

**ALAMO TRUST, INC.
AND
REMEMBER THE ALAMO FOUNDATION**

Consolidated Audited Financial Statements

June 30, 2021 and 2020

ADKF, P.C.
Certified Public Accountants

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
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June 30, 2021 and 2020

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Accounting Oversight Board.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alamo Trust, Inc., and Remember the Alamo Foundation
San Antonio, Texas

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Alamo Trust, Inc., and Remember the Alamo Foundation, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated audited financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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MAIN OFFICE:

8610 N. New Braunfels, STE 101
San Antonio, TX 78217

Phone: 210.829.1300
Fax: 210.829.4080

672 Ridge Hill Dr., STE B
New Braunfels, TX 78130

Phone: 830.387.4441

616 E. Blanco, STE 300e
Boerne, TX 78006

Phone: 830.815.1100



WWW.ADKF.CPA

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Alamo Trust, Inc., and Remember the Alamo Foundation as of June 30, 2021 and 2020, and the results of its consolidated activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary (consolidating) information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated 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.

ADKF, PC

ADKF, P.C.
San Antonio, Texas
October 14, 2021

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,279,090	\$ 2,134,504
Alamo Master Plan reimbursement receivable:		
City of San Antonio	291,437	1,312,174
Texas General Land Office (GLO)	-	328,131
Accounts receivable, due from GLO:		
Management contract	1,084,400	67,581
Reimbursement for operations	595,572	1,377,482
Other receivables	1,056,691	-
Prepaid expenses	49,076	15,043
Other assets	<u>1,350</u>	<u>1,500</u>
Total current assets	<u>7,357,616</u>	<u>5,236,415</u>
Property and equipment, net	<u>547,638</u>	<u>409,368</u>
Total Assets	<u><u>\$ 7,905,254</u></u>	<u><u>\$ 5,645,783</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 612,033	\$ 2,320,036
Accrued expenses	436,641	353,937
Deferred revenue	<u>159,119</u>	<u>52,555</u>
Total current liabilities	<u>1,207,793</u>	<u>2,726,528</u>
Noncurrent Liabilities:		
Due to GLO	-	44,144
GLO management contract advance	<u>2,586,289</u>	<u>-</u>
Total noncurrent liabilities	<u>2,586,289</u>	<u>44,144</u>
Total Liabilities	3,794,082	2,770,672
Net Assets:		
Without donor restrictions:		
Available for operations	4,057,437	2,763,523
Designated for programs and mission	<u>53,735</u>	<u>111,588</u>
Total net assets	<u>4,111,172</u>	<u>2,875,111</u>
Total Liabilities and Net Assets	<u><u>\$ 7,905,254</u></u>	<u><u>\$ 5,645,783</u></u>

See notes to audited consolidated financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and donations	\$ 304,164	\$ -	\$ 304,164
Membership revenue	1,390	-	1,390
Public tours	1,035,669	-	1,035,669
Rental revenues	102,173	-	102,173
Gift shop revenues	1,841,040	-	1,841,040
Management fee	1,500,000	-	1,500,000
Facilities sublease revenues	660,978	-	660,978
Paycheck Protection Program grant	993,400	-	993,400
Employee retention credit	1,054,976	-	1,054,976
State reimbursements	1,630,042	-	1,630,042
Other revenue	29,882	-	29,882
Total revenue and other support	<u>9,153,714</u>	<u>-</u>	<u>9,153,714</u>
Expenses			
Program services	6,026,045	-	6,026,045
Management and general	1,713,309	-	1,713,309
Fundraising	178,299	-	178,299
Total expenses	<u>7,917,653</u>	<u>-</u>	<u>7,917,653</u>
Change in Net Assets	1,236,061	-	1,236,061
Net assets at beginning of year	<u>2,875,111</u>	<u>-</u>	<u>2,875,111</u>
Net Assets at End of Year	<u>\$ 4,111,172</u>	<u>\$ -</u>	<u>\$ 4,111,172</u>

