The Richard Nixon Foundation

Financial Statements

December 31, 2022
(with Summarized Comparative Totals for 2021)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of The Richard Nixon Foundation

Opinion

We have audited the accompanying financial statements of The Richard Nixon Foundation (a Delaware nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Richard Nixon Foundation (the Organization) as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Windes, Inc.

Irvine, California
July 12, 2023

THE RICHARD NIXON FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

ASSETS

	2022	2021
ASSETS		
Cash and cash equivalents	$ 5,513,758	$ 1,487,179
Investments	40,050,197	49,735,568
Pledges and other receivables, present value discount of $604,794 for 2022 and $0 for 2021	14,585,206	42,006
Inventories, net	151,501	130,127
Other current assets	39,129	295,839
Property and equipment, net	10,382,742	11,145,076
Intangible assets, net	161,621	162,447
TOTAL ASSETS	$ 70,884,154	$ 62,998,242

LIABILITIES AND NET ASSETS

	2022	2021
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,507,795	$ 1,512,140
Grant payable, net	468,989	643,930
Loan payable	6,802,584	6,997,791
	8,779,368	9,153,861
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
NET ASSETS		
Without donor restrictions	3,992,887	6,637,486
With donor restrictions		
Purpose restrictions	46,841,842	33,705,815
Perpetual in nature	11,270,057	13,501,080
	58,111,899	47,206,895
Total net assets	62,104,786	53,844,381
TOTAL LIABILITIES AND NET ASSETS	$ 70,884,154	$ 62,998,242

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

THE RICHARD NIXON FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
REVENUE AND SUPPORT				
Contributions	$ 2,516,575	$ 20,038,313	$ 22,554,888	$ 2,162,329
Admission fees	270,428	-	270,428	255,483
Membership dues	529,968	-	529,968	502,695
Investment income, net	(219,130)	(7,396,007)	(7,615,137)	5,088,556
Other income	21,313	-	21,313	335
Loss on disposition of assets	(2,512)	-	(2,512)	(73,999)
Auxiliary services:				
Facilities rental, net	1,494,274	-	1,494,274	1,152,011
Gift shop sales, net	171,934	-	171,934	51,117
Forgiveness of PPP loan advance	-	-	-	600,000
Net assets released from restrictions	1,737,302	(1,737,302)	-	-
Total revenue and support	6,520,152	10,905,004	17,425,156	9,738,527
EXPENSES				
Program services	7,860,595	-	7,860,595	6,428,428
General and administrative	676,657	-	676,657	620,823
Fundraising	627,499	-	627,499	509,349
Total expenses	9,164,751	-	9,164,751	7,558,600
CHANGE IN NET ASSETS	(2,644,599)	10,905,004	8,260,405	2,179,927
NET ASSETS, BEGINNING OF YEAR	6,637,486	47,206,895	53,844,381	51,664,454
NET ASSETS, END OF YEAR	$ 3,992,887	$ 58,111,899	$ 62,104,786	$ 53,844,381

THE RICHARD NIXON FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

		Supporting Activities		Total	
	Program Services	General and Administrative	Fundraising	2022	2021
Salaries and wages	$ 2,253,392	$ 264,869	$ 278,114	$ 2,796,375	$ 1,932,457
Employee benefits	463,922	25,898	72,508	562,328	413,611
Total payroll expenses	2,717,314	290,767	350,622	3,358,703	2,346,068
Travel, entertainment, and lodging	60,817	684	9,113	70,614	21,420
Exhibits and seminars	1,555,708	-	-	1,555,708	729,897
Advertising and promotion	362,952	7,695	15,766	386,413	237,178
Equipment maintenance	490,616	5,966	3,318	499,900	424,357
Supplies and materials	100,247	532	11,579	112,358	113,129
Contractual services, insurance, and other expenses	1,728,315	11,591	199,565	1,939,471	1,455,203
Grant contributions	5,059	-	-	5,059	618,970
Interest expense	-	322,929	-	322,929	329,244
Depreciation and amortization	839,567	36,493	37,536	913,596	1,283,134
Total expenses	$ 7,860,595	$ 676,657	$ 627,499	$ 9,164,751	$ 7,558,600

