

# fortbend<sup>TX</sup>history

ASSOCIATION

## Financial Report

For the Years Ended  
December 31, 2018 and 2017



Fort Bend Museum



George Ranch Historical Park



DeWalt Heritage Center



Texian Time Machine



Decker Park



Fort Bend Archeological Society



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## **Independent Auditors' Report**

To the Board of Trustees  
Fort Bend History Association  
Fort Bend County, Texas

We have audited the accompanying financial statements of Fort Bend History Association (a Texas nonprofit corporation) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial

position of Fort Bend History Association as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Sanderson + Scheffer PLLC".

Stafford, Texas  
August 29, 2019

# **FINANCIAL STATEMENTS**

# Fort Bend History Association

## STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 53,945	\$ 22,438
Temporary investments	12,468	52,765
Inventories	7,768	11,031
Prepaid expenses	5,151	5,151
Deposits	120	120
<b>Restricted Assets:</b>		
Restricted cash	114,841	174,205
Restricted temporary investments	88,170	97,751
Restricted inventory	22,367	31,033
<b>Total Current Assets</b>	<u>304,830</u>	<u>394,494</u>
<b>Property and Equipment, Net</b>	<u>561,295</u>	<u>595,965</u>
<b>Total Assets</b>	<u>\$ 866,125</u>	<u>\$ 990,459</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	18,153	18,384
Accrued expenses	59,844	29,801
Unearned revenue		
<b>Total Current Liabilities</b>	<u>77,997</u>	<u>48,185</u>
<b>Total Liabilities</b>	<u>77,997</u>	<u>48,185</u>
<b>Net Assets</b>		
Unrestricted	274,279	438,293
Temporarily restricted for special projects	448,359	428,910
Permanently restricted for permanent endowments	65,490	75,071
<b>Total Net Assets</b>	<u>788,128</u>	<u>942,274</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 866,125</u>	<u>\$ 990,459</u>

# Fort Bend History Association

## STATEMENTS OF ACTIVITIES

### For the Years Ended December 31, 2018 and 2017

	2018	2017
<b>Unrestricted Net Assets Support and Revenue</b>		
Memberships	\$ 24,800	\$ 36,060
Special events	154,172	44,950
Fundraising events	99,545	180,840
Tours, sales and admissions	95,022	98,624
Investment return (loss)	1,277	6,183
(Loss) on disposal of capital assets		
Grants	93,750	165,250
Contributions	162,833	66,058
<b>Total Support and Revenue</b>	631,399	597,965
<b>Net Assets Released from Restrictions</b>		
Restrictions satisfied by payments	1,666,348	1,666,348
<b>Expenses</b>		
<b>Program Services</b>		
Conservation	10,221	20,199
Museum, exhibits and park	1,821,888	1,784,929
Events	75,103	27,471
Programs	5,079	6,344
<b>Total Program Services</b>	1,912,291	1,838,943
<b>Supporting Services</b>		
Management and general	546,846	489,381
Fundraising	2,624	44,511
<b>Total Supporting Services</b>	549,470	533,892
<b>Total Expenses</b>	2,461,761	2,372,835
<b>(Decrease) in Unrestricted Net Assets</b>	(164,014)	(108,522)
Grants	534,460	534,701
Contributions		57,331
Special events		42,107
Tours, sales and admissions	1,151,337	1,053,755
Investment return		512
Restrictions satisfied by payments	(1,666,348)	(1,666,348)
<b>Increase (Decrease) in Temporarily Rest. Net Assets</b>	19,449	22,058
Investment return (loss)	(9,581)	9,470
<b>Increase (Decrease) in Permanently Rest. Net Assets</b>	(9,581)	9,470
<b>Increase (Decrease) in Net Assets</b>	(154,146)	(76,994)
Beginning Net Assets	942,274	1,019,268
Ending Net Assets	\$ 788,128	\$ 942,274

# Fort Bend History Association

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY NET ASSET CLASS

**For the Year Ended December 31, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support, Revenue and Reclassifications</b>				
Memberships	\$ 24,800	\$	\$	\$ 24,800
Special events	154,172			154,172
Fundraising events	99,545			99,545
Tours, sales and admissions	95,022	1,151,337		1,246,359
Investment return (loss)	1,277		(9,581)	(8,304)
(Loss) on disposal of capital assets				
Grants	93,750	534,460		628,210
Contributions	162,833			162,833
Net assets released or reclassified from (to) restricted assets released from restrictions	1,666,348	(1,666,348)		
<b>Total Support, Revenue and Reclassifications</b>	<b>2,297,747</b>	<b>19,449</b>	<b>(9,581)</b>	<b>2,307,615</b>
<b>Program Services</b>				
Conservation	10,221			10,221
Museum, exhibits and park	1,821,888			1,821,888
Events	75,103			75,103
Programs	5,079			5,079
<b>Total Program Services</b>	<b>1,912,291</b>			<b>1,912,291</b>
<b>Supporting Services</b>				
Management and general	546,846			546,846
Fundraising	2,624			2,624
<b>Total Supporting Services</b>	<b>549,470</b>			<b>549,470</b>
<b>Total Expenses</b>				
	2,461,761			2,461,761
	(164,014)	19,449	(9,581)	(154,146)
	438,293	428,910	75,071	942,274
	<b>\$ 274,279</b>	<b>\$ 448,359</b>	<b>\$ 65,490</b>	<b>\$ 788,128</b>

# Fort Bend History Association

## STATEMENTS OF CASH FLOWS

### For the Years Ended December 31, 2018 and 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ (154,146)	\$ (76,994)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities</b>		
Depreciation	47,370	46,588
<b>(Increase) Decrease in:</b>		
Inventories	11,929	3,144
Prepaid expenses		3,218
<b>Increase (Decrease) in:</b>		
Accounts payable	(231)	12,608
Accrued expenses	30,043	(4,891)
Unearned revenue		(3,000)
<b>Net Cash Provided (Used) by Operating Activities</b>	(65,035)	(19,327)
<b>Cash Flows from Investing Activities</b>		
Purchases of capital assets		(11,388)
Gifted non-cash capital asset AC Unit	(6,000)	
Reclass installation labor to capitalization	(6,700)	
<b>Net Cash (Used) by Investing Activities</b>	(12,700)	(11,388)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(77,735)	(30,715)
<b>Cash and Cash Equivalents, Beginning</b>	347,159	377,874
<b>Cash and Cash Equivalents, Ending</b>	\$ 269,424	\$ 347,159
<b>Cash and Cash Equivalents at Year End:</b>		
Cash	\$ 53,945	\$ 22,438
Temporary investments	12,468	52,765
Restricted cash	114,841	174,205
Restricted temporary investments	88,170	97,751
<b>Cash and Cash Equivalents, Ending</b>	\$ 269,424	\$ 347,159

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 Organization and Activities

Fort Bend History Association (the "Association") was incorporated on May 8, 1967, pursuant to the provisions of the Texas Non-Profit Corporation Act. The Association's activities include operating the Historical Park at the George Ranch and the establishment and maintenance of a Historical Museum in Richmond, Texas, for the primary purpose of promoting the public interest in Fort Bend County. These activities include the support of programs primarily related to education and

history in Fort Bend County. The Association receives its support primarily through tours, sales, admission to the museum and ranch, grants, and special events held during the year. The Association is governed by a Board of Trustees as provided in the Association's by-laws. The Trustees have appointed an Executive Director to manage operations related to ongoing educational and historical programs.

### NOTE 2 Summary of Significant Accounting Policies

#### Basis of Presentation and Accounting

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis and, accordingly, reflect all significant receivables, payables and other liabilities.

The Association's financial statements are presented according to the Financial Accounting Standards Board Accounting Standards Codification 958 (ASC 958), formerly Statement of Financial Accounting Standards (SFAS) Number 117, Financial Statements of Not-for-Profit Organizations. Under ASC 958 and SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of activities, statement of changes in net assets, and a statement of cash flows.

#### Promises to Give

Donations are recognized when the donor makes a promise to give to the Association, which is, in substance, an unconditional promise. Donations or contributions, which are restricted by the donor, are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The interest earning on permanently restricted assets is unrestricted and is recorded to the unrestricted net assets for payments in the current year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

### **Inventories**

Inventories consist of goods purchased and held for resale to the public at the museum and at the George Ranch. Inventories are valued at the lower of cost or market on the first in, first out method at the museum and on average cost at the George Ranch.