See notes to audited consolidated financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and donations	\$ 286,989	\$ -	\$ 286,989
Public tours	683,869	-	683,869
Rental revenues	221,903	-	221,903
Gift shop revenues	2,204,374	-	2,204,374
Management fee	3,000,000	-	3,000,000
Facilities sublease revenues	552,652	-	552,652
Paycheck Protection Program grant	951,300	-	951,300
State reimbursements	1,438,139	-	1,438,139
Other revenue	12,586	-	12,586
Total revenue and other support	<u>9,351,812</u>	<u>-</u>	<u>9,351,812</u>
Expenses			
Program services	5,519,095	-	5,519,095
Management and general	2,328,904	-	2,328,904
Fundraising	5,428	-	5,428
Total expenses	<u>7,853,427</u>	<u>-</u>	<u>7,853,427</u>
Change in Net Assets	1,498,385	-	1,498,385
Cash transfers from the GLO	518,064	-	518,064
Cash transfers to the GLO	(133,954)	-	(133,954)
Net assets at beginning of year	<u>992,616</u>	<u>-</u>	<u>992,616</u>
Net Assets at End of Year	<u><u>\$ 2,875,111</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,875,111</u></u>

See notes to audited consolidated financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 3,871,820	\$ 1,015,630	\$ 129,363	\$ 5,016,813
Insurance	500	115,434	2,450	118,384
Accounting fees	834	46,976	-	47,810
Legal and professional fees	550,995	86,999	-	637,994
Bank fees	-	2,524	-	2,524
Contract services	1,105,055	61,874	500	1,167,429
Office expenses	48,947	39,786	-	88,733
Computer expenses	80,094	210,271	2,339	292,704
Supplies	41,792	5,972	2,533	50,297
Printing expenses	13,263	44	-	13,307
Repairs and maintenance	51,989	2,248	-	54,237
Utilities	96,375	-	-	96,375
Telephone and communication	17,167	15,617	1,975	34,759
Travel and meetings	36,865	1,690	-	38,555
Dues and subscriptions	3,668	3,559	-	7,227
Equipment expenses	18,248	17,626	700	36,574
Public relations and marketing	5,566	6,364	1,569	13,499
Special projects	23,204	-	-	23,204
Fundraising and development	44,765	-	36,866	81,631
Other expenses	-	10,336	4	10,340
Collections acquisitions	14,615	51,117	-	65,732
Depreciation	283	19,242	-	19,525
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u><u>\$ 6,026,045</u></u>	<u><u>\$ 1,713,309</u></u>	<u><u>\$ 178,299</u></u>	<u><u>\$ 7,917,653</u></u>

See notes to audited consolidated financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 4,080,397	\$ 892,879	\$ -	\$ 4,973,276
Insurance	34,755	57,551	-	92,306
Accounting fees	-	49,442	-	49,442
Legal and professional fees	182,591	237,513	-	420,104
Bank fees	-	925	-	925
Contract services	610,935	88,005	-	698,940
Office expenses	43,158	3,347	-	46,505
Computer expenses	46,735	258,214	2,436	307,385
Supplies	65,905	6,130	-	72,035
Printing expenses	30,205	294	-	30,499
Repairs and maintenance	58,747	2,307	-	61,054
Utilities	108,722	-	-	108,722
Telephone and communication	18,651	15,331	-	33,982
Travel and meetings	49,330	748	-	50,078
Dues and subscriptions	2,581	5,268	-	7,849
Equipment expenses	71,914	15,210	-	87,124
Public relations and marketing	75,454	35,028	-	110,482
Special projects	26,189	-	-	26,189
Strategy and management	-	-	2,992	2,992
Other expenses	2,654	10,973	-	13,627
Collections acquisitions	10,172	-	-	10,172
Bad debt expense	-	645,784	-	645,784
Depreciation	-	3,955	-	3,955
Total Expenses	\$ 5,519,095	\$ 2,328,904	\$ 5,428	\$ 7,853,427

