

Treasury Historical Association

*Auditor's Report
on Financial Statements*

*For the Years Ended
December 31, 2010 and 2009*

Treasury Historical Association

Washington, D.C.

Established in December 1973

BOARD OF DIRECTORS

| | |
|---------------------------|--------------------------------------|
| Thomas P. O'Malley | Chairman |
| Gary Grippo | President |
| Franklin Noll | 1st Vice President |
| Lillian N. Wright | 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, 2010 and 2009**

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, 2010 and 2009, 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, 2010 and 2009 (stated at \$48,000 and \$24,808 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, 2010 and 2009, 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

May 13, 2011

**Treasury Historical Association
Statement of Financial Position
As of December 31, 2010 and 2009**

| ASSETS | <u>December 31, 2010</u> | <u>December 31, 2009</u> |
|--|------------------------------|------------------------------|
| Current Assets | | |
| Cash – Operating (Notes 4 & 5) | \$ -0- | \$ -0- |
| Savings (Notes 4 – 5) | 17,540 | 17,300 |
| Money Market (Notes 4-5) | <u>621</u> | <u>621</u> |
| Total Cash | <u>\$ 18,161</u> | <u>\$ 17,921</u> |
| Inventory | | |
| Treasury History Book (Note 7) | \$ 26,086 | \$ -0- |
| Ornaments | 15,837 | 18,117 |
| IRS Cards | 3,764 | 4,178 |
| Lithography | 1,639 | 1,793 |
| MT Postcards & Notecards | 624 | 707 |
| Other Saleable Merchandise | <u>50</u> | <u>13</u> |
| Total Inventory | <u>\$ 48,000</u> | <u>\$ 24,808</u> |
| Total Current Assets | \$ 66,161 | \$ 42,729 |
| Other Assets | | |
| Investment in Savings Bonds (Note 5) | <u>89,396</u> | <u>104,540</u> |
| Total Assets | <u>\$ 155,557</u> | <u>\$ 147,269</u> |
| LIABILITIES & MEMBERS' EQUITY | | |
| Current Liabilities | | |
| Accounts Payable | <u>\$ -0-</u> | <u>\$ -0-</u> |
| Members' Equity | | |
| Unrestricted Members' Equity | \$ 134,659 | \$ 126,371 |
| Restricted Members' Equity | <u>20,898</u> | <u>20,898</u> |
| Total Members' Equity | <u>\$ 155,557</u> | <u>\$ 147,269</u> |
| Total Liabilities & Members' Equity | <u>\$ 155,557</u> | <u>\$ 147,269</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, 2010 and 2009**

| | Year Ended December 31, <u>2010</u> | Year Ended December 31, <u>2009</u> |
|---|---|---|
| Revenues | | |
| Treasury History Book (Note 7) | \$ 30,245 | \$ -0- |
| Membership Dues | 10,855 | 9,290 |
| Capital Development Program | 7,742 | 24,883 |
| Interest Income – Savings Bonds | 3,456 | 3,336 |
| Sales of Merchandise | 3,155 | 4,764 |
| Donations | 2,574 | 2,928 |
| Interest Income – Operating Accounts | <u>27</u> | <u>372</u> |
| Total Revenues | <u>\$ 58,054</u> | <u>\$ 45,573</u> |
| Expenses | | |
| Treasury History Book (Note 7) | \$ 58,855 | \$ 17,269 |
| Administrative Expenses & Supplies | 6,519 | 3,718 |
| Contractor Services | 2,788 | -0- |
| Postage | 2,105 | 401 |
| Gifts to Treasury Department | 1,700 | 67,923 |
| Audit & Tax Service | 600 | 500 |
| Printing & Copying | 240 | 482 |
| Capital Development Fundraising | 151 | 929 |
| Purchases of Merchandise for Sale | -0- | 2,450 |
| Other Expenses | <u>-0-</u> | <u>195</u> |
| Total Expenses | \$ 72,958 | \$ 93,867 |
| Net Inventory Change | <u>(23,192)</u> | <u>2,759</u> |
| Net Expenses | <u>\$ 49,766</u> | <u>\$ 96,626</u> |
| Excess (deficiency) of Revenues over Expenses | <u>\$ 8,288</u> | <u>\$ (51,053)</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, 2010 and 2009**

| | Year Ended December 31, <u>2010</u> | Year Ended December 31, <u>2009</u> |
|--|---|---|
| Unrestricted Members' Equity | | |
| <u>Operating Fund</u> | | |
| Balance, January 1 | \$ 126,371 | \$ 145,686 |
| Transfers (to) from reserves | -0- | 31,738 |
| Excess (deficiency) of revenue over expenses for the year (Exhibit B) | <u>8,288</u> | <u>(51,053)</u> |
| Balance, December 31 | <u>\$ 134,659</u> | <u>\$ 126,371</u> |
| Restricted Members' Equity | | |
| Non-saleable assets, January 1 | \$ 20,898 | \$ 52,635 |
| Add: Future gifts to Treasury Department | -0- | 24,883 |
| Less: Disposition of non-saleable assets | <u>-0-</u> | <u>(56,620)</u> |
| Balance, December 31 | <u>\$ 20,898</u> | <u>\$ 20,898</u> |
| Total Members' Equity | <u>\$155,557</u> | <u>\$ 147,269</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, 2010 and 2009**

| | Year Ended December 31, <u>2010</u> | Year Ended December 31, <u>2009</u> |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Excess of expenses over revenues | \$ 8,288 | \$ (51,053) |
| Adjustments to reconcile changes in net assets to net cash provided by (used by) operating activities | | |
| Inventory (increased) decreased | (23,192) | 2,759 |
| Savings bonds (increased) decreased | 15,144 | (3,336) |
| Rounding adjustment | <u>1</u> | <u>-0-</u> |
| Net increase (decrease) in cash and cash equivalents | \$ 241 | \$ (51,630) |
| Cash and cash equivalents, January 1 | <u>17,920</u> | <u>69,550</u> |
| Cash and cash equivalents, December 31 | <u>\$ 18,161</u> | <u>\$ 17,920</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, 2010 and 2009**

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 2010 there were 323 members, consisting of 59% "general" members, 21% "life donors", 11% "supporting" members, 5% "patrons", and 4% "life sponsors". 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, 2010 and 2009, 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 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 2010 and 2009 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 2010 and 2009 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, 2010 and 2009 were as follows:

| | <u>At 12/31/10</u> | <u>At 12/31/09</u> |
|-----------------------|--------------------|--------------------|
| Operating account | \$ -0- | \$ -0- |
| Savings accounts | 17,540 | 17,300 |
| Money Market | 621 | 621 |
| Total operating funds | <u>\$ 18,161</u> | <u>\$ 17,921</u> |

NOTE 5 – OTHER ASSETS

During 1992-1995 THA invested in United States Savings Bonds at a cost of \$60,000 with a maturity value of \$120,000. Interest income is being accrued annually on these bonds. A portion of these bonds were cashed in to meet operating expenses. THA received \$18,600 for bonds in October, 2010.

NOTE 6 – INVENTORY

Physical inventories were taken after the end of each of the years 2010 and 2009. No material discrepancies were noted in either year.

NOTE 7 - CONTRACTURAL AGREEMENT

In October, 2010 THA purchased 2,000 copies of Fortress of Financial Books from DCP, Inc. (District Creative Printing, Inc.) in Upper Marlboro, MD for \$39,435. During 2010, 677 copies of these books were sold by THA.

NOTE 8 – CAPITAL DEVELOPMENT CAMPAIGN

At 12/31/10 THA had a balance of \$23,489 in the Capital Development Fund.