

SANTA BARBARA
HISTORICAL MUSEUM

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED

JUNE 30, 2016

SANTA BARBARA HISTORICAL MUSEUM
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INDEPENDENT AUDITORS' REPORT

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DAVID E. LEHMAN
ANDREW J. TRICERRI

To the Board of Trustees of
Santa Barbara Historical Museum

We have audited the accompanying financial statements of Santa Barbara Historical Museum (a non-profit organization)(the Organization) which comprise the statement of financial position as of June 30, 2016, the related statements of activities and of cash flows for the year then ended, and the related notes to the financial statements.

RICHARD L. HUNT
Consultant
SCOTT N. WILSON
Consultant

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 (U.S. GAAP); 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.

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

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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 Santa Barbara Historical Museum as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 25 - 26 are presented for purposes of additional analysis and are 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.

Report on Summarized Comparative Information

We have previously audited Santa Barbara Historical Museum's June 30, 2015, financial statements, and our report dated February 25, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

MacFarlane, Faletti, & Co., LLP

Santa Barbara, California
March 23, 2018

SANTA BARBARA HISTORICAL MUSEUM
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	-----Unrestricted Funds-----					Total Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted/ Endowment Funds	-----Total All Funds-----	
	Operating Fund	Designated Funds	Quasi-Endowment Funds	Capital Campaign Fund	Property Fund				2016	2015
<u>ASSETS</u>										
Cash and cash equivalents	\$ 412,449	\$ -	\$ -	\$ -	\$ -	\$ 412,449	\$ -	\$ -	\$ 412,449	\$ 634,447
Pledges receivable	80,252	-	-	-	-	80,252	-	-	80,252	12,455
Bequest receivable	-	-	27,584	-	-	27,584	-	-	27,584	27,691
Prepaid expenses and deposits	39,963	-	-	-	-	39,963	-	-	39,963	38,642
Inventory	40,966	-	-	-	-	40,966	-	-	40,966	41,085
Investments (Note 3)	-	-	1,886,289	-	-	1,886,289	-	242,842	2,129,131	2,160,738
Interest in charitable remainder trusts (Note 4)	-	-	-	-	-	-	474,029	145,876	619,905	471,927
Interest in perpetual trusts (Note 5)	-	-	-	-	-	-	-	1,939,785	1,939,785	2,011,948
Property and equipment - net (Note 6)	-	-	-	-	3,686,374	3,686,374	-	-	3,686,374	4,066,004
Historic land and buildings (Note 7)	-	-	-	-	119,197	119,197	-	-	119,197	119,197
Collections acquired since 1990	-	-	-	-	-	-	-	1,718,365	1,718,365	1,518,365
Due (to)/from other funds	(449,641)	28,410	(81,250)	57,558	19,187	(425,736)	425,736	-	-	-
Total Assets	\$ 123,989	\$ 28,410	\$ 1,832,623	\$ 57,558	\$ 3,824,758	\$ 5,867,338	\$ 899,765	\$ 4,046,868	\$ 10,813,971	\$ 11,102,499
<u>LIABILITIES AND NET ASSETS</u>										
Liabilities										
Accounts payable	\$ 28,591	\$ -	\$ -	\$ -	\$ -	\$ 28,591	\$ -	\$ -	\$ 28,591	\$ 11,084
Accrued liabilities	44,903	-	-	-	-	44,903	-	-	44,903	35,690
Total Liabilities	73,494	-	-	-	-	73,494	-	-	73,494	46,774
Net Assets										
Unrestricted	50,495	28,410	1,832,623	57,558	3,824,758	5,793,844	-	-	5,793,844	6,474,450
Temporarily restricted (Note 8)	-	-	-	-	-	-	899,765	-	899,765	795,990
Permanently restricted (Note 8)	-	-	-	-	-	-	-	4,046,868	4,046,868	3,785,285
Total Net Assets	50,495	28,410	1,832,623	57,558	3,824,758	5,793,844	899,765	4,046,868	10,740,477	11,055,725
Total Liabilities and Net Assets	\$ 123,989	\$ 28,410	\$ 1,832,623	\$ 57,558	\$ 3,824,758	\$ 5,867,338	\$ 899,765	\$ 4,046,868	\$ 10,813,971	\$ 11,102,499