See notes to audited consolidated financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidated Statement of Cash Flows
Year Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 1,236,061	\$ 1,498,385
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	19,525	3,955
Bad debt expense	-	645,784
Change in operating assets and liabilities:		
Alamo Master Plan reimbursement receivables, net	1,348,868	(1,640,305)
Accounts receivable, due from GLO, net	(234,909)	(1,144,195)
Other receivables	(1,056,691)	-
Prepaid expenses and other assets	(33,883)	3,147
Accounts payable	(1,708,003)	2,145,222
Accrued expenses	82,704	91,189
Deferred revenue	106,564	(7,950)
Due to GLO	(44,144)	44,144
Net cash (used) provided by operating activities	<u>(283,908)</u>	<u>1,639,376</u>
Investing Activities		
Purchase of property and equipment	<u>(157,795)</u>	<u>(403,764)</u>
Net cash (used) by investing activities	(157,795)	(403,764)
Financing Activities		
Cash transfers from the GLO	-	518,064
Cash transfers to the GLO	-	(133,954)
GLO management contract advance	<u>2,586,289</u>	<u>-</u>
Net cash provided by financing activities	<u>2,586,289</u>	<u>384,110</u>
Net change in cash and cash equivalents	2,144,586	1,619,722
Cash and cash equivalents at beginning of year	<u>2,134,504</u>	<u>514,782</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,279,090</u>	<u>\$ 2,134,504</u>
Supplemental Disclosures		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	-	-

See notes to consolidated audited financial statements.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Alamo Trust, Inc. (“ATI”) began operations as Alamo Complex Management on July 11, 2015 with the transfer of \$533,237 in net assets from The Daughters of the Republic of Texas, the previous manager of the Alamo shrine. Under a management contract with the Texas General Land Office (GLO), ATI manages and operates the day-to-day activities of the Alamo shrine, including personnel, education, grounds, maintenance, security, events, and programming. See Note H.

Remember the Alamo Foundation (“the Foundation” or “RTAF”) began operations on July 6, 2015. The Foundation was created for charitable and educational purposes, and is committed to fundraising for the Alamo shrine, as well as the development of a long-range plan for the Alamo shrine and the adjacent property surrounding the current Alamo footprint.

Both ATI and RTAF are Texas corporations recognized as 501(c)3 tax exempt entities by the Internal Revenue Service. See *Income Taxes* below.

The consolidated financial statements include Alamo Trust, Inc., and Remember the Alamo Foundation, and are collectively referred to as “Organization”.

The Alamo Shrine: The Alamo shrine and its footprint in San Antonio is a Texas historical landmark and is owned by the citizens of the state of Texas and oversighted by the GLO.

Basis of Presentation: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles (GAAP). All significant interorganization balances and transactions have been eliminated. Net assets, revenues and support, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Contributions gifted for recurring programs and mission of the Organization generally are not considered “restricted” under GAAP, though for internal reporting both ATI and the RTAF track such contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board designated.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization’s mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition: Revenue from public tours are recognized at the time of tour (the performance obligation), generally occurring immediately after purchase. Revenues from venue rentals are recognized based on the terms of rental and usage agreements and are generally recognized on the date the venue is rented, and venue deposits are deferred until the event occurs. Revenues from annual memberships, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, which include an annual event for members. Revenues from memberships are recognized over the period covered by their membership, and the value of the event obligation is recognized at the time the event occurs.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Contributions: Contributions are reported as support and revenue as received. Such amounts are recorded as restricted support if they are received with member stipulations that limit their use. When the restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, such assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions. Contributions received with restrictions whose restrictions are met in the same reporting period are generally reported as unrestricted support. Conditional promises to give – that is those with a measurable performance or other barrier and a right of return – are not recognized until the conditions upon which they depend have been met.

Gifts of equipment and other similar assets are reported at estimated fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Functional Allocation of Expenses: The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, demand deposits and other cash accounts held by financial institutions with a maturity of three months or less.

Receivables: Account receivable are stated at outstanding principal, net of an allowance for doubtful accounts. The allowance is determined based on an account-by-account review as well as historical trends. Accounts are charged off when collection efforts have failed, and the account is deemed uncollectible. No allowance was deemed necessary for the year end June 30, 2021 and 2020. Interest is not generally charged on accounts receivable.

Property and Equipment: Furniture and equipment is stated at cost. Depreciation is recorded using the straight-line method over the estimated life of the related assets, which generally range from three to seven years. Costs incurred by ATI for the Alamo Plaza, museum and visitor center Wordimprovements including construction, architectural, design, and other costs, are capitalized as construction in progress and will be depreciated after completion.

