

**Treasury Historical  
Association**

**Auditor's Report  
on Financial Statements**

**For the Years Ended  
December 31,  
2016 and 2015**

**Treasury Historical Association**

**Washington, D.C.**

**Established in December 1973**

**BOARD OF DIRECTORS**

|                           |                                      |
|---------------------------|--------------------------------------|
| <b>Thomas P. O'Malley</b> | <b>Chairman</b>                      |
| <b>Franklin C. Noll</b>   | <b>President</b>                     |
| <b>Gary Grippo</b>        | <b>1<sup>st</sup> Vice President</b> |
| <b>Deval Mehta</b>        | <b>2<sup>nd</sup> Vice President</b> |
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| <b>David J. Monroe</b>    | <b>Treasurer</b>                     |

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December 31, 2016 and 2015**

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Board of Directors  
Treasury Historical Association  
1500 Pennsylvania Ave., N.W.  
Washington, D.C. 20220

Independent Auditor's Report

I have audited the accompanying statement of financial position of the Treasury Historical Association (THA) as of December 31, 2016 and 2015, and the related statements of revenues and expenses, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of THA's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards of the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe this audit provides a reasonable basis for my opinion.

I did not observe the taking of physical inventories as of December 31, 2016 and 2015 (stated at \$79,853 and \$84,480 respectively). However, I was able to satisfy myself as to the inventory quantities by means of other auditing procedures.

In my opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had I been able to observe the physical inventories, the financial statements referred to above present fairly, in all material respects, the financial position of THA at December 31, 2016 and 2015, and its revenues and expenses, members' equity, and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America and consistently applied.

Eugene S. Sheskin  
Certified Public Accountant  
4805 Hornbeam Drive  
Rockville, MD 20853-1422  
(301) 929-1422

Handwritten signature of Eugene S. Sheskin, CPA in cursive script.

July 28 , 2017

**Treasury Historical Association  
Statement of Financial Position  
As of December 31, 2016 and 2015**

|  | December 31,<br><u>2016</u> | December 31,<br><u>2015</u> |
|--|-----------------------------|-----------------------------|
| <b>ASSETS</b>                            |                             |                             |
| Current Assets                           |                             |                             |
| Cash – Operating (Note 4)                | \$ 3,667                    | \$ 6,912                    |
| Savings (Note 4)                         | 1,685                       | 10,987                      |
| Money Market (Note 4)                    | <u>621</u>                  | <u>621</u>                  |
| Total Cash                               | <u>\$ 5,973</u>             | <u>\$ 18,520</u>            |
| Inventory                                |                             |                             |
| Treasury History Books (Note 6)          | \$ 47,129                   | \$ 49,647                   |
| Ornaments                                | 26,225                      | 29,192                      |
| MT Bookmarks                             | 2,791                       | 2,864                       |
| IRS Cards                                | 2,578                       | 2,628                       |
| MT Postcards & Notecards                 | <u>1,130</u>                | <u>149</u>                  |
| Total Inventory                          | <u>\$ 79,853</u>            | <u>\$ 84,480</u>            |
| Total Current Assets                     | <u>\$ 85,826</u>            | <u>\$ 103,000</u>           |
| Other Assets                             |                             |                             |
| Investment in Savings Bonds (Note 5)     | <u>\$ 101,504</u>           | <u>\$ 97,568</u>            |
| Total Assets                             | <u>\$ 187,330</u>           | <u>\$ 200,568</u>           |
| <b>LIABILITIES &amp; MEMBERS' EQUITY</b> |                             |                             |
| Current Liabilities                      |                             |                             |
| Accounts Payable                         | <u>\$ -0-</u>               | <u>\$ -0-</u>               |
| Members' Equity                          |                             |                             |
| Unrestricted Members' Equity             | \$ 160,112                  | \$ 188,597                  |
| Restricted Members' Equity               | <u>27,218</u>               | <u>11,971</u>               |
| Total Members' Equity                    | <u>\$ 187,330</u>           | <u>\$ 200,568</u>           |
| Total Liabilities & Members' Equity      | <u>\$ 187,330</u>           | <u>\$ 200,568</u>           |