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

THE RICHARD NIXON FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 8,260,405	$ 2,179,927
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	910,720	1,020,103
Amortization	2,875	263,031
Loss on disposition of property and equipment	2,512	73,999
Net realized and unrealized loss (gain) on investments	8,546,658	(4,470,399)
Provision for inventory write down	(14,567)	(9,501)
Forgiveness of PPP loan advance	-	(600,000)
Changes in operating assets and liabilities:		
Pledges and other receivable, net	(14,543,200)	10,558
Inventories, net	(6,807)	92,788
Other current assets	256,710	(112,006)
Accounts payable and accrued liabilities	(4,345)	289,863
Grant payable	(174,941)	573,970
Net Cash Provided By (Used In) Operating Activities	3,236,020	(687,667)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(150,898)	(109,586)
Purchases of intangible assets, net	(2,049)	(2,313)
Purchases of investments	(4,813,621)	(4,769,325)
Proceeds from sales of investments	5,952,334	5,164,053
Proceeds from certificates of deposit	-	404,853
Net Cash Provided By Investing Activities	985,766	687,682
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan advance	-	600,000
Payments on loans payable	(195,207)	(187,785)
Net Cash (Used In) Provided By Financing Activities	(195,207)	412,215
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	4,026,579	412,230
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	1,487,179	1,074,949
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 5,513,758	$ 1,487,179
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 322,929	$ 329,244

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

NOTE 1 – Summary of Significant Accounting Policies

Foundation and Nature of Activities

The Richard Nixon Foundation, a not-for-profit corporation, (the "Foundation") was formed as a Delaware corporation in January 1983.

The purpose of the Foundation is to conduct events, programs, and exhibits intended to enhance the public's understanding of the life and legacy of President Richard Nixon. On July 11, 2007, the Foundation entered into a joint operating agreement with the National Archives to incorporate the Nixon Library (the Library) into the Federal System of Presidential Libraries. The Foundation ceded operational control of the museum and certain other portions of the Library campus to the Federal Government in perpetuity, but the Foundation retains ownership of the entire facility and operational authority over a substantial portion of the campus.

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenue, and gains and losses are classified based on the existence or absence of donor-imposed restrictions.

- *Net assets without donor restrictions* – Net assets without donor restrictions are net assets that are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

- *Net assets with donor restrictions* – Net assets with donor restrictions are net assets resulting from contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to the restrictions. When a donor-specified restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets, as net assets released from restrictions.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed restrictions or a Board-approved policy.

Use of 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates. The significant items in these statements that are affected by management estimates are contributions, allowance for doubtful accounts, depreciation, and the allocation of functional expenses.

Prior-Period Comparative Information

The financial statements include certain prior-period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources with an original maturity of three months or less when purchased.

From time to time, cash balances may exceed federally insured limits. The Foundation has not experienced any previous losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Unconditional promises to give (pledges) are recorded as receivables and contributions, distinguishing between contributions received for each net asset class in accordance with donor-imposed restrictions. Conditional pledges are recorded when such conditions have been satisfied. The Foundation expects to collect on all pledges receivable. Receivables expected to be collected in more than 12 months are recorded at the net present value of the estimated future cash flows, when such discount is determined to be material. The Foundation uses an interest rate of 4.285% to compute the discount on multi-year pledges.

Pledges receivable are stated at the amount management expects to collect from outstanding balances and are all due within one year. Management provides for probable uncollectible amounts through a charge to uncollectible receivables expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. As of December 31, 2022 and 2021, there is no allowance for uncollectible pledges receivable as management has determined all pledges to be collectible.

Inventories, net

Inventories are carried at the lower of cost (determined on average cost basis) or net realizable value. Inventories consist of merchandise acquired for resale in the Foundation’s museum store.

The Foundation records an inventory reserve for inventory of bound and paperback books and other miscellaneous merchandise based on estimated sales of these items for the upcoming year. The reserve amounts for the years ending December 31, 2022 and 2021 amounted to $325,238 and $339,805, respectively.

Property and Equipment

Property and equipment is stated at cost, if purchased, or at fair value at the date of the gift, if donated and material. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such restrictions, contributions of property and equipment are recorded as increases to net assets without donor restrictions.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Depreciation has been recorded using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years. The cost of property and equipment purchased in excess of $1,000 is capitalized. Repairs, maintenance and minor acquisitions are expensed as incurred, and the Foundation uses the direct expensing method to account for planned major maintenance activities.

Long-Lived Assets

The Foundation evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated value. No such impairment losses have been recognized during the year ended December 31, 2022.

