



# FINANCIAL STATEMENTS

## THE KOREA SOCIETY STATEMENT OF FINANCIAL POSITION

DECEMBER 31

	ASSETS	2004	2003
Cash and money market fund		\$ 1,773,016	\$ 98,914
Investments		239,310	1,370,338
Accounts receivable		23,695	32,385
Prepaid expenses		34,098	26,697
Contributions receivable - temporarily restricted		2,307,394	471,508
Contributions receivable - permanently restricted		1,074,204	—
Leasehold improvements and furniture, fixtures and equipment (net of \$242,062 and \$163,347 accumulated depreciation and amortization in 2004 and 2003, respectively)		318,570	355,132
Assets restricted for long-term purposes		7,209,859	6,509,859
Cash restricted for lease agreement		25,000	25,000
Total assets		<u>\$ 13,005,146</u>	<u>\$ 8,889,833</u>

## LIABILITIES AND NET ASSETS

Accounts payable	\$ 18,409	\$ 50,101
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## NET ASSETS

Unrestricted		
Operating	\$ 1,096,393	\$ 1,132,648
Board designated endowment	1,025,717	625,717
Total Unrestricted	<u>\$ 2,122,110</u>	<u>1,758,365</u>
Temporarily restricted	2,580,564	571,508
Permanently restricted	<u>8,284,063</u>	<u>6,509,859</u>
Total net assets	<u>12,986,737</u>	<u>8,839,732</u>
Total liabilities and net assets	<u>\$ 13,005,146</u>	<u>\$ 8,889,833</u>

**STATEMENT OF ACTIVITIES**  
(YEAR ENDED DECEMBER 31, 2004)

	2004					2003	
	UNRESTRICTED						
	BOARD						
	OPERATING	DESIGNATED ENDOWMENT	TOTAL UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	Total	Total
<b>SUPPORT AND REVENUE</b>							
Contributions	\$373,052	—	\$373,052	\$2,916,865	\$1,774,204	\$ 5,064,121	\$1,096,184
Program revenue	186,116	—	186,116	—	—	186,116	178,495
Special events	580,094	—	580,094	—	—	580,094	1,050,100
Interest, dividends and capital gains on mutual funds	212,380	—	212,380	—	—	212,380	158,130
Other	3,029	—	3,029	—	—	3,029	330
Net assets released from restrictions	907,809	—	907,809	(907,809)	—	—	—
<b>Total support and revenue</b>	<b>2,262,480</b>	<b>—</b>	<b>2,262,480</b>	<b>2,009,056</b>	<b>1,774,204</b>	<b>6,045,740</b>	<b>2,483,239</b>
<b>EXPENSES</b>							
Program services							
Contemporary issues and corporate affairs	610,011	—	610,011	—	—	610,011	374,351
Intercultural outreach program	109,787	—	109,787	—	—	109,787	179,800
Korean studies program	594,785	—	594,785	—	—	594,785	337,916
Arts	202,853	—	202,853	—	—	202,853	306,935
Publications	210,360	—	210,360	—	—	210,360	250,734
Membership	33,323	—	33,323	—	—	33,323	51,496
Development	63,934	—	63,934	—	—	63,934	100,951
<b>Total program services</b>	<b>1,825,053</b>	<b>—</b>	<b>1,825,053</b>	<b>—</b>	<b>—</b>	<b>1,825,053</b>	<b>1,602,183</b>
Direct costs of special events	152,942	—	152,942	—	—	152,942	226,205
Supporting services							
Management and general	160,085	—	160,085	—	—	160,085	127,371
Fund-raising	80,040	—	80,040	—	—	80,040	63,685
<b>Total supporting services</b>	<b>240,125</b>	<b>—</b>	<b>240,125</b>	<b>—</b>	<b>—</b>	<b>240,125</b>	<b>191,056</b>
<b>Total expenses</b>	<b>2,218,120</b>	<b>—</b>	<b>2,218,120</b>	<b>—</b>	<b>—</b>	<b>2,218,120</b>	<b>2,019,444</b>
Increase in net assets before other additions (deductions)	44,360	—	44,360	2,009,056	1,774,204	3,827,620	463,795
<b>OTHER ADDITIONS (DEDUCTIONS)</b>							
Realized (loss) on sale of investments	(24,374)	—	(24,374)	—	—	(24,374)	(51,058)
Unrealized gain on investments	343,759	—	343,759	—	—	343,759	1,125,413
Interfund transfer	(400,000)	400,000	—	—	—	—	—
<b>Increase (decrease) in net assets</b>	<b>(36,255)</b>	<b>400,000</b>	<b>363,745</b>	<b>2,009,056</b>	<b>1,774,204</b>	<b>4,147,005</b>	<b>1,538,150</b>
Net assets, beginning of year	1,132,648	625,717	1,758,365	571,508	6,509,859	8,839,732	7,301,582
Net assets, end of year	\$1,096,393	\$1,025,717	\$2,122,110	\$2,580,564	\$8,284,063	\$12,986,737	\$8,839,732



## STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31	
	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$4,147,005	\$1,538,150
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	78,715	44,434
Contribution revenue restricted for Korea Foundation endowment	(1,774,204)	(108,557)
Donated securities	(92,491)	(99,850)
Unrealized and realized (gains) losses on investments	(319,385)	(1,074,355)
(Increase) decrease in accounts receivable	8,690	(10,453)
(Increase) in prepaid expenses	(7,401)	(24,761)
(Increase) in contributions receivable –temporarily restricted	(1,835,886)	(90,529)
Increase (decrease) in accounts payable	(31,692)	23,597
(Decrease) in unearned revenue	–	(5,790)
Net cash provided by operating activities	173,351	191,886
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(208,699)	(2,453,076)
Proceeds from sale of investments	1,051,603	1,496,432
Expenditures for furniture, fixtures and equipment and leasehold improvements	(42,153)	(350,703)
Net cash provided by (used in) investing activities	800,751	(1,307,347)
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Contributions restricted for Korea Foundation endowment	700,000	600,000
Net increase (decrease) in cash and money market funds	1,674,102	(515,461)
Cash and money market funds, beginning of year	123,914	639,375
Cash and money market funds, end of year	\$ 1,798,016	\$ 123,914
<b>CONSISTS OF:</b>		
Cash		
Unrestricted	\$1,476,567	\$ 78,133
Restricted for lease agreement	25,000	25,000
Money market funds		
Unrestricted	296,449	20,781
<b>Total</b>	<b>\$1,798,016</b>	<b>\$123,914</b>