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

**Treasury Historical Association  
Statement of Revenues and Expenses  
For the Years Ended December 31, 2016 and 2015**

|   | Year Ended<br>December 31,<br><u>2016</u> | Year Ended<br>December 31,<br><u>2015</u> |
|---|---|---|
| <b>Revenues</b>                               |   |   |
| Capital Development Campaign (Note 7)         | \$ 17,825                                 | \$ 22,850                                 |
| Membership Dues                               | 17,734                                    | 13,240                                    |
| Sales of Merchandise                          | 5,001                                     | 12,419                                    |
| Interest Income – Savings Bonds               | 3,936                                     | 4,244                                     |
| Donations                                     | 2,250                                     | 16,137                                    |
| Treasury History Books (Note 6)               | 1,762                                     | 1,019                                     |
| Interest Income – Operating Accounts          | <u>13</u>                                 | <u>79</u>                                 |
| Total Revenues                                | <u>\$ 48,521</u>                          | <u>\$ 69,988</u>                          |
| <b>Expenses</b>                               |   |   |
| Film Production Services                      | \$ 42,101                                 | \$ 5,500                                  |
| THA Events                                    | 3,298                                     | 3,774                                     |
| Administrative, Printing & Supplies           | 3,120                                     | 1,879                                     |
| Gifts to Treasury Department (Note 7)         | 2,500                                     | 100,000                                   |
| Contractor Services & Miscellaneous           | 2,385                                     | 2,704                                     |
| Purchase of Ornaments                         |   | 24,918                                    |
| Postage                                       | 1,433                                     | 1,382                                     |
| Recognition, Appreciation Gifts               | 972                                       | 436                                       |
| Audit & Tax Service                           | 950                                       | 800                                       |
| Capital Development, Planned Giving, Grants   | 78  | -0-                                       |
| Publicity                                     | 65  | -0-                                       |
| Purchase of Historic Items                    | 20  | 466                                       |
| Miscellaneous                                 | <u>210</u>                                | <u>-0-</u>                                |
| Total Expenses                                | \$ 57,132                                 | \$ 141,859                                |
| Net Inventory Change                          | <u>4,627</u>                              | <u>(16,743)</u>                           |
| Net Expenses                                  | <u>\$ 61,759</u>                          | <u>\$ 125,116</u>                         |
| Excess (deficiency) of Revenues over Expenses | <u>\$ (13,238)</u>                        | <u>\$ (55,128)</u>                        |

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

**Treasury Historical Association  
Statement of Members' Equity  
For the Years Ended December 31, 2016 and 2015**

|  | Year Ended<br>December 31,<br><u>2016</u> | Year Ended<br>December 31,<br><u>2015</u> |
|--|---|---|
| <b>Unrestricted Members' Equity</b>                                      |   |   |
| <u>Operating Fund</u>  |   |   |
| Balance, January 1   | \$ 188,597                                | \$ 165,821                                |
| Net Increase for CDC   | (15,247)                                  | 77,150                                    |
| Prior period adjustment  | -0-                                       | 753                                       |
| Rounding   | -0-                                       | 1   |
| Excess (deficiency) of revenue over<br>expenses for the year (Exhibit B) | <u>(13,238)</u>                           | <u>(55,128)</u>                           |
| Balance, December 31   | <u>\$ 160,112</u>                         | <u>\$ 188,597</u>                         |
| <b>Restricted Members' Equity</b>  |   |   |
| Capital Development Campaign, Jan. 1 balance                             | \$ 11,971                                 | \$ 89,121                                 |
| Net increase (decrease) in CDC for the year                              | <u>15,247</u>                             | <u>(77,150)</u>                           |
| Balance, December 31   | <u>\$ 27,218</u>                          | <u>\$ 11,971</u>                          |
| <b>Total Members' Equity</b>   | <u><b>\$ 187,330</b></u>                  | <u><b>\$ 200,568</b></u>                  |