Intangible Assets

Intangible assets included on the statements of financial position include films and videos developed for the Museum Exhibits, a Multi-Lingual App for self-guided tours of the Museum Exhibits, and registered trademarks. Intangible assets that have a finite useful life are amortized over their useful life of five years. Intangible assets subject to amortization are reviewed for potential impairment whenever events or circumstances indicate carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually. As of December 31, 2022, the Foundation does not believe these intangible assets to be impaired.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable market values and all investments in debt securities are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is temporarily or permanently restricted by donor restrictions or by law.

Investments in marketable securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of financial position.

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and Section 23701(d) of the California Tax Code. Consequently, the accompanying financial statements do not reflect any provision for income taxes. Contributions to the Foundation are deductible for tax purposes under Section 170(c)(2) of the IRC. The Foundation is not a private foundation. The museum store, however, has certain revenue which is unrelated to the Nixon Foundation's exempt purpose that is subject to the unrelated business income tax provisions of IRC Section 512. The Foundation has no unrelated business income tax for the years ended December 31, 2022 and 2021.

The Foundation evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will, more likely than not, be sustained upon examination. As of December 31, 2022, management does not believe the Foundation has any uncertain tax positions requiring accrual or disclosure. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Grants Payable

The Foundation records grants payable at the date the Foundation has unconditionally promised to transfer the promised asset to other organizations in a future period. As of December 31, 2022, all of the grants payable are due to one organization. Grants payable to be paid over a period of more than one year are discounted using a risk free rate applicable at the time the grant is awarded, which was 4.6%.

Fair Value Measurements and Disclosures

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. As a basis for considering market-participant assumptions in fair market value measurements, GAAP establishes a fair value hierarchy that distinguishes between market-participant assumptions. This is based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market-participant assumptions (unobservable inputs classified within level 3 of the hierarchy).

Level 1 Inputs utilize quoted prices in active markets for identical assets or liabilities that are able to be accessed.

Level 2 Inputs utilize data other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly, and may 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; and
- inputs and data that are derived from, or corroborated by, observable market data at commonly quoted intervals or by other means.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fair Value Measurements and Disclosures (Continued)

Level 3 Inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value measurements within the fair value hierarchy are based on the lowest level of any input that is significant to the measurement of a particular asset or liability. Valuations will maximize the use of observable inputs and minimize the use of unobservable inputs.

Contributions

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenue when the pledge or contribution is received. The Foundation reports unconditional contributions as restricted support if they are received with donor restrictions that limit the use of the donated assets. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises at December 31, 2022.

Revenue and Revenue Recognition

The Foundation recognizes revenue when control of the promised goods or services is transferred in an amount that reflects the consideration the Foundation expects to be entitled in exchange for those goods and services. The Foundation has multiple revenue sources that are accounted for as exchange transactions, including admissions, membership fees, facility fees, and other revenue.

The Foundation recognizes revenue from ticket sales at the time of admission. Revenue from special events is recognized when the activities are held.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Foundation recognizes the exchange portion of membership dues and the contribution portion as performance obligations are satisfied which can last between one to two years.

Revenue from facility rentals is recognized as performance obligations are satisfied.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

The Foundation receives revenue for certain auxiliary services, such as the renting of its facilities and gift shop sales. Revenue for such auxiliary services is shown net of expenses incurred in the performance of such services in the statement of activities as follows:

	Facility Rentals	Gift Shop
Revenue	$ 1,944,860	$ 370,376
Expenses	(450,586)	(198,442)
Net income	$ 1,494,274	$ 171,934

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense, which includes promotion of library programs, is reported as fundraising expense and program services expense. Advertising costs for the years ended December 31, 2022 and 2021, amounted to $386,413 and $237,178, respectively.

Functional Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and changes in net assets and the statement of functional expenses. Accordingly, certain costs have been allocated on a consistent basis among the program services and supporting services benefited. Significant expenses that are allocated include the following:

Expense	Method of Allocation
Payroll expenses	Time and effort
Contractual services	Time and effort
Depreciation expense	Square footage

NOTE 1 – Summary of Significant Accounting Policies (Continued)

National Archives and Records Administration

In July 2007, the Foundation finalized the Occupancy Agreement (the "Agreement") with the National Archives and Records Administration (NARA) to display Presidential materials generated during President Nixon's tenure in office. Pursuant to the Agreement, the Foundation granted to NARA exclusive rights and access to the use of certain physical properties and equipment of the Foundation. Accordingly, the Foundation donated to the United States, the rights, title and any interest it may have in certain exhibits located in the museum exhibition galleries of the Library. It was also agreed upon that NARA provide security for the entire site and that NARA and the Foundation jointly share in maintenance and utility costs equal to the percentage of the overall square footage of the building that they occupy. In addition, the Foundation shares approximately 50% of admission revenue with NARA, as calculated under the terms of the Agreement. During the year ended December 31, 2022, $230,189 was remitted to NARA in accordance with the terms of the Agreement.