Deferred Revenue: From time to time, The Alamo is rented as a public event venue. Public events generally require a security deposit, and such deposits are deferred and recorded as revenue when the event occurs. Deferred revenue collected for annual memberships is recognized to revenue in the period to which the memberships relate.

Advertising: Advertising (public relations and marketing) are expensed as incurred.

Income Taxes: Each entity included in this consolidation is a non-profit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and are not "private foundations;" accordingly, donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization is not subject to Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its tax returns for the last four years remain subject to examination.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Donated Services: ATI benefits from the assistance of many volunteers. In accordance with U. S. generally accepted accounting principles, the value of contributed services received are recognized if they (a) create or enhance a nonfinancial asset or (b) required specialized skills, provided by individuals possessing those skills, that would be purchased if they were not donated. Volunteer hours totaled approximately 3,000 and 6,500 for the fiscal years ended June 30, 2021 and 2020, respectively. However, since the volunteer assistance received by ATI does not meet the above criteria, a value is not assigned and recognized in these financial statements.

Retirement Plan: ATI provides a 401(k) plan (the Plan) for its full-time employees (RTAF does not employees). Employees are automatically enrolled in the Plan on the first of the month following date of hire, regardless of age or time of service. Employees may contribute up to 100% of their compensation, subject to certain limitations of the IRS. ATI contributes matching and discretionary contributions of \$184,242 and \$152,477 in 2021 and 2020, respectively.

State Reimbursements: ATI provides services under a management contract relationship with the GLO, and is therefore, considered a vendor with respect to these services. State reimbursements under the vendor relationship with the GLO is not subject to the State Single Audit requirements.

Concentrations of Credit Risk: The Organization has concentrations of credit risk with respect to its cash and cash equivalents. The Organization maintains cash deposits with major banks which, from time-to-time, may exceed federally insured limits. The Organization periodically assesses the financial condition of the institutions and believes the risk of any loss is minimal.

Use of Estimates: The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

New Accounting Pronouncements: In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management does not expect the new standard to have a significant impact to its financial position, activities and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit (topic958): *Presentation and Disclosures by Not-for Profit entities for Contributed Nonfinancial Assets* to increase the transparency of contributed non-financial assets by enhancing the presentation and disclosures. The update includes the presentation of contributed non-financial assets as a separate line item in the statement of activities while disclosing disaggregated information about the types of contributed non-financial assets, how the contribution was used and various other disclosures. The effective date is for periods beginning after June 15, 2021 with early adoption permitted. Management does not expect the new standard to have a significant impact to its financial position, activities and related disclosures.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Recently Adopted Accounting Pronouncements: The Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, regarding revenue recognition and 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, which clarified how the revenue recognition standard applied to not-for-profits. The Organization adopted these Standards effective July 1, 2019. The new Standards did not have a significant impact to its financial position, activities, and related disclosures.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 38,338	\$ 32,388
Software	139,156	3,154
Construction in progress	412,487	396,645
Total property and equipment	<u>589,981</u>	<u>432,187</u>
Less accumulated depreciation	<u>(42,343)</u>	<u>(22,819)</u>
Property and equipment, net	<u><u>\$ 547,638</u></u>	<u><u>\$ 409,368</u></u>

NOTE C – OPERATING LEASES

Equipment Lease: ATI leases office equipment from a third party. Rent expense totaled approximately \$12,000 and \$9,000 for the year ended June 30, 2021 and 2020, respectively. Future minimum rental payments are as follows:

2022	\$ 13,740
2023	13,740
2024	13,740
2025	10,560
2026	255

Alamo Plaza Grounds Sublease: Pursuant to a city ordinance, the City of San Antonio and the GLO entered into a Ground Lease and Management Agreement commencing January 1, 2019. Under this Agreement, the GLO subleases certain rights and interests of certain property in the Alamo Plaza to ATI at the nominal annual amount of \$10. The GLO may elect to terminate this sublease, with or without cause, at any time with 60 days written notice. No amount has been recognized in these financial statements as either contribution revenue or lease expense as the estimated fair value of the lease is not readily determinable.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE D – NET ASSETS DESIGNATED FOR PROGRAMS AND MISSION

Net assets designated for programs and mission include the following at June 30:

	<u>2021</u>	<u>2020</u>
Designated for programs:		
Artwork restoration	\$ 33,364	\$ 36,000
Cannon conservation	2,966	16,076
Volunteer and internship program	662	1,043
Juan Seguin statue	389	389
Fundraising	7,731	50,000
Fiesta medals	3,496	-
Farewell event	535	-
Dataloggers	4,592	-
Donated assets for fundraising	-	1,500
Ultraviolet photography	-	1,010
Mexico City research	-	2,786
Education programs	-	2,784
	<u>\$ 53,735</u>	<u>\$ 111,588</u>

NOTE E – PAYCHECK PROTECTION PROGRAM GRANT

On April 20, 2020, ATI received a \$951,300 grant from the Paycheck Protection Program (PPP) offered by the Small Business Administration (SBA). The grant proceeds were fully forgiven by the SBA; accordingly, the forgiveness is included as PPP grant revenue in the 2020 consolidated statement of activities.

On February 19, 2021, ATI received a second PPP grant in the amount of \$993,400. As of June 30, 2021, all proceeds were used for payroll costs and the grant was subsequently fully forgiven by the SBA on August 17, 2021; accordingly, the forgiveness is included as PPP grant revenue in the 2021 consolidated statement of activities.

NOTE F – EMPLOYEE RETENTION CREDIT (ERC)

In March 2021, the Internal Revenue Service (“IRS”) released Notice 2021-20, which retroactively eliminated the restriction that prevented employers who received a PPP loan from qualifying for the Employee Retention Credit (“ERC”), which is a refundable tax credit against certain employment taxes. Upon determination that the employer has complied with all of the conditions required to receive the credit, a receivable may be recognized for the ERC grant. At June 30, 2021, ATI qualified and filed to claim the ERC in the amount of \$1,054,976, which is recorded as an other receivable and ERC revenue in the consolidated statement of financial position and as revenue in the statement of activities.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE G – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

ATI's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 4,279,090
Alamo Master Plan - City of San Antonio	291,437
Accounts receivable, due from GLO	
Management contract	1,084,400
Reimbursement for operations	595,572
Other receivables	<u>1,056,691</u>
	7,307,190
GLO management contract advance	<u>(2,586,289)</u>
Total assets available for general expenditure	<u><u>\$ 4,720,901</u></u>

NOTE H – CONTRACTS WITH THE TEXAS GENERAL LAND OFFICE

Management Services Contract: On July 25, 2019, the GLO executed a Management Services Contract with ATI which assigned ATI as the provider of the day-to-day management and operations of the Alamo shrine. Through this contract ATI also agreed to engage in a statewide fundraising effort to solicit private donations to support those activities and pay for the construction of a new visitor's center building and museum in implementing the Alamo long-term plan. The term of this contract expires June 30, 2024. If ATI is in compliance with the terms and conditions of the contract, it will automatically be extended for successive five-year periods unless written notice of termination is delivered.

The GLO continues to support the Alamo long-term plan and assists ATI in funding its operations and maintenance costs. In the fiscal year ended June 30, 2020 and 2021, ATI received \$3.0 million and \$1.5 million, respectively, in management fees from the GLO under the terms of the Management Services Contract. In fiscal year 2022, the GLO is expected to provide \$1.5 million of funding towards management fees, operations, and maintenance. In addition, the GLO will fund ATI a variable amount towards expenses certified of by the GLO. Beginning September 1, 2021, the GLO will retain a maximum of \$900,000 as payment under the Management Services Contract.

Effective February 10, 2021, the GLO and ATI executed Amendment No. 1 to the original Management Services Contract. Under this amendment, the State funded an advance amount of \$2,586,289. The advance represented the February through July revenues that would normally be realized by ATI, less 10%, prior to the COVID-19 pandemic. Under the terms of the agreement, ATI will use the advance solely for the Alamo's operational expenses. ATI will return to the GLO the lesser of the actual revenues during the advance period or the advance amount as determined by the GLO, which was extended for an additional period of two years on June 28, 2021. As of June 30, 2021, no funds had been used from the advance; accordingly, the full amount is presented as a GLO management contract advance under non-current liabilities, retained for future use.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE H – CONTRACTS WITH THE TEXAS GENERAL LAND OFFICE - continued