### **Donated Materials and Services**

The Association receives various services from many volunteers to maintain the ranch, museum, and programs of the Association. No amounts have been reflected in the financial statements for these donated services. The Association pays for most services requiring specific expertise. During the years ended December 31, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

### **Property and Equipment Fund and Depreciation**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Property and Equipment are recorded as unrestricted assets. Currently, the Association does not have any assets, which have a donor-imposed restriction. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a

straight-line basis. Purchases are capitalized if they are considered capital in nature, the costs exceeds \$500, and are expected to have a useful life of greater than one year.

### **Federal Income Tax Status**

The Association is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities, if any. At December 31, 2018 and 2017, the Association has determined that no income taxes are due for such activities.

Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Additionally, contributions made to the Association qualify for the charitable contribution deduction under the provisions of the Internal Revenue Code. The Association is not a private foundation under provisions of the Internal Revenue Code.

### **Investments**

The Association has adopted FASB ASC 958-320-50-2 (formerly SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations). Under FASB ASC 958-320-50-2 (formerly SFAS No. 124), investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

### **Cash Equivalents**

For purposes of the statement of cash flows, the Association considers all short-term investments, with an original maturity of three months or less when purchased, to be cash equivalents.

### **Reclassifications**

Certain reclassifications to prior audited balances have been made to conform to current year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to any donor-imposed stipulations. The Association designates all or portions of the unrestricted net assets for planned expenditures. These designations of fund balance represent tentative plans for future use of financial resources as planned by the Board of Directors.

**Temporarily restricted net assets** - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Association or the passage of time.

**Permanently restricted net assets** - Net assets subject to donor-imposed or other legal

restrictions requiring that the principal be maintained permanently by the Association. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes.

### **Compensated Absences**

The Association has allowed employees to be compensated for unused vacation time upon separation from the Association. Under the accrual basis of accounting, such amounts are recorded as a liability at the end of the year. The vacation time has been carried over from one year to the following year for certain employees. These amounts are expected to be settled in the following year. Included in accrued liabilities at December 31, 2018 and 2017, were 32,648 and \$7,869, respectively, for accrued vacation time not paid to employees at year-end.

### **Date of Management's Review**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 29, 2019, the date that the financial statements were available to be issued.

### **Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

expenses. Actual results could differ from management's estimates.

### NOTE 3 Cash and Investments

#### Cash and Investments

Cash and investments, all of which are considered to be cash equivalents, consist of money market accounts and mutual funds at area financial

institutions, and are reported at fair value at December 31, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
<b>Cash and investments in total</b>		
Cash demand deposits and money market accounts	\$ 168,786	\$ 196,643
Investments	100,638	150,516
<b>Total Cash and Investments</b>	<u>\$ 269,424</u>	<u>\$ 347,159</u>
<b>Cash is recorded in the statement of financial position as follows:</b>		
Unrestricted cash	\$ 53,945	\$ 22,438
Restricted cash-restricted for George Ranch operations and auxiliary organizations	114,841	174,205
<b>Total Cash by classification</b>	<u>\$ 168,786</u>	<u>\$ 196,643</u>
<b>Investments are recorded in the statement of financial position as follows:</b>		
Unrestricted investments	\$ 12,468	\$ 52,765
Restricted investments	88,170	97,751
<b>Total Investments by classification</b>	<u>\$ 100,638</u>	<u>\$ 150,516</u>

Restrictions on cash relate to amounts contributed or donated, which have been restricted for auxiliary organizations.

#### Investments

The following schedule summarizes investments at December 31, 2018:

	<u>Fair Value</u>
<b>Unrestricted:</b>	
Invesco Charter Fund	\$ 12,468
<b>Temporarily Restricted:</b>	
CDARS	\$
<b>Permanently Restricted:</b>	
Invesco Equity and Income Fund	<u>\$ 88,170</u>

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

The following schedule summarizes the investment return and its classification in the

statement of activities for the year ended December 31, 2018:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Interest and dividends	\$ 1,162	\$ 115		\$ 1,277
Unrealized (losses)	(1,162)		(9,581)	(10,743)
<b>Total Investment Return (Loss)</b>	<b>\$ 0</b>	<b>\$ 115</b>	<b>\$ (9,581)</b>	<b>\$ (9,356)</b>

### NOTE 4 Property and Equipment

Purchases of land, buildings, and other property having a unit cost per established guidelines and a useful life of three or more years are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Interest expense incurred during a period of construction, less related interest income earned on proceeds of tax-exempt borrowings, is capitalized.