Recently Adopted Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (*Topic* 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. Additionally, the standard requires a not-for-profit to disclose a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets and additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The ASU is effective for annual reporting periods beginning after June 15, 2021. The Foundation adopted the standard during the year ended December 31, 2022.

Recently Issued Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, Financial Instruments: Credit Losses (ASU 2016-13), which changes the impairment model for most financial instruments, including trade receivables from an incurred loss method to a new forward-looking approach, based on expected losses. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information and reasonable and supportable forecasts. This ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the potential impact that the adoption of ASU 2016-13 will have on the financial statements.

NOTE 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date December 31, 2022, comprise the following:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 5,513,758	$ 1,487,179
Pledges and other receivables, net	14,585,206	42,006
Investments	40,050,197	49,735,568
	60,149,161	51,264,753
Less those unavailable for general expenditure within one year:		
Purpose-restricted funds	(1,071,103)	(825,078)
Unexpended capital campaign funds	(19,156,630)	-
Rebozo trust	(26,378,637)	(32,880,737)
Perpetual General & Rebozo Endowment	(11,270,057)	(13,501,080)
	$ 2,272,734	$ 4,057,858

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Foundation has an unused committed line of credit with a capacity of $2,000,000, which it could draw upon. Furthermore, the Foundation anticipates releasing between 3 – 4% of the Rebozo Trust Endowment in the next 12 months for general expenditures which had a balance of $26,378,637 as of December 31, 2022. In addition, the Foundation is permitted to use the investment earnings on the Perpetual General & Rebozo Endowment for general expenditures which had a balance of $11,270,057 as of December 31, 2022.

NOTE 3 – Pledges Receivable, net

Pledges receivable are expected to be collected as follows:

	December 31, 2022	December 31, 2021
Amounts due in:		
One year	$ 5,160,000	$ 15,143
Two to 5 years	10,030,000	25,000
More than 5 years	-	5,000
	15,190,000	45,143
Present value discount	(604,794)	(3,137)
Allowance for doubtful accounts	-	-
	(604,794)	(3,137)
Pledge receivable, net	$ 14,585,206	$ 42,006

There was no allowance for doubtful accounts deemed necessary by management at December 31, 2022 and 2021 as all items were expected to be collected in full.

NOTE 4 – Investments

The following schedule summarizes investments, which are carried at fair value:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Fixed Income & Equity Mutual Funds	$ 30,898,289	$ 32,516,525	$ 20,083,694	$ 35,923,547
Stocks	-	-	1,759,236	2,741,979
Non-U.S. Securities	-	-	93,760	119,200
Alternatives	7,533,672	7,533,672	10,950,842	10,950,842
	$ 38,431,961	$ 40,050,197	$ 32,887,532	$ 49,735,568

NOTE 4 – Investments (Continued)

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022 and 2021:

	Fair Value Measurements			Total	
	Level 1	Level 2	Level 3	2022	2021
Fixed Income & Equity Mutual Funds	$32,516,525	$ -	$ -	$32,516,525	$ 35,923,547
Stocks	-	-	-	-	2,741,979
Non-U.S. Securities	-	-	-	-	119,200
Alternatives	-	-	7,533,672	7,533,672	10,950,842
	$32,516,525	$ -	$ 7,533,672	$40,050,197	$ 49,735,568

Investment gains and losses consisted of the following for the year ended December 31, 2022:

Dividends and interest	$ 1,036,409
Unrealized gains on investments	(8,850,496)
Realized gains on sales of investments	303,838
Investment fees	(104,888)
Net investment gain	$ (7,615,137)

NOTE 5 – Property and Equipment, net

Property and equipment consisted of the following as of December 31, 2022 and 2021:

	2022	2021
Land	$ 1,993,000	$ 1,993,000
Buildings and improvements	33,633,347	33,606,257
Displays and fixtures	3,549,770	3,559,329
Equipment	645,143	704,033
Construction in progress	1,160,189	1,064,495
	41,216,992	40,927,114
Less accumulated depreciation	(30,598,707)	(29,782,038)
Total property and equipment, net	$10,382,742	$11,145,076

NOTE 5 – Property and Equipment, net (Continued)

Total depreciation expense for the years ended December 31, 2022 and 2021 amounted to $910,720 and $1,020,103, respectively.

Construction in progress is comprised of several projects including classroom projects, film projects, and a campus expansion. The projects are expected to be placed in service through 2025.

NOTE 6 – Intangible Assets, net

Intangible assets consisted of the following as of December 31, 2022 and 2021:

	2022	2021
Film	$ 1,636,015	$ 1,636,015
Internally developed software	110,455	110,455
Trademark	145,695	143,645
Publication	14,804	14,804
	1,906,969	1,904,919
Less accumulated amortization	(1,745,348)	(1,742,472)
Total intangible assets, net	$ 161,621	$ 162,447

Total amortization expense for the years ended December 31, 2022 and 2021 amounted to $2,875 and $263,031, respectively.

NOTE 7 – Grants Payable

Grants payable are expected to be paid over the following years ending December 31:

2023	$ 180,000
2024	180,000
2025	135,000
	495,000
Less present value discount	(26,011)
	$ 468,989

NOTE 8 – Line of Credit

In May 2018, the Foundation entered into a variable rate revolving line of credit agreement with Pacific Mercantile Bank allowing for maximum borrowings of $2,000,000. The specific purpose of the line of credit is to provide working capital to the Foundation as determined necessary by management. The line of credit bears an interest rate at the WSJ Prime Rate plus 1% (8.50% at December 31, 2022) with a floor limit of 4.50%. The line is due May 31, 2024. Collateral on this line of credit includes, but is not limited to, the Foundation's inventory, fixed assets, general intangibles, and all cash and endowment accounts, including the Rebozo Trust. The line of credit is subject to certain restrictive covenants. As of December 31, 2022, the Foundation was in compliance with these covenants or has received an extension. There was no outstanding balance on this line of credit as of December 31, 2022.

NOTE 9 – Loan Payable

In May 2018, the Foundation entered into a variable rate term loan with Pacific Mercantile Bank (the Bank) in the amount of $7,625,000. The terms of the loan are a 15-year mortgage with a rate reset after the first five years, requires payments of principal and interest at 4.61% per annum for the first 60 months, at which point the interest rate becomes equal to the United States Treasury 5-Year Constant Maturity, plus a margin of 2.9%. The loan is secured by a deed of trust on The Richard Nixon Presidential Library & Museum property. The loan is subject to certain restrictive covenants. As of December 31, 2022, the Foundation is in compliance with these covenants.

Interest expense on all bank debt amounted to $322,929 and $329,244 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, the outstanding balance on this loan was $6,802,584

NOTE 9 – Loan Payable (Continued)

The maturities of the term loan for each year ending after December 31, 2022 are as follows:

Year Ending December 31,	
2023	$ 189,825
2024	189,196
2025	201,557
2026	213,562
2027	226,282
Thereafter	5,782,162
	$ 6,802,584

NOTE 10 – PPP Loan Advance

In March 2020, Congress passed the Paycheck Protection Program (PPP), authorizing loans to small businesses for use in paying employees that they continue to employ throughout the COVID-19 pandemic and for rent, utilities, and interest on mortgages. Loans obtained through the PPP are eligible to be forgiven as long as the proceeds are used for qualifying purposes and certain other conditions are met.

In April 2020, the Foundation received a loan in the amount of $600,000 through the PPP. In December 2020, the Foundation received notification from the Small Business Administration (SBA) that the loan was forgiven in full. The Foundation has recognized the forgiveness as income in the statement of activities and changes in net assets.

In January 2021, the SBA announced a second draw of Paycheck Protection Program loans for eligible entities. In January 2021, the Foundation received its second PPP loan advance in the amount of $600,000. In August 2021, the Foundation received notification from the SBA that the loan was forgiven in full. The Foundation has recognized the forgiveness as income in the statement of activities and changes in net assets.

NOTE 11 – Commitments and Contingencies

Business Risks Associated with the Impact of COVID-19

The Foundation's operations were affected by the ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The Foundation continues to actively monitor the current impacts of and responses to COVID-19 and its related risks, and continues to prepare accordingly. The continued spread of COVID-19 has affected the Foundation's fundraising efforts and ancillary revenue, which continues to have an impact on the Foundation's financial position and operating results. There is significant uncertainty as to the severity and longevity of the outbreak and management is in the process of evaluating the impact on the business and its financial statements.

