

financial statements

THE KOREA SOCIETY STATEMENT OF FINANCIAL POSITION

DECEMBER 31

ASSETS

	2003	2002
Cash and money market fund	\$ 73,914	\$ 428,864
Investments	1,370,338	-
Accounts receivable	32,385	21,932
Prepaid expenses	26,697	1,936
Contributions receivable - temporarily restricted	471,508	380,979
Leasehold improvements and furniture, fixtures and equipment (net of \$163,347 and \$118,913 accumulated depreciation and amortization in 2003 and 2002, respectively)	355,132	48,863
Assets restricted for long-term purposes	6,509,859	6,401,302
Cash restricted for lease agreement	50,000	50,000
Total assets	<u>\$ 8,889,833</u>	<u>\$ 7,333,876</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 50,101	\$ 26,504
Unearned revenue	-	5,790
Total liabilities	<u>\$ 50,101</u>	<u>\$ 32,294</u>

NET ASSETS

Unrestricted		
Operating	\$ 1,132,648	\$ 59,060
Board designated endowment	625,717	625,717
Total Unrestricted	1,758,365	684,777
Temporarily restricted	571,508	215,503
Permanently restricted	6,509,859	6,401,302
Total net assets	<u>8,839,732</u>	<u>7,301,582</u>
Total liabilities and net assets	<u>\$ 8,889,833</u>	<u>\$ 7,333,876</u>

STATEMENT OF ACTIVITIES
(with Summarized Financial Information for the year ended December 31, 2002)

YEAR ENDED DECEMBER 31, 2003

	2003					2002	
	UNRESTRICTED						
	BOARD						
	OPERATING	DESIGNATED ENDOWMENT	TOTAL UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	Total	Total
SUPPORT AND REVENUE							
Contributions	\$ 406,622	–	\$406,622	\$ 581,005	\$ 108,557	\$ 1,096,184	\$1,470,240
Program revenue	178,495	–	178,495	–	–	178,495	273,945
Special events	1,050,100	–	1,050,100	–	–	1,050,100	518,265
Interest, dividends and capital gains on mutual funds	158,130	–	158,130	–	–	158,130	141,710
Other	330	–	330	–	–	330	4,193
Net assets released from restrictions	<u>225,000</u>	<u>–</u>	<u>225,000</u>	<u>(225,000)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total Support and Revenue	<u>2,018,677</u>	<u>–</u>	<u>2,018,677</u>	<u>(356,005)</u>	<u>108,557</u>	<u>2,483,239</u>	<u>2,408,353</u>
EXPENSES							
Program services							
Contemporary issues and Corporate affairs	374,351	–	374,351	–	–	374,351	353,112
Intercultural outreach program	179,800	–	179,800	–	–	179,800	201,549
Korean studies program	337,916	–	337,916	–	–	337,916	345,149
Arts	306,935	–	306,935	–	–	306,935	296,528
Publications	250,734	–	250,734	–	–	250,734	263,080
Membership	51,496	–	51,496	–	–	51,496	44,389
Development	<u>100,951</u>	<u>–</u>	<u>100,951</u>	<u>–</u>	<u>–</u>	<u>100,951</u>	<u>49,204</u>
Total program services	<u>1,602,183</u>	<u>–</u>	<u>1,602,183</u>	<u>–</u>	<u>–</u>	<u>1,602,183</u>	<u>1,553,011</u>
Direct costs of special events	<u>226,205</u>	<u>–</u>	<u>226,205</u>	<u>–</u>	<u>–</u>	<u>226,205</u>	<u>138,243</u>
Supporting services							
Management and general	127,371	–	127,371	–	–	127,371	109,420
Fund-raising	<u>63,685</u>	<u>–</u>	<u>63,685</u>	<u>–</u>	<u>–</u>	<u>63,685</u>	<u>52,960</u>
Total supporting services	<u>191,056</u>	<u>–</u>	<u>191,056</u>	<u>–</u>	<u>–</u>	<u>191,056</u>	<u>162,380</u>
Total expenses	<u>2,019,444</u>	<u>–</u>	<u>2,019,444</u>	<u>–</u>	<u>–</u>	<u>2,019,444</u>	<u>1,853,634</u>
Increase (decrease) in net assets before other additions (deductions)	(767)	–	(767)	356,005	108,557	463,795	554,719
OTHER ADDITIONS (DEDUCTIONS)							
Realized (loss) on sale of investments	(51,058)	–	(51,058)	–	–	(51,058)	(6,999)
Unrealized gain (loss) on investments	<u>1,125,413</u>	<u>–</u>	<u>1,125,413</u>	<u>–</u>	<u>–</u>	<u>1,125,413</u>	<u>(737,457)</u>
Increase (decrease) in net assets	1,073,588	–	1,073,588	356,005	108,557	1,538,150	(189,737)
Net assets, beginning of year	<u>59,060</u>	<u>625,717</u>	<u>684,777</u>	<u>215,503</u>	<u>6,401,302</u>	<u>7,301,582</u>	<u>7,491,319</u>
Net assets, end of year	<u>\$1,132,648</u>	<u>\$ 625,717</u>	<u>\$1,758,365</u>	<u>\$ 571,508</u>	<u>\$6,509,859</u>	<u>\$ 8,839,732</u>	<u>\$7,301,582</u>

STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets		
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	\$ 1,538,150	\$ (189,737)
Depreciation and amortization	44,434	14,598
Contribution revenue restricted for Korea foundation endowment	(108,557)	(83,414)
Donated securities	(99,850)	(115,490)
Unrealized and realized (gains) losses on investments	(1,074,355)	744,456
(Increase) accounts receivable	(10,453)	(8,307)
(Increase) decrease in prepaid expenses	(24,761)	2,068
(Increase) in contributions receivable		
–Temporarily restricted	(90,529)	(190,503)
Increase in accounts payable	23,597	7,311
(Decrease) in unearned revenue	(5,790)	(32,930)
Net cash provided by operating activities	<u>191,886</u>	<u>148,052</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,453,076)	(1,333,714)
Proceeds from sale of investments	1,496,432	108,491
Expenditures for furniture, fixtures and equipment and leasehold improvements	(350,703)	–
Net cash provided by (used in) investing activities	<u>(1,307,347)</u>	<u>(1,225,223)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Contributions restricted for Korea Foundation endowment	<u>600,000</u>	<u>600,000</u>
Net decrease in cash and money market funds	(515,461)	(477,171)
Cash and money market funds, beginning of year	<u>639,375</u>	<u>1,116,546</u>
Cash and money market funds, end of year	<u>\$ 123,914</u>	<u>\$ 639,375</u>
CONSISTS OF:		
Cash		
Unrestricted	\$ 53,133	\$ 178,914
Restricted for lease agreement	50,000	50,000
Money market fund		
Unrestricted	20,781	249,950
Restricted for long-term purpose	–	160,511
Total	<u>\$ 123,914</u>	<u>\$ 639,375</u>