Alamo Plaza Lease: Under a separate agreement, the GLO leases to ATI the premises in the Alamo Plaza, including the Crockett, Old Palace, and Woolworth buildings. On August 1, 2020, the lease was restated to include approximately 9,645 usable square feet in the Crockett Block, which consists generally of La Vista Terrace on the roof of the Crockett Building, certain related interior space on the third floor of the Palace Building, and seven suites on the first and second floor of the Crockett Building. The restated lease expires December 31, 2023. These premises are anticipated to be redeveloped into the Alamo Museum, in accordance with the Alamo Plan. The GLO leases these premises for \$1 per year, with an initial term of 50 years. The lease includes two options to extend the term for 25 years and 24 years consecutively. No amount has been recognized in these financial statements as either contribution revenue or lease expense as the estimated fair value of the lease is not readily determinable.

NOTE I – MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN ANTONIO

On July 31, 2019, Alamo Trust, Inc., and the City of San Antonio entered into a Memorandum of Understanding (MOU), for the purpose of memorializing the City's and Alamo Trust's agreements in connection with the Alamo Master Plan. The MOU provides assurance for the payment/reimbursement to Alamo Trust from Bond Funds for payments made under contracts related to work associated with the Alamo Master Plan. The MOU remains in effect until January 1, 2024, or until termination of the Cooperative Agreement by Alamo Trust, or until termination of the Lease Agreement, whichever event occurs first.

NOTE J – CONTINGENCIES

The Organization is occasionally involved in litigation, claims and assessments arising in the normal course of business. Although as of the date of this report the Organization is involved in several suits and claims, Management does not believe any such matters will have a material impact on its financial condition.

NOTE K – COVID-19

The COVID-19 outbreak (pandemic) has had far reaching and unpredictable impacts on the global economy, supply chains, financial markets, and global business operations of a variety of industries. Governments have taken substantial action to contain the spread of the virus including mandating social distancing, suspension of certain gatherings, and shuttering certain nonessential businesses.

The pandemic has impacted the operational and financial performance of the Company and there is uncertainty in the nature and degree of its continued effects on business over time. The extent to which it will impact business going forward, either positively or negatively, will depend on a variety of factors including the duration and continued spread of the outbreak, impact on our customers, employees, and vendors, as well as governmental, regulatory, and private sector responses. Further, the pandemic may have a significant impact on management's accounting estimates.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Notes to Audited Consolidated Financial Statements
June 30, 2021 and 2020

NOTE L – SUBSEQUENT EVENTS

On July 20, 2021, ATI was awarded a Shuttered Venue Operator grant in the amount of \$1,392,826 under Section 324 of the Economic Aid to Hard-Hit Businesses, Nonprofits, and Venues Act (Economic Aid Act), enacted on December 27, 2020.

On August 2021, ATI received a \$5 million payment from Bexar County (“the County”) under the terms of a grant agreement between the County and ATI which was executed in July 2021. On May 18, 2021, the County, through the Commissioners Court, authorized an expenditure of \$5 million per year, for the next five years in the form of a County matching grant (the “Economic Development Grant”) for the creation of the Alamo Visitor Center and Museum. Subject to the fulfillment of all the terms and conditions in the agreement, \$5 million will be disbursed by the County no later than 30 days following the execution of the agreement. In the second through fifth years, the County agreed to provide matching funds in an amount equal to the amount raised by ATI by June 30th of the previous County fiscal year, not to exceed the lesser of \$5 million dollars or the amount of ATI’s matching fund. Economic Development Grant funds may only be used for: (1) “hard” and “soft” construction costs related to the Project, limited to construction management, architectural, engineering, materials and labor costs; and/or (2) costs to strategize, design, develop, and produce the Project’s exhibits, Museum narrative, and educational programs.

On September 1, 2021, the GLO and ATI entered into a Property Management Services Contract for property management services at the Alamo Plaza Buildings located at 319 Alamo Plaza, 321 Alamo Plaza and 518 E. Houston Street. The contract terminates on August 31, 2026 and may be extended by three additional terms of 1 year each by mutual, written agreement. The GLO will compensate ATI in an amount not to exceed \$15,000 per calendar month, with the first management fee to be submitted on or after October 1, 2021. Subject to reimbursement from the GLO, ATI shall pay all bