subject to the Foundation certifying it has received the sum of one hundred million dollars of cash donations and binding pledges donations for the construction of the Library. This requirement was met and certified during the year ended December 31, 2020.

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 Foundation on a continuing basis to be distributed on the last business day of each calendar year thereafter. The Foundation shall use the grant funds for the operating expenses and maintenance costs of the Foundation including the operating expenses during the period of planning and construction. As of December 31, 2021 the Foundation recorded a grant receivable of \$912,215 for the distributions.

The Agreement states the Foundation is 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 12 LEASES**

The Foundation rents office space under short-term leases.

**NOTE 13 INCOME TAXES**

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

**THEODORE ROOSEVELT PRESIDENTIAL LIBRARY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 14 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

ASU 2016-02, *Leases* (Topic 842) – During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 is that lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Foundation for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

ASU 2020-07, *Not for Profit Entities* (Topic 958) – This ASU addresses presentation and disclosure requirements for not-for-profit entities for contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326) - Among other provisions, this ASU requires the allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. For all non-public entities, the ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.

Management has not yet determined the effect these pronouncements will have on the Foundation's financial statements.

With the exception of the new standards discussed above, management has not identified any other new accounting pronouncements that have potential significance to the Foundation's financial statements.

**NOTE 15 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the Foundation's year-end. Subsequent events have been evaluated through April 25, 2022, the date to which the financial statements were available to be issued.