See accompanying notes

SANTA BARBARA HISTORICAL MUSEUM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	-----Unrestricted Funds-----					Total Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted/ Endowment Funds	-----Total All Funds-----	
	Operating Fund	Designated Funds	Quasi-endowment Funds	Capital Campaign Fund	Property Fund				2016	2015
Support:										
Grants	\$ 126,970	\$ -	\$ -	\$ -	\$ -	\$ 126,970	\$ 180,861	\$ -	\$ 307,831	\$ 301,300
Contributions	319,932	-	-	-	-	319,932	93,849	-	413,781	485,252
Bequests	-	-	-	-	-	-	-	-	-	5,946
In-kind contributions	1,010	-	-	-	-	1,010	-	200,000	201,010	14,750
Membership	62,165	-	-	-	-	62,165	-	-	62,165	61,422
Investment income (Note 3)	-	-	(9,599)	-	-	(9,599)	-	-	(9,599)	105,845
Trust income (Note 5)	62,962	-	-	-	-	62,962	-	-	62,962	53,729
Rental income	331,256	-	-	-	-	331,256	-	-	331,256	299,804
Museum store sales	30,477	-	-	-	-	30,477	-	-	30,477	29,153
Public programs	43,498	-	-	-	-	43,498	-	-	43,498	34,895
Library fees	3,846	-	-	-	-	3,846	-	-	3,846	6,649
Draw (Note 2)	136,885	-	(136,885)	-	-	-	-	-	-	-
Change in value of charitable remainder trusts	-	-	-	-	-	-	14,232	133,746	147,978	(38,488)
Total Support	1,119,001	-	(146,484)	-	-	972,517	288,942	333,746	1,595,205	1,360,257
Net Assets Released From Restrictions:										
Released due to capital expenditure	-	-	-	-	17,281	17,281	(17,281)	-	-	-
Release due to other expenditure	167,886	-	-	-	-	167,886	(167,886)	-	-	-
	<u>1,286,887</u>	<u>-</u>	<u>(146,484)</u>	<u>-</u>	<u>17,281</u>	<u>1,157,684</u>	<u>103,775</u>	<u>333,746</u>	<u>1,595,205</u>	<u>1,360,257</u>
Expenses:										
Program services:										
Curatorial, library and museums	525,757	-	-	-	240,790	766,546	-	-	766,546	630,377
Museum and Historical House Care	63,774	-	-	-	-	63,774	-	-	63,774	68,195
Public programs	433,106	-	-	-	-	433,106	-	-	433,106	427,049
Supporting services:										
Management and general	174,557	-	-	-	30,099	204,656	-	-	204,656	188,098
Membership	77,948	-	-	-	15,049	92,998	-	-	92,998	107,803
Fundraising	213,498	-	-	-	15,049	228,547	-	-	228,547	112,326
Total Expenses	1,488,641	-	-	-	300,986	1,789,627	-	-	1,789,627	1,533,848
Excess of Support Over/(Under) Expenses										
before other changes in net assets	(201,754)	-	(146,484)	-	(283,705)	(631,943)	103,775	333,746	(194,422)	(173,591)
Other Changes in Net Assets:										
Loss on disposal of donated assets	-	-	-	-	-	-	-	-	-	-
Change in unrealized gain on investments	-	-	(48,663)	-	-	(48,663)	-	-	(48,663)	(140,505)
Change in value of perpetual trusts	-	-	-	-	-	-	-	(72,163)	(72,163)	(80,144)
Increase/(decrease) in net assets	(201,754)	-	(195,147)	-	(283,705)	(680,606)	103,775	261,583	(315,248)	(394,240)
Net Assets at Beginning of Year	252,249	28,410	2,027,770	57,558	4,108,463	6,474,450	795,990	3,785,285	11,055,725	11,449,965
Net Assets at End of Year	\$ 50,495	\$ 28,410	\$ 1,832,623	\$ 57,558	\$ 3,824,758	\$ 5,793,844	\$ 899,765	\$ 4,046,868	\$ 10,740,477	\$ 11,055,725

See accompanying notes

SANTA BARBARA HISTORICAL MUSEUM
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015
Cash Flows from Operating Activities:		
Decrease in net assets	\$ (315,248)	\$ (394,240)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	300,987	285,444
Realized loss/(gain) on sale of investments	39,687	(75,755)
Non-cash change in unrealized investment gains	48,663	140,505
Non-cash change in value of perpetual trusts	72,163	80,144
Non-cash change in charitable trusts	(147,978)	38,488
Loss on disposal of fixed assets	128,393	-
Non-cash donated artifacts	(200,000)	-
Changes in:		
Pledges receivable	(67,797)	-
Bequest receivable	107	253,087
Prepaid and other assets	(1,321)	(4,855)
Inventory	119	-
Accounts payable	17,507	(12,688)
Accrued liabilities	9,213	(1,424)
Net Cash (Used)/Provided by Operating Activities	(115,505)	308,706
Cash Flows from Investing Activities:		
Purchase of investments	(1,376,501)	(981,397)
Proceeds from sale of securities	1,432,056	1,049,968
Change in money market funds held for investment	(112,298)	6,475
Purchase of property and equipment	(49,750)	(12,785)
Net Cash (Used)/Provided by Investing Activities	(106,493)	62,261
Net (Decrease)/ Increase in Cash	(221,998)	370,967
Cash and Cash Equivalents at Beginning of Year	634,447	263,480
Cash and Cash Equivalents at End of Year	\$ 412,449	\$ 634,447

See accompanying notes

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATIONAL INFORMATION

Founded in 1932 and incorporated in 1943, the Santa Barbara Historical Museum (dba The Santa Barbara Museum) (the Museum) is a California non-profit organization dedicated to promoting an appreciation and understanding of Santa Barbara regional history and the importance of history in general. Contributions and grants from residents and foundations located in Santa Barbara County are a key source of income to the Museum.