Depreciation is computed using the straight-line method over the estimated useful life of assets. The estimated useful life for buildings and improvements is five to fifty years and for equipment the estimated useful life is five to twenty years.

The changes in property and equipment for the year ended December 31, 2018 are as follows:

	<b>Jan. 1, 2018</b>	<b>Additions</b>	<b>Retirements</b>	<b>Dec. 31, 2018</b>
Artifacts	\$ 182,115			\$ 182,115
Land	112,275	12,700	8,503	116,472
Buildings and improvements	1,130,079		461,322	668,757
Equipment	158,103		84,120	73,983
	<u>1,582,572</u>	<u>12,700</u>	<u>553,945</u>	<u>1,041,327</u>
Accumulated depreciation	(986,607)	(47,370)	553,945	(480,032)
Net Assets	<u>\$ 595,965</u>	<u>\$ (34,670)</u>	<u>\$</u>	<u>\$ 561,295</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$47,370 and \$46,588, respectively.

### NOTE 5 Fair Value Measurements

The Association applies the provisions of ASC 820, Fair Value Measurements and Disclosures, for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value as the exchange price that would

be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that requires the

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

Association to maximize the use of observable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Association's market assumptions. The three levels of the fair value hierarchy are as follows:

**Level 1** - Quoted prices for identical assets or liabilities in active markets.

**Level 2** - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market - corroborated inputs.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are

Fair values of assets measured on a recurring basis at December 31, 2018 and 2017 are as follows:

significant to the fair value of the assets or liabilities.

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of the fair value hierarchy. In such cases, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement.

For the years ended December 31, 2018 and 2017, there were no transfers between levels.

The Association's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>December 31, 2018</b>				
Mutual funds	\$ 100,638	\$ 100,638		
Total	\$ 100,638	\$ 100,638	\$	\$
<b>December 31, 2017</b>				
Mutual funds	150,516	150,516		
Total	\$ 150,516	\$ 150,516	\$	\$

### NOTE 6 Program and Supporting Services

#### Cost Allocation.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated

among the programs and supporting services benefited.

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

### **Program and Service Categories**

The following programs and supporting services are included in the accompanying financial statements:

**Conservation** comprises activities designed to preserve and manage the Association's real and personal property.

**Museums, Exhibits, and Park** encompass the expenses incurred in the daily operations of the Fort Bend County Museum and the George Ranch Historical Park. Also included in this category are expenses incurred with site rentals of the George Ranch Historical Park.

**Events** primarily consist of expenses related to the promotion of Texian Market Days, one of the Museum Association's primary events held in the

fall and the Juneteenth Celebration held in the summer.

**Programs** include special events and classes designed to foster increased interest in the Museum Association. These programs primarily target specific audiences.

**Management and General** include costs associated with the coordination of programs, events, and personnel. Additionally, this category consists of costs associated with daily operations and the management of the financial and budgetary responsibilities of the Association.

**Fundraising** provides the structure necessary to encourage and secure private financial support from individuals, corporations, and foundations. This includes the Lone Star Stomp, which is a major fundraising activity for the Association.

### **NOTE 7    Unrestricted Net Assets**

Unrestricted net assets include unrestricted resources available for the support of educational and historical activities and exhibits. Amounts

available for future operations at December 31, 2018 and 2017, were \$274,279 and \$438,293 respectively.

### **NOTE 8    Temporarily Restricted Net Assets**

Temporarily restricted net assets include resources donated primarily through grants for specific purposes. In 2001, a grant was received in which the Museum Association acts as fiscal manager for a tourism consortium of museums. The funds for the consortium are temporarily restricted until needed for payment of consortium expenses. The other temporarily restricted assets relate to grants for specific projects managed by the Association, such as George Ranch operations, the

development of a Historical District in Richmond, restoration and maintenance of specific historical buildings, and other projects as specified by the grantors.

The total temporarily restricted net assets of the Association at December 31, 2018 and 2017 were \$448,359 and \$428,910, respectively.

# Fort Bend History Association

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 9 Permanently Restricted Net Assets**

Assets contributed in prior years, which were permanently restricted, were \$65,490. An endowment has been established for the

preservation of the historic buildings owned by the Association.

### **NOTE 10 Contingencies**

Due to the Association's activities, it is subject to various claims and litigation. In the opinion of management, the outcome of such matters will not have a material effect on the financial position

of the Association. The Association's risk management policy is to maintain adequate insurance through commercial carriers for various liability exposures.

### **NOTE 11 Concentration of Credit Risk**

The Association is subject to credit risk concentrations primarily from cash and cash equivalents and investments. The Association believes the risk of loss associated with cash and cash equivalents is very low since cash and cash equivalents are maintained in financial institutions. Deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At various times during

the years ended December 31, 2018 and 2017, the Association held cash balances in excess of FDIC insured limits. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern at this time. Investments are subject to market fluctuations that may materially affect the investments' balances.

## **SUPPLEMENTARY INFORMATION**

# Fort Bend History Association

## SCHEDULE OF FUNCTIONAL EXPENSES

**For the Year Ended December 31, 2018 with Comparative Totals for December 31, 2017**

	<u>Conservation</u>	<u>Museum, Exhibits, and Parks</u>	<u>TMD Events</u>	<u>Special Programs</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2018</u>	<u>2017</u>
<b>Salaries and Related Expenses</b>									
Salaries	\$	\$ 963,273	\$	\$	\$ 963,273	\$ 321,397	\$	\$ 1,284,670	\$ 1,247,024
Payroll taxes		76,608			76,608	23,314		99,922	100,260
Employee health and benefits		162,926			162,926	36,044		198,970	180,094
<b>Total Salaries and Related Expense</b>		<u>1,202,807</u>			<u>1,202,807</u>	<u>380,755</u>		<u>1,583,562</u>	<u>1,527,378</u>
<b>Direct Expenses</b>									
Direct costs of items sold		9,506	75,038		84,544			84,544	50,614
Cost of events, program and exhibit		300,477	65		300,542		2,624	303,166	384,144
<b>Total Direct Expenses</b>		<u>309,983</u>	<u>75,103</u>		<u>385,086</u>		<u>2,624</u>	<u>387,710</u>	<u>434,758</u>
<b>Operating Expenses</b>									
Insurance						(39,275)		(39,275)	29,389
Maintenance and repairs		60,931			60,931	2,364		63,295	56,799
Exhibit expenses	10,221				10,221			10,221	
Operating supplies		10,372			10,372			10,372	5,933
Office supplies		5,012			5,012	5,616		10,628	17,140
Auto expenses		2,559			2,559	515		3,074	1,898
Copier		10,091			10,091	4,361		14,452	10,728
Telephone		7,424			7,424	2,870		10,294	15,490
Utilities		31,185			31,185	11,231		42,416	31,901
Security		5,112			5,112	2,058		7,170	9,106
Training						4,891		4,891	4,319
Dues and subscriptions						13,852		13,852	10,502
Books and magazines									343
Postage		4			4	56,699		56,703	13,714
Marketing and advertising		153			153	5,850		6,003	47,252
Printing and newsletters		2,278			2,278			2,278	4,282
Professional fees and consultants		22,198			22,198	26,217		48,415	13,988
Other		104,409		5,079	109,488	68,842		178,330	91,327
Depreciation		47,370			47,370			47,370	46,588
<b>Total Operating Expenses</b>	<u>10,221</u>	<u>309,098</u>		<u>5,079</u>	<u>324,398</u>	<u>166,091</u>		<u>490,489</u>	<u>410,699</u>
<b>Total Expenses</b>	<u>\$ 10,221</u>	<u>\$ 1,821,888</u>	<u>\$ 75,103</u>	<u>\$ 5,079</u>	<u>\$ 1,912,291</u>	<u>\$ 546,846</u>	<u>\$ 2,624</u>	<u>\$ 2,461,761</u>	<u>\$ 2,372,835</u>

See Independent Auditors' Report