

# **Treasury Historical Association**

## **Auditor's Report on Financial Statements**

**For the Years Ended  
December 31, 2008 and 2007**

**Treasury Historical Association**

**Washington, D.C.**

**Established in December, 1973**

**BOARD OF DIRECTORS**

<b>Chairman</b>	<b>Thomas P. O'Malley</b>
<b>President</b>	<b>David J. Monroe</b>
<b>Vice President</b>	<b>Lillian N. Wright</b>
<b>Secretary</b>	<b>Lori Santamorena</b>
<b>Treasurer</b>	<b>Gary Grippo</b>

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On Financial Statements**

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Rockville, MD 20853-1422

May 6, 2009

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

Independent Auditor's Report

I have audited the accompanying statement of financial position of the Treasury Historical Association as of December 31, 2008 and 2007, 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 the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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, 2008 and 2007 (stated at \$27,567 and \$29,819 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 the Treasury Historical Association at December 31, 2008 and 2007, and its revenues and expenses, members' equity, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America and consistently applied.

*Eugene S. Sheskin*

**Treasury Historical Association  
Statement of Financial Position  
As of December 31, 2008 and 2007**

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash – Operating (Notes 4 & 5)	\$ -0-	\$ -0-
– Savings (Notes 4 - 5)	68,929	63,788
– Money Market (Notes 4-5)	<u>621</u>	<u>621</u>
Total Cash	<u>\$ 69,550</u>	<u>\$ 64,409</u>
Inventory		
Ornaments	\$ 20,977	\$ 24,985
IRS Cards	4,394	4,427
Lithography	1,040	15
MT Postcard & Notecards	388	242
Other Saleable Merchandise	<u>768</u>	<u>150</u>
Total Inventory	<u>\$ 27,567</u>	<u>\$ 29,819</u>
Total Current Assets	\$ 97,117	\$ 94,228
<b>Other Assets</b>		
Investment in Savings Bonds (Note 5)	<u>\$101,204</u>	<u>\$120,228</u>
<b>Total Assets</b>	<u>\$198,321</u>	<u>\$214,456</u>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>Members' Equity</b>		
Unrestricted Members' Equity	\$145,686	\$ 75,237
Restricted Members' Equity (Note 5)	<u>52,635</u>	<u>139,219</u>
Total Members' Equity	<u>\$198,321</u>	<u>\$214,456</u>
<b>Total Liabilities &amp; Members' Equity</b>	<u>\$198,321</u>	<u>\$214,456</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, 2008 and 2007**

	Year Ended December 31, <u>2008</u>	Year Ended December 31, <u>2007</u>
<b>Revenues</b>		
Donations	\$ 110,992	\$ 54,727
Membership Dues	7,601	19,130
Sales of Merchandise	5,855	1,888
Interest Income – Savings Bonds	3,872	4,668
Interest Income – Operating Accounts	728	47
Other Income	<u>-0-</u>	<u>96</u>
Total Revenues	<u>\$ 129,048</u>	<u>\$ 80,556</u>
<b>Expenses</b>		
Gifts to Treasury Department	\$ 105,227	\$ 198
Treasury History Book	25,973	12,800
Administrative Expenses & Supplies	4,090	2,950
Capital Development Fundraising	2,041	-0-
Contractor Services	1,607	1,432
Postage	1,012	1,063
Audit & Tax Service	500	450
Printing & Copying	266	275
Treasury Restoration Project Brochures	-0-	5,194
Other Expenses	<u>2,175</u>	<u>-0-</u>
Total Expenses	\$ 142,891	\$ 24,507
Net Inventory Change	<u>2,252</u>	<u>6,919</u>
Net Expenses	<u>\$ 145,143</u>	<u>\$ 31,426</u>
Excess (deficiency) of Revenues over Expenses	<u>\$ (16,095)</u>	<u>\$ 49,130</u>