The Santa Barbara Historical Museum has a long legacy in our community, and an enduring commitment to its mission. The Museum remains dedicated to collecting, preserving, interpreting, and exhibiting the material culture of the Santa Barbara region in all its diversity; to educating through lectures, tours, and in the classroom; and to encouraging research, scholarship, and publication of the history of the Santa Barbara community. History can guide and inspire our actions, a tool with which we can build a better tomorrow. It is that belief which inspires the Museum's motto, "building a future worth remembering."

In addition to the Museum's signature exhibition, *The Story of Santa Barbara*, the Museum hosted 4 major exhibitions: *Hidden Treasures: Staff Favorites from the Collection*, *Alexander F. Harmer: Gatherings and Celebrations*, *Stars, Snapshots and Chanel: Santa Barbara's Social Scene in the '70s & '80s* by columnist Beverley Jackson, *Spanish Colonial Style: Santa Barbara and the Architecture of James Osborne Craig and Mary McLaughlin Craig*, *Project Fiesta! Building a Complete History of Old Spanish Days*.

The Museum also created a new immersive exhibition geared toward children, entitled *The Haunted Mirror*.

Public programming included eighteen history lectures and art demonstrations, four exhibition premieres, one film screening, six walking and hiking tours, and ten continuing education sessions for the Museum's core volunteers program. Public interest topics included life in early California, conservation, architecture, art, film, agriculture and other local history topics.

The Museum provided free after-hours receptions and family friendly activities for the public during eight "First Thursdays," a collaborative art and business promotion with Downtown Santa Barbara, along with playing host to numerous like-minded non-profit organizations. Additionally, the Museum hosted two fundraisers with an education/exhibition focus.

Along with many local history articles published in the Santa Barbara Independent, the Research Department produced three issues of *Noticias*, the Museum's scholarly journal, and most notably, completed the publication, *Spanish Colonial Style: Santa Barbara and the Architecture of James Osborne Craig and Mary McLaughlin Craig*, a scholarly hardcover book with Rizzoli.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATIONAL INFORMATION (Continued)

Over 28,000 guests, including many school tours, visited the Museum to explore, attend public functions and utilize the research library in 2015-2016. Additionally, many others explored the Museum's satellite exhibits at the Historic Terminal of the Santa Barbara Airport and the transitional exhibition Healing Arts Program at Santa Barbara Cottage Hospital.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification of Funds:

The assets, liabilities and net assets of the Museum are reported in seven self-balancing fund groups as follows:

- Unrestricted:
 - Operating Fund
The operating fund represents unrestricted resources used to carry out the operations of the Museum.
 - Designated Funds
Designated funds are used to account for monies which have been earmarked for specific purposes by the Board of Trustees.
 - Quasi-Endowment Funds
Quasi-endowment funds (or funds functioning as endowment) represent otherwise spendable unrestricted funds which the Board has chosen to invest for the production of income.
 - Capital Campaign Funds
Capital campaign funds represent funds the Board has designated to apply towards the "Gift of History" capital campaign and to account for expenditures related to the campaign.
 - Property Fund
The property fund is designated to account for the acquisition of all land, buildings, equipment and capitalized artifacts of the Museum. These acquisitions are financed by restricted donations or transfers from designated or operating funds.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Temporarily Restricted Funds:

Temporarily restricted funds are used to account for contributions which have been restricted by donors to certain uses. All other restricted contributions are included in temporarily restricted net assets until the related expenditure is incurred.

- Permanently Restricted/Endowment Funds

Permanently restricted/endowment funds result from donor specifications that the funds be invested in perpetuity and that only the income from these investments be used (Note 13).

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash in bank and cash held in money market funds. Cash held by the investment custodian for the purpose of investing is classified as an investment.

Inventory

Inventory consists of books and other related materials available for sale to members, visitors, and, on occasion, the general public in the Museum's store. Inventory is valued at cost on a first-in, first-out basis.

Investments

The Museum carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position.

Land, Buildings and Equipment

Land, buildings and equipment are carried at cost or, if donated, at fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The Museum capitalizes all expenditures on land, buildings and equipment that are greater than \$1,000 and have a useful life in excess of one year.

Historic Land and Buildings

Purchased historic buildings are carried at cost. Donated land and buildings are recorded at the fair market value on the date of donation, if the value is determinable, plus restoration costs.

Historic buildings are considered inexhaustible and, therefore, are not being depreciated due to their historical value.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inexhaustible Collections

Purchased historic artifacts are capitalized when acquired. Donations of individual gifts valued in excess of \$5,000 are recorded at fair market value at the date of donation. Because the values of the collections existing as of December 31, 1990 are not readily determinable, the Museum has not capitalized them. For the year ended June 30, 2016 the Museum received as contributions 53 items for its library and several objects of historical significance, each individually valued at less than \$5,000.

The \$1,718,365 in artifacts, which have been recorded on the financial statements, represents only a very small percentage of the estimated total value of the Museum's total artifacts.

Artifacts are considered inexhaustible and, therefore, are not being depreciated due to their historical value. The Museum's artifacts are held for exhibition to the public, for educational purposes or for research, with the intent of being protected, cared for and preserved. Any proceeds from the deaccessioning of collection items will be reinvested in the acquisition of or the protection, care, and preservation of other artifacts in accordance with a policy of the Museum's Board of Trustees.

Recognition of Donor Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or designated by the Board of Trustees. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is recorded as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Draw - Operating Fund

Annually, the Board budgets an amount of investment income for designated operating activities. This amount is based upon the average balance of the previous 12 calendar quarters of the market value of invested assets managed by the Museum (See Note 13).

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program services and supporting services are generally based on direct expenditures incurred. Any expenditures not directly chargeable, such as administration salaries and depreciation, are allocated on the basis of their estimated benefit to the Museum.

Fair Value of Financial Instruments

The fair value of the current assets of the bequests receivable, prepaid expenses, and deposits and the liabilities approximate carrying value because of the short-term nature of these items. The fair value of interest in charitable remainder trusts, which is based on discounted cash flows using current interest rates, approximates the carrying value at June 30, 2016. Investments are held at estimated fair value.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Significant estimates used in preparing these financial statements include:

- Net present value of income interests in trusts as determined by using the fair market value of the investments held in the trusts
- Fair market value of assets held by charitable remainder trusts
- Net present value of future income receivable and future annuities payable by the charitable remainder trusts
- Collectability of receivables
- Lives and method of depreciating fixed assets
- Allocation of expenses by function
- Fair market value of donated collections

It is at least reasonably possible that the significant estimates used will change within the next year.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exempt Status

The Museum has been granted tax-exempt status by the Internal Revenue Service and the Franchise Tax Board under code sections 501(c) (3) and 23701d, respectively. Therefore, the Museum is only subject to income tax on unrelated business income. The Museum is not considered a private foundation. The Museum is not aware of any uncertain tax positions at year-end for any year for which the statute remains open.

Change in Presentation

Changes were made to the presentation of certain balances reported for the year ended June 30, 2015, to make them comparable to the balances reported for the year ended June 30, 2016.

NOTE 3: INVESTMENTS

Investments are stated at market value, based primarily on quoted market prices for those or similar instruments. The Trustees have engaged two investment advisory firms to manage the investments in accordance with the Museum's investment policy.

The cost and market value of investments at June 30 are as follows:

<u>2016</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation</u>
Money Market	\$ 182,573	\$ 182,573	\$ -
Mutual funds	822,693	872,009	49,316
Government securities	237,587	241,014	3,427
Corporate bonds	71,675	74,471	2,796
Common stocks	<u>694,384</u>	<u>759,064</u>	<u>64,680</u>
Total	<u>\$ 2,008,912</u>	<u>\$ 2,129,131</u>	<u>\$ 120,219</u>
Decrease in unrealized appreciation over prior year		<u>\$ (48,663)</u>	

SANTA BARBARA HISTORICAL MUSEUM
NOTES TO FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS (Continued)

<u>2015</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation</u>
Money Market	\$ 70,275	\$ 70,275	\$ -
Mutual funds	870,082	925,801	55,719
Government securities	249,567	250,299	732
Corporate bonds	74,452	75,439	987
Common stocks	<u>727,480</u>	<u>838,924</u>	<u>111,444</u>
Total	<u>\$ 1,991,856</u>	<u>\$ 2,160,738</u>	<u>\$ 168,882</u>
Decrease in unrealized appreciation over prior year		<u>\$ (140,506)</u>	

Investment income in the statement of activities includes:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Dividends and interest	\$ 54,286	\$ 55,626
Realized (loss)/gain, net, for the year	(39,687)	75,755
Less investment advisor fees	<u>(24,198)</u>	<u>(25,536)</u>
Total investment income	<u>\$ (9,599)</u>	<u>\$ 105,845</u>

NOTE 4: INTEREST IN CHARITABLE REMAINDER TRUSTS

Charitable trust agreements naming the Museum as an irrevocable beneficiary are recorded on the books of the Museum. Since the Museum is not the trustee for any of the charitable remainder trusts in which it is named as the remainderman, the trusts are recorded as a contribution and an asset equivalent to the present value of the trust assets and estimated future income net of the present value of estimated future payouts to the income beneficiaries.

Any change in subsequent years in the present value of the estimated future benefits to be received when the trust assets will be distributed is recorded in the statement of activities as a change in the value of charitable remainder trusts.

Charitable trust agreements are classified as temporarily restricted net assets unless the donor has permanently restricted the Museum's use of its interest in the asset.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 4: INTEREST IN CHARITABLE REMAINDER TRUSTS (Continued)

The assets are recorded at approximate fair market value based upon the most recent tax return filed by the trust which is available to the Museum or current values provided by the settlor to the Museum. The present value of the estimated future value of assets to be received by the Museum is calculated using the IRS annuity tables and a discount rate based on the Museum's historic rate of return currently estimated at 5%.

Additionally, the Museum has been named as a charitable beneficiary in wills and other charitable trusts; however the donors have retained the right to change charitable beneficiaries. These intentions have not been recorded as assets in these financial statements.

NOTE 5: INTEREST IN PERPETUAL TRUSTS

The Museum is the permanent income beneficiary of the Georgiana Spalding Memorial Trust. The Museum does not have possession or control of the trust, which is held and administered by an outside agent. The market value of the underlying investments held in the trust has been used to estimate the value of the trust. The fair market value of the trust at June 30, 2016, was \$819,408 and at June 30, 2015, was \$856,751. The income received from the trust was \$43,703 and \$39,057 for the years ended June 30, 2016 and 2015, respectively.

The Museum also is the permanent income beneficiary of the "Private Trust" (Santa Barbara Historical Trust Irrev TUA under Agreement). All income from the trust is paid monthly to the Museum, but no payments from the principal are allowed. Wells Fargo Bank is the trustee. The market value of the underlying investments held in the trust has been used to estimate the value of the trust. The fair market value of the trust at June 30, 2016, was \$833,314 and at June 30, 2015, was \$849,064. The income received from the trust was \$18,159 and \$14,665 for the years ended June 30, 2016 and 2015, respectively.

In 2009, the Museum became the permanent income beneficiary of the Yvonne Dibblee Donohoe Fund ("Fund"). The Santa Barbara Foundation is the trustee. The trustee shall remit annually to the Museum 4% of the value of the Fund based upon a rolling average of the market value of the Fund for the previous twelve quarters. The donor restricted expenditures for acquiring objects for the Museum's permanent collection, with preference given to objects from the de la Guerra family. The fair market value of the trust at June 30, 2016, was \$287,063 and at June 30, 2015 was \$306,133. The Museum received its first distribution in early 2010.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications, as of June 30 their value is as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 28,500	\$ 28,500
Buildings and improvement	2,319,948	2,319,948
HVAC System	2,868,343	2,868,343
Gallery fixtures	343,295	339,795
Office equipment	103,639	103,639
Vehicles	11,628	11,628
Furniture and fixtures	79,006	77,456
Software	27,974	26,174
Vault	1,317,956	1,317,956
Security system	62,277	44,452
Costume mannequins	<u>45,088</u>	<u>35,745</u>
	7,207,654	7,173,636
Less accumulated depreciation	<u>(3,858,415)</u>	<u>(3,557,428)</u>
Subtotal	3,349,239	3,616,208
Construction in progress	<u>337,135</u>	<u>449,796</u>
Property and Equipment - Net	<u>\$ 3,686,374</u>	<u>\$ 4,066,004</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$300,987 and \$285,444, respectively. The Museum is progressing with the planned upgrades to its facilities to utilize modern means to preserve its collections (Note 13). The primary project in the current year consists of renovations for the new Borein Gallery. Projects in the prior year consisted of continuing to upgrade and renovate the Covarrubias and historic adobes. The costs for these projects yet to be completed are included in Construction in Progress.

NOTE 7: HISTORIC LAND AND BUILDINGS

Historic land and buildings at June 30, 2016 and 2015 are \$119,197.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 8: NET ASSETS

Included in the Quasi-Endowment Funds are the following board designated net assets at June 30:

	<u>2016</u>	<u>2015</u>
Library fund	\$ 3,821	\$ 3,805
Book project - Craig	-	3,302
Storke Family fund	99,914	99,914
General - income is designated for:		
Gallery upgrade	174,194	174,194
General operations	<u>1,554,694</u>	<u>1,746,555</u>
Total Quasi-Endowment Funds net assets	<u>\$ 1,832,623</u>	<u>\$ 2,027,770</u>

Temporarily restricted net assets are those which have been restricted by the donor and are available for the following purposes at June 30:

	<u>2016</u>	<u>2015</u>
Library fund	\$ 4,618	\$ 4,618
Curatorial funds	19,913	3,567
Textile conservation	33,892	28,289
Borein Gallery	257,885	207,547
Borein Publication	100,000	-
Children's Hands-on Station	7,563	57,874
Directories	1,808	1,808
Personnel	57	7,922
Technology upgrade	-	24,568
Charitable remainder trusts	<u>474,029</u>	<u>459,797</u>
Total temporarily restricted net assets	<u>\$ 899,765</u>	<u>\$ 795,990</u>

Permanently Restricted/Endowment Funds consist of funds invested in perpetuity with the income to be used for the following at June 30:

	<u>2016</u>	<u>2015</u>
Education and outreach	\$ 128,034	\$ 128,034
Collections	1,718,365	1,518,365
Endowment for library	25,000	25,000
General operations	89,808	89,808
General operations - held in trust	1,939,785	2,011,948
Charitable remainder trusts	<u>145,876</u>	<u>12,130</u>
Total permanently restricted net assets	<u>\$ 4,046,868</u>	<u>\$ 3,785,285</u>

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 9: CONTRIBUTED SERVICES AND MATERIALS

A significant number of volunteers have contributed their services to the Museum. In accordance with accounting standards only those services provided by professionals have been valued and recorded in these financial statements. During the year ended June 30, 2016, board and committee members contributed approximately 1,900 hours and docents and general volunteers contributed approximately 1,900 hours.

