

Treasury Historical Association

*Auditor's Report
on Financial Statements*

*For the Years Ended
December 31,
2017 and 2016*

Treasury Historical Association

Washington, D.C.

Established in December 1973

BOARD OF DIRECTORS

Thomas P. O'Malley

Chairman

Franklin C. Noll

President

Gary Grippo

1st Vice President

Deval Mehta

2nd Vice President

Lori Santamorena

Secretary

David J. Monroe

Treasurer

Treasury Historical Association

**Auditor's Report
On Financial Statements**

**For the Years Ended
December 31, 2017 and 2016**

C O N T E N T S

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position (Exhibit A)	2
Statement of Revenue & Expenses (Exh. B)	3
Statement of Members' Equity (Exhibit C)	4
Statement of Cash Flows (Exhibit D)	5
Notes to Financial Statements	6-7

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, 2017 and 2016, 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, 2017 and 2016 (stated at \$76,334 and \$79,853 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, 2017 and 2016, 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

Eugene S. Sheskin, CPA

October 23, 2018

**Treasury Historical Association
Statement of Financial Position
As of December 31, 2017 and 2016**

	December 31, <u>2017</u>	December 31, <u>2016</u>
ASSETS		
Current Assets		
Cash – Operating (Note 4)	\$ 6,139	\$ 3,667
Savings (Note 4)	8,928	1,685
Money Market (Note 4)	<u>621</u>	<u>621</u>
Total Cash	<u>\$ 15,688</u>	<u>\$ 5,973</u>
Inventory		
Treasury History Books (Note 6)	\$ 45,955	\$ 47,129
Ornaments	23,570	26,225
MT Bookmarks	2,763	2,791
IRS Cards	2,736	2,578
MT Notecards	<u>1,310</u>	<u>1,130</u>
Total Inventory	<u>\$ 76,334</u>	<u>\$ 79,853</u>
Total Current Assets	<u>\$ 92,022</u>	<u>\$ 85,826</u>
Other Assets		
Investment in Savings Bonds (Note 5)	<u>\$ 62,506</u>	<u>\$ 101,504</u>
Total Assets	<u>\$ 154,528</u>	<u>\$ 187,330</u>
LIABILITIES & MEMBERS' EQUITY		
Current Liabilities		
Accounts Payable	<u>\$ -0-</u>	<u>\$ -0-</u>
Members' Equity		
Unrestricted Members' Equity	\$ 127,073	\$ 160,112
Restricted Members' Equity	<u>27,455</u>	<u>27,218</u>
Total Members' Equity	<u>\$ 154,528</u>	<u>\$ 187,330</u>
Total Liabilities & Members' Equity	<u>\$ 154,528</u>	<u>\$ 187,330</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, 2017 and 2016**

	Year Ended December 31, <u>2017</u>	Year Ended December 31, <u>2016</u>
Revenues		
Membership Dues	\$ 11,820	\$ 17,734
CDC	6,401	17,825
Donations	4,416	2,250
Sales of Merchandise	3,794	5,001
Interest Income – Savings Bonds	3,276	3,736
Donations – Film Project	1,895	-0-
Treasury History Books (Note 6)	1,433	1,762
Interest Income – Operating Accounts	4	13
Other Revenue	<u>570</u>	<u>-0-</u>
Total Revenues	<u>\$ 33,609</u>	<u>\$ 48,521</u>
Expenses		
Film Production Services	\$ 34,728	\$ 42,101
Contractor Services	20,385	2,385
Administrative, Printing & Supplies	3,284	4,553
THA Events	2,406	3,298
Audit & Tax Service	925	950
Capital Development, Planned Giving, Grants	524	78
Recognition, Appreciation Gifts	167	972
Gifts to Treasury Department (Note 7)	-0-	2,500
Miscellaneous	<u>87</u>	<u>295</u>
Total Expenses	<u>\$ 62,506</u>	<u>\$ 57,132</u>
Net Inventory Change	<u>2,655</u>	<u>4,527</u>
Net Expenses	<u>\$ 65,161</u>	<u>\$ 61,757</u>
Excess (deficiency) of Revenues over Expenses	<u>\$ (31,552)</u>	<u>\$ (13,238)</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, 2017 and 2016**

	Year Ended December 31, <u>2017</u>	Year Ended December 31, <u>2016</u>
Unrestricted Members' Equity		
<u>Operating Fund</u>		
Balance, January 1	\$ 160,112	\$ 188,597
Net Increase for CDC	(237)	(15,247)
Rounding	2	
Prior period adjustment required	(1,252)	
Excess (deficiency) of revenue over expenses for the year (Exhibit B)	<u>(31,552)</u>	<u>(13,238)</u>
Balance, December 31	<u>\$ 127,073</u>	<u>\$ 160,112</u>
Restricted Members' Equity		
Capital Development Campaign, Jan. 1 balance	\$ 27,218	\$ 11,971
Net increase (decrease) in CDC for the year	<u>237</u>	<u>15,247</u>
Balance, December 31	<u>\$ 27,455</u>	<u>\$ 27,218</u>
Total Members' Equity	<u>\$ 154,528</u>	<u>\$ 187,330</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, 2017 and 2016**

	Year Ended December 31, <u>2017</u>	Year Ended December 31, <u>2016</u>
Cash Flows from Operating Activities		
Excess of expenses over revenues	\$ (31,552)	\$(13,238)
Adjustments to reconcile changes in net assets to net cash provided by (used by) operating activities		
Inventory (increased) decreased	2,655	4,627
Prior period adjustment	(388)	
Savings bonds (increased) decreased	<u>39,000</u>	<u>(3,936)</u>
Net increase (decrease) in cash and cash equivalents	\$ 9,715	\$ (12,547)
Cash and cash equivalents, January 1	<u>5,973</u>	<u>18,520</u>
Cash and cash equivalents, December 31	<u>\$ 15,688</u>	<u>\$ 5,973</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, 2017 and 2016**

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 2017 total membership consisted of 48% “general” members, 32% “life donors”, 9% “patrons and 11% “supporting members totaling 331 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, 2017 and 2016, 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 2017 and 2016 THA files 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 2017 and 2016 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, 2017 and 2016 were as follows:

	<u>At 12/31/17</u>	<u>At 12/31/16</u>
Operating account	\$ 6,139	\$ 3,667
Savings accounts	8,928	1,685
Money Market	<u>621</u>	<u>621</u>
Total operating funds	<u>\$ 15,688</u>	<u>\$ 5,973</u>

NOTE 5 – OTHER ASSETS

Interest income is being accrued monthly on these savings bonds. Bonds with face values of \$39,000 was cashed in 2017 to help meet operating expenses. No bonds were cashed in 2016.

NOTE 6 – TREASURY HISTORY BOOKS

As of December 31, 2017 THA sold 1,035 of the "Fortress of Finance" books, with 965 still on hand. In addition, 198 "Birthplace of Bureaus" books have been sold as of 12/31/17, with 802 of these books still on hand.

NOTE 7 – CAPITAL DEVELOPMENT CAMPAIGN

During 2017 THA received \$6,401 and distributed \$6,164 for CDC administrative purposes, leaving a balance of \$27,455 in this account at 12/31/17. Funds in this account are considered to be "restricted" in the members' equity accounts.