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

**Treasury Historical Association  
Statement of Cash Flows  
For the Years Ended December 31, 2016 and 2015**

|   | Year Ended<br>December 31,<br><u>2016</u> | Year Ended<br>December 31,<br><u>2015</u> |
|---|---|---|
| Cash Flows from <b>Operating</b> Activities   |   |   |
| Excess of expenses over revenues  | \$ (13,238)                               | \$(55,128)                                |
| Adjustments to reconcile changes in net assets<br>to net cash provided by (used by) operating<br>activities |   |   |
| Inventory (increased) decreased   | 4,627                                     | (16,743)                                  |
| Rounding  | -0-                                       | 1   |
| Savings bonds (increased) decreased   | <u>(3,936)</u>                            | <u>7,168</u>                              |
| Net increase (decrease) in cash and<br>cash equivalents   | \$ (12,547)                               | \$ (64,702)                               |
| Cash and cash equivalents, January 1  | <u>18,520</u>                             | <u>83,222</u>                             |
| Cash and cash equivalents, December 31  | <u>\$ 5,973</u>                           | <u>\$ 18,520</u>                          |

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



**Treasury Historical Association  
Notes to the Financial Statements  
For the Years Ended December 31, 2016 and 2015**

**NOTE 1 – ORGANIZATION**

The Treasury Historical Association (THA) is a nonprofit charitable organization established in 1973, consisting of present and past employees of the Department of the Treasury and others interested in the furtherance of historical, scientific, educational, and interpretive endeavors of the Department. In 2016 total membership consisted of 52% “general” members, 27% “life donors”, 9% “patrons, 9% “supporting members” and 3% “life sponsors” totaling 343 members. The daily operations are performed on a voluntary basis by officers elected by the Board of Directors, who are required to prepare an annual report of the Association’s activities.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash Equivalents

In accordance with Statement of Financial Accounting Standards No. 95, “Statement of Cash Flows,” THA considers all short-term highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Revenue Recognition

THA considers contributions as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions and grants are recognized as support in accordance with their terms. The financial statements of THA have been prepared on the accrual basis of accounting for the years ended December 31, 2016 and 2015, with income recorded when earned and expenses recorded when incurred.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make entries and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Allocations

The cost of providing the various programs and other activities have been allocated among the programs and supporting services benefited based on employee or volunteer job functions.

### **NOTE 3 –INCOME TAXES**

THA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is treated as a publicly supported organization. For the years 2016 and 2015 THA filed Form 990 as an exempt organization.

### **NOTE 4 – STATEMENT OF CASH FLOWS**

THA has adopted the Financial Accounting Standards Board FAS 95, Statement of Cash Flows, as reflected in Exhibit D. This statement classifies changes in cash and cash equivalents according to operating, investing, and financing activities. THA considers cash-operating and cash-savings as meeting the definition of cash equivalents. Cash is deposited into the Treasury Department Federal Credit Union. During 2016 and 2015 three separate types of cash accounts were maintained by THA: a checking account, a savings account and money market account. The balances at December 31, 2016 and 2015 were as follows:

|                       | <u>At 12/31/16</u> | <u>At 12/31/15</u> |
|-----------------------|--------------------|--------------------|
| Operating account     | \$ 3,667           | \$ 6,912           |
| Savings accounts      | 1,685              | 10,987             |
| Money Market          | <u>621</u>         | <u>621</u>         |
| Total operating funds | <u>\$ 5,973</u>    | <u>\$ 18,520</u>   |

### **NOTE 5 – OTHER ASSETS**

Interest income is being accrued monthly on these savings bonds. One bond with proceeds of \$11,412 was cashed in 2015 to help meet operating expenses. No bonds were cashed in 2016.

### **NOTE 6 – TREASURY HISTORY BOOKS**

As of December 31, 2016 THA sold 1,001 of the "Fortress of Finance" books, with 999 still on hand. In addition, 192 "Birthplace of Bureaus" books have been sold as of 12/31/16, with 808 of these books still on hand.

### **NOTE 7 – CAPITAL DEVELOPMENT CAMPAIGN**

During 2016 THA received \$17,825 and distributed \$2,500 to the Treasury Department for restoration purposes, leaving a balance of \$27,218 in this account at 12/31/16 after fund-raising expenses of \$78. Funds in this account are considered to be "restricted" in the members' equity accounts.