The Museum records, at fair market value, contributions of materials and professional services for which a clearly measurable basis of valuation exists.

NOTE 10: OPERATING LEASES

The museum building is located on land leased from the County of Santa Barbara for one dollar per year until 2061, at which time a new lease can be negotiated. Under the agreement, the Museum assumes all management and control of the premises and all related costs.

NOTE 11: CONCENTRATION OF RISK

Investment Risk

The Museum derives a portion of its earnings from its investments. These investments are subject to the inherent risks of inflation, market fluctuation, volatility, and liquidity.

Geographical

The Museum's membership and donor base are largely drawn from Santa Barbara County. Visitors are both local and tourists.

Credit Risk

The Museum on occasion has more than \$250,000 on deposit with financial institutions. The Federal Deposit Insurance Corporation (FDIC) only insures the first \$250,000 of funds on deposit in an interest bearing account at any one institution. At June 30, 2016, the Museum had uninsured funds of approximately \$153,000.

Certain of the Museum's investments and cash and cash equivalents are held at two broker-dealers and are subject to Securities Investor Protection Corporation (SIPC). Under SIPC, cash and cash equivalents are insured up to \$250,000 per broker-dealer. On occasion, the Museum's cash balances exceed the insured threshold temporarily.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 12: COMMITMENTS

The Museum has entered into a \$250,000 contract for additional storage capacity as a part of the Vault Upgrade, Phase III. The Museum has undertaken a fundraising campaign to continue into the fiscal year ending 2017 to pay for these costs.

NOTE 13: DONOR AND BOARD DESIGNATED ENDOWMENTS

The Museum-maintained funds in endowments consist of several individual funds established for a variety of purposes. Its endowments include both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. Donor-restricted funds include perpetual trusts in which the Museum is named a beneficiary. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Museum has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Museum, and (7) the Museum's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Museum has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding for expansion and for programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation with a consistent inflation-protected return, which exceeds the annual distribution with acceptable levels of risk.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 13: DONOR AND BOARD DESIGNATED ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies (Continued)

Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while growing the funds if possible. Therefore, the Museum expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

Except for planned capital expenditures, the Museum has a policy of appropriating for distribution each year 5% of its endowment fund's fair value as of June 30 of the preceding fiscal year in which the distribution is planned. In establishing this policy, the Museum considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation.

On an annual basis, the Board determines an appropriate amount to be transferred from board designated funds to support operations. In determining the appropriate transfer, the board considers any deficit incurred by the Museum to run its various programs. The Board approves any draw exceeding the 5% budgeted amount. Should unrestricted donations exceed budget, the Museum will not utilize its budgeted draw in order to further the growth of the operating fund.

The Museum expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually. This is consistent with the Museum's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

The overall decrease in investments classified as temporarily restricted is for the continued planned expenditures (Note 6) for the Gallery Upgrade (Note 12) and for the capital and endowment campaign (Note 12).

Unrestricted Endowment consists of funds not available for operations or withdrawal except by board approval. The endowments include funds not managed by the Museum.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 13: DONOR AND BOARD DESIGNATED ENDOWMENTS (Continued)

Endowment net asset composition within the investments by type of fund, trusts restricted to endowment, and trusts in perpetuity as of June 30, 2016, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Donor- Restricted	\$ -	\$ -	\$ 2,328,503	\$ 2,328,503
Board- Designated	<u>1,832,623</u>	<u>-</u>	<u>-</u>	<u>1,832,623</u>
Total Endowment	<u>\$ 1,832,623</u>	<u>\$ -</u>	<u>\$ 2,328,503</u>	<u>\$ 4,161,126</u>

Endowment net assets as of June 30, 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Endowment Net Assets 6/30/2015	\$ 2,027,770	\$ -	\$ 2,266,920	\$ 4,294,690
Contributions	-	-	-	-
Investment income	(9,599)	-	-	(9,599)
Change in value of trusts	-	-	61,583	61,583
Appreciation/ (depreciation) – unrealized, net	(48,663)	-	-	(48,663)
Amounts appropriated for expenditure	<u>(136,885)</u>	<u>-</u>	<u>-</u>	<u>(136,885)</u>
Endowment Net Assets 6/30/16	<u>\$ 1,832,623</u>	<u>\$ -</u>	<u>\$ 2,328,503</u>	<u>\$ 4,161,126</u>

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 13: DONOR AND BOARD DESIGNATED ENDOWMENTS (Continued)

Endowment net asset composition within the investments by type of fund, trusts restricted to endowment, and trusts in perpetuity as of June 30, 2015, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Donor- Restricted	\$ -	\$ -	\$ 2,266,920	\$ 2,266,920
Board- Designated	<u>2,027,770</u>	<u>-</u>	<u>-</u>	<u>2,027,770</u>
Total Endowment	<u>\$ 2,027,770</u>	<u>\$ -</u>	<u>\$ 2,266,920</u>	<u>\$ 4,294,690</u>