NOTE 12 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, as follows:

	2021	Additions	Investment Gain/(Loss)	Releases	2022
Net Assets with Donor Restrictions					
Subject to expenditure and specified purpose					
Exhibits and seminars	$ 472,812	$ 346,211	$ -	$ (399,156)	$ 419,867
Exhibit hall	-	19,392,102	-	-	19,392,102
Blood drive	14,183	-	-	(1,030)	13,153
National energy conference	-	300,000	-	-	300,000
Cabinet room experience	312,407	-	-	-	312,407
East Room West	25,676	-	-	-	25,676
	825,078	20,038,313	-	(400,186)	20,463,205
Endowment net assets subject to spending policy					
Rebozo trust	32,880,737	-	(5,164,984)	(1,337,116)	26,378,637
	32,880,737	-	(5,164,984)	(1,337,116)	26,378,637
Total endowment net assets subject to spending policy	33,705,815	20,038,313	(5,164,984)	(1,737,302)	46,841,842
Endowment net assets restricted in perpetuity					
General endowments	13,015,143	-	-	-	13,015,143
Rebozo Trust Endowment	485,937	-	-	-	485,937
	13,501,080	-	-	-	13,501,080
Endowment net assets related to underwater investments:	-	-	(2,231,023)	-	(2,231,023)
Total endowment net assets restricted in perpetuity	13,501,080	-	(2,231,023)	-	11,270,057
Total net assets with donor restrictions	$ 47,206,895	$ 20,038,313	$ (7,396,007)	$ (1,737,302)	$ 58,111,899

NOTE 13 – Endowment Funds

The Foundation's endowment consists of funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the UPMIFA 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 restrictions to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of the subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

General Endowment

Investment and Spending Policies - The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its general endowment assets, while seeking to maintain the purchasing power of these endowment assets over the long-term. Endowment assets are invested in a well-diversified asset mix, which includes equity and mutual funds, that is intended to result in a consistent rate of return that has sufficient liquidity to make an annual distribution of all investment earnings on those endowment assets.

The Foundation has a target for appropriations for distribution each year of all of the investment earnings of those general endowment assets. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effect of inflation.

Rebozo Endowment

In May 1998, the Foundation was named as a principal beneficiary of the Charles G. Rebozo Revocable Trust (Rebozo Trust). All funds bequeathed to the Foundation from the Rebozo Trust have been placed in a designated endowment fund. Beginning in 2003 and continuing over a five-year period, 4% of the fund balance at the end of each year was authorized for release during the following year for operating expenses.

NOTE 13 – Endowment Funds (Continued)

Rebozo Endowment (Continued)

Every three years, the Designated Individuals of the Rebozo Trust (the "Designated Individuals") can vote unanimously to decide on whether to adjust the future distribution percentage but, in no event, can the Designated Individuals modify the percentage to a figure that is less than the greater of the modified percentage for such a period, or 3.0%. If for any reason there is a failure to fix a modified percentage, the percentage shall be 3.0%. For each of the years ended December 31, 2022 and 2021, the distribution percentage was 4.0%.

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

	Specific Purpose (Rebozo)	In Perpetuity (General and Rebozo)	Total Endowment Assets
Endowment net assets, December 31, 2020	$ 30,686,674	$ 13,501,080	$ 44,187,754
Investment return, net	3,442,063	1,469,946	4,912,009
Appropriations	(1,248,000)	(1,469,946)	(2,717,946)
Endowment net assets, December 31, 2021	32,880,737	13,501,080	46,381,817
Investment return, net	(5,164,984)	-	(5,164,984)
Appropriations	(1,337,116)	-	(1,337,116)
Underwater endowment	-	(2,231,023)	(2,231,023)
Endowment net assets, December 31, 2022	$ 26,378,637	$ 11,270,057	$ 37,648,694

NOTE 13 – Endowment Funds (Continued)

Funds with Deficiencies – Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level (underwater) that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions, aggregated $2,231,023 as of December 31, 2022. These deficiencies resulted from changes in market rates. The original gift amount that is required to be retained is $13,501,080. The fair market value of investments were $11,270,057 as of December 31, 2022. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions.

NOTE 14 – Retirement Plan

The Foundation has a qualified safe harbor 401(k) plan in which all employees with 250 hours of service within the first three months of employment and a minimum age of 21 years, are eligible to participate in the Plan.

The Foundation's matching contribution is 100% of contributions up to 4% of compensation. Matching contributions are determined each payroll period.

For the years ended December 31, 2022 and 2021, the Foundation's provision for the 401(k) plan totaled $67,269 and $58,929, respectively.