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

Exhibit C

**Treasury Historical Association  
Statement of Members' Equity  
For the Years Ended December 31, 2008 and 2007**

	<u>Year Ended December 31, 2008</u>	<u>Year Ended December 31, 2007</u>
<b>Unrestricted Members' Equity</b>		
<u>Operating Fund</u>		
Balance, beginning of year	\$ 75,237	\$ 108,960
Transfers (to) from replacement reserves	86,544	(82,853)
Excess (deficiency) of revenue over expenses for year (Exhibit B)	<u>(16,095)</u>	<u>49,130</u>
Balance, end of year	<u>\$ 145,686</u>	<u>\$ 75,237</u>
 <b>Restricted Members' Equity</b>		
Non-saleable assets, beginning of year	\$ 47,776	\$ -0-
Add: Future gifts to U.S. Treasury Dept.	106,900	47,776
Less: Disposition of non-saleable assets	<u>(102,041)</u>	<u>-0-</u>
Non-saleable assets, end of year	\$ 52,635	\$ 47,776
Established for year (Note 7)		105,676
Paid via Operating Fund	<u>                    </u>	<u>(14,233)</u>
Established for future expenditures	<u>\$ 52,635</u>	<u>\$ 139,219</u>
<b>Total Members' Equity</b>	<u><b>\$ 198,321</b></u>	<u><b>\$ 214,456</b></u>

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

Exhibit D

**Treasury Historical Association  
Statement of Cash Flows  
For the Years Ended December 31, 2008 and 2007**

	Year Ended December 31, <u>2008</u>	Year Ended December 31, <u>2007</u>
<b>Cash Flows from Operating Activities</b>		
Excess of revenues over expenses for the year	\$ (16,095)	\$ 49,130
Adjustments to reconcile excess revenues over expenses to net cash provided by operations:		
(Increase) decrease in inventory	2,252	6,919
(Increase) decrease in savings bonds	19,024	
Accrued interest income on U.S. savings bonds		(4,669)
Prior period adjustment	<u>(40)</u>	<u>          </u>
Net cash provided by operating activities	\$ 5,141	\$ 51,380
Cash flows from investing activities	<u>-0-</u>	<u>-0-</u>
Increase (decrease) in cash for the year	\$ 5,141	\$ 51,380
Cash and cash equivalents, January 1	<u>64,409</u>	<u>13,029</u>
Cash and cash equivalents, December 31	<u>\$ 69,550</u>	<u>\$ 64,409</u>

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

**Treasury Historical Association  
Notes to Financial Statements  
For the Years Ended December 31, 2008 and 2007**

**NOTE 1 – ORGANIZATION**

The Treasury Historical Association, established in 1973, consists 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 2008 and 2007 there were approximately 300 members respectively, with half of these in the "general" category, one of seven categories of membership. While there has been an overall decline in membership since the year 2000, there was an increase in the "general" category in 2008 of 29%. Beginning in 2008, THA had fewer categories of memberships. In 2007 THA had 6 levels plus "ex officio", while in 2008 there were 4 levels plus "ex officio." The daily operations of THA 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 ACCOUNTING POLICY**

The financial statements of THA have been prepared on the accrual basis of accounting for the years ended December 31, 2008 and 2007, with income recorded when earned, and expenses recorded when incurred. Additional significant accounting policies and procedures are included in the following notes. In addition to restricted funds for the Treasury History Book (see Note 7) totaling \$17,694, funds of \$57,249 are committed for the Capital Development Campaign for various restoration projects in the Treasury Building at December 31, 2008.

**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. A District of Columbia corporation fee of \$25 was paid for the years ended December 31, 2008 and 2007. For each of these years, 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 Schedule 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. All cash is deposited into the Treasury Department Federal Credit Union. During 2008 and 2007 three separate types of cash accounts were maintained by THA: a checking account, a savings account, and certificates of deposit. The balances at December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Operating account	\$ -0-	\$ -0-
Savings accounts	68,929	63,788
Money market	<u>621</u>	<u>621</u>
Total cash at December 31	<u>\$ 69,550</u>	<u>\$ 64,409</u>

**NOTE 5 – OTHER ASSETS**

During 1992 through 1995 THA invested in United States Savings Bonds at a cost of \$60,000 with a maturity value of \$120,000. Superior interest rates on these bonds was a significant factor in this investment decision. Interest income in being accrued annually on these bonds. During 2008 THA cashed in savings bonds with a face value of \$10,000 which resulted in collection of an additional \$12,896 of interest income, most of which has been accrued in prior years.

**NOTE 6 – INVENTORY**

Portions of the purchased inventory were written off in earlier years to reflect the lesser of cost or market value of calendars for future sales. No markdown was required in 2008 or 2007. A physical inventory was taken in early January, 2009 to determine the accuracy of book inventory at December 31, 2008; no material discrepancies were noted.

**NOTE 7 – CONTRACTUAL AGREEMENT**

In December, 2001 THA entered into a contractual agreement with Pamela J. Scott to perform research, writing and preparation of material for publishers' review of the THA history book on the National Historic Landmark Treasury Building next to the White House and of the organizations that constitute the U.S. Department of the Treasury. Total cost of the contract is \$127,000.