Endowment net assets as of June 30, 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Endowment Net Assets 6/30/2014	\$ 2,167,331	\$ -	\$ 2,347,064	\$ 4,514,395
Contributions	-	-	-	-
Investment income	105,845	-	-	105,845
Change in value of trusts	-	-	(80,144)	(80,144)
Appreciation/ (depreciation) – unrealized, net	(140,506)	-	-	(140,506)
Amounts appropriated for expenditure	<u>(104,900)</u>	<u>-</u>	<u>-</u>	<u>(104,900)</u>
Endowment Net Assets 6/30/15	<u>\$ 2,027,770</u>	<u>\$ -</u>	<u>\$ 2,266,920</u>	<u>\$ 4,294,690</u>

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 14: FAIR VALUE MEASUREMENT

The Museum is subject to the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell the investment in an orderly transaction between market participants at the measurement date (i.e., the exit price). In accordance with ASU No. 2009-12, *Investment in Certain Entities that Calculate Net Asset Value per Share*, the NAV per share or its equivalent is used to fair value investments that follow the American Institute of Certified Public Accountants Guide in arriving at their reported NAV.

Using the fair value hierarchy established in ASC Topic 820, the Museum is required to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common stocks are valued at the closing price reported in the active market in which the individual securities are traded.

Government Securities and Corporate bonds are valued at the closing price in which the individual security or bond is traded.

See Notes 4 and 5 for the methods for calculating the charitable remainder trusts and perpetual trusts.

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 14: FAIR VALUE MEASUREMENT (Continued)

In determining fair value, the Museum utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The Foundation held certain assets and instruments that are required to be measured at fair value on a recurring basis at June 30, 2016:

	<u>Quoted Prices in Active Markets for Identical Asset (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Marketable securities held for trading purposes:			
Money market	\$ 182,573	\$ -	\$ -
Mutual funds			
Fixed income	368,152	-	-
Equities	503,857	-	-
Gov't securities	241,014	-	-
Corporate bonds	74,471	-	-
Common stocks	<u>759,064</u>	<u>-</u>	<u>-</u>
Securities subtotal	2,129,131	-	-
Bequests receivable	27,584	-	-
Charitable remainder and perpetual trusts	<u>-</u>	<u>-</u>	<u>2,559,690</u>
Total	<u>\$ 2,156,715</u>	<u>\$ -</u>	<u>\$ 2,559,690</u>

and at June 30, 2015:

	<u>Quoted Prices in Active Markets for Identical Asset (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Marketable securities held for trading purposes:			
Money market	\$ 70,275	\$ -	\$ -
Mutual funds			
Fixed income	390,485	-	-
Equities	535,316	-	-
Gov't securities	250,299	-	-
Corporate bonds	75,439	-	-
Common stocks	<u>838,924</u>	<u>-</u>	<u>-</u>
Securities subtotal	2,160,738	-	-
Bequests receivable	27,691	-	-
Charitable remainder and perpetual trusts	<u>-</u>	<u>1,705,815</u>	<u>778,060</u>
Total	<u>\$ 2,188,429</u>	<u>\$ 1,705,815</u>	<u>\$ 778,060</u>

SANTA BARBARA HISTORICAL MUSEUM

NOTES TO FINANCIAL STATEMENTS

NOTE 14: FAIR VALUE MEASUREMENT (Continued)

The following describes the changes in Level 3 assets from June 30, 2015, to June 30, 2016:

	<u>2016</u>		<u>2015</u>	
	<u>Investment in Perpetual Trusts</u>	<u>Charitable Remainder Trusts</u>	<u>Investment in Perpetual Trusts</u>	<u>Charitable Remainder Trusts</u>
Beginning Balances	\$ 306,133	\$ 471,927	\$ 313,570	\$ 510,415
Contribution – perpetual trusts to Level 3	1,705,815	-	-	-
Transfer from Level 3 to Level 2	-	-	-	-
Total gains/ (losses) included in changes in net assets	<u>(72,163)</u>	<u>126,245</u>	<u>(7,437)</u>	<u>(38,488)</u>
Ending Balances	<u>\$ 1,939,785</u>	<u>\$ 619,905</u>	<u>\$ 306,133</u>	<u>\$ 471,927</u>

In the current year, the perpetual trusts transferred from Level 2 to Level 3 as the Museum is not expected to receive the underlying assets by definition; there were no other significant transfers between Level 3 and Levels 1 and 2. As explained more fully in Note 5, the Museum is entitled to the income stream from the investment in perpetual trusts.

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 23, 2018, which is the date the financial statements were available to be issued pending final approval by the Board of Trustees. Management has determined no subsequent events requiring disclosure have occurred except for the following:

- In November 2016, the Museum entered into a construction contract in the amount of \$213,271 to add a new gallery. The project was completed in June 2017 for approximately \$275,000.

SUPPLEMENTAL INFORMATION

SANTA BARBARA HISTORICAL MUSEUM
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Program Services				Membership	Fundraising	2016 Total	2015 Total
	Curatorial Library & Museums	Museum & Historical House Care	Public Programs	Management & General				
Alarm and security	\$ 4,078	\$ 4,078	\$ -	\$ 906	\$ -	\$ -	\$ 9,062	\$ 7,307
Advertising and public relations	-	-	-	20,829	2,314	-	23,143	12,142
Depreciation expense	240,790	-	-	30,099	15,049	15,049	300,987	285,445
Dues and subscriptions	214	-	-	1,928	-	-	2,142	3,211
Exhibits	134,429	-	-	-	-	-	134,429	12,543
Museum store cost of sales	22,409	-	-	-	-	-	22,409	14,953
Insurance	41,183	-	468	4,212	468	468	46,799	46,046
Miscellaneous	3,577	-	119	358	7,869	-	11,922	40,661
Salaries	166,324	48,712	116,070	48,469	46,350	127,480	553,405	508,799
Personnel - benefits and taxes	28,693	9,202	21,925	9,156	8,756	23,893	101,625	125,233
Postage	128	-	128	2,303	1,097	-	3,655	1,418
Printing and photocopying	388	-	43	3,877	-	-	4,308	7,817
Outside consultants	-	-	19,682	-	-	57,698	77,380	18,985
Legal and professional fees	22,220	-	-	60,284	-	195	82,699	59,868
Photographic reproductions	8,316	-	-	-	-	-	8,316	17,620
Publication-Noticias	6,454	-	-	-	6,454	-	12,908	6,658
Public programs	-	-	274,474	-	-	-	274,474	246,561
Repairs and maintenance	36,649	-	-	12,905	1,549	516	51,619	38,658
Restoration / conservation	1,698	-	-	-	-	-	1,698	12,288
Supplies	11,784	-	142	1,703	426	142	14,196	12,539
Telephone	2,746	-	55	1,373	439	879	5,491	5,657
Travel and mileage	600	-	-	1,799	-	-	2,398	1,581
Utilities	33,867	1,782	-	4,456	2,228	2,228	44,562	47,858
Total - June 30, 2016	<u>\$ 766,546</u>	<u>\$ 63,774</u>	<u>\$ 433,106</u>	<u>\$ 204,656</u>	<u>\$ 92,998</u>	<u>\$ 228,547</u>	<u>\$ 1,789,627</u>	
Total - June 30, 2015	<u>\$ 630,377</u>	<u>\$ 68,195</u>	<u>\$ 427,049</u>	<u>\$ 188,098</u>	<u>\$ 107,803</u>	<u>\$ 112,326</u>		<u>\$ 1,533,848</u>

See accompanying notes

SANTA BARBARA HISTORICAL MUSEUM
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program Services</u>						<u>2015 Total</u>
	<u>Curatorial Library & Museums</u>	<u>Museum & Historical House Care</u>	<u>Public Programs</u>	<u>Management & General</u>	<u>Membership</u>	<u>Fundraising</u>	
Alarm and security	\$ 3,288	\$ 3,288	\$ -	\$ 731	\$ -	\$ -	\$ 7,307
Advertising and public relations	-	-	-	10,928	1,214	-	12,142
Depreciation expense	228,356	-	-	28,544	14,272	14,272	285,445
Dues and subscriptions	321	-	-	2,890	-	-	3,211
Exhibits	12,543	-	-	-	-	-	12,543
Museum store cost of sales	14,953	-	-	-	-	-	14,953
Insurance	40,520	-	460	4,145	460	460	46,046
Miscellaneous	12,198	-	407	1,220	26,836	-	40,661
Salaries	169,668	50,551	124,909	42,877	45,649	75,145	508,799
Personnel - benefits and taxes	37,088	12,442	35,417	10,554	11,236	18,496	125,233
Postage	50	-	50	893	425	-	1,418
Printing and photocopying	704	-	78	7,034	-	-	7,817
Outside Consultants	-	-	18,985	-	-	-	18,985
Legal and professional fees	-	-	-	59,725	-	143	59,868
Photographic reproductions	17,620	-	-	-	-	-	17,620
Publication-Noticias	3,329	-	-	-	3,329	-	6,658
Public programs	-	-	246,561	-	-	-	246,561
Repairs and maintenance	27,447	-	-	9,665	1,160	387	38,658
Restoration / conservation	12,288	-	-	-	-	-	12,288
Supplies	10,407	-	125	1,505	376	125	12,539
Telephone	2,828	-	57	1,415	453	905	5,657
Travel and mileage	395	-	-	1,186	-	-	1,581
Utilities	36,372	1,914	-	4,786	2,393	2,393	47,858
Total - June 30, 2015	<u>\$ 630,377</u>	<u>\$ 68,195</u>	<u>\$ 427,049</u>	<u>\$ 188,098</u>	<u>\$ 107,803</u>	<u>\$ 112,326</u>	<u>\$ 1,533,848</u>

See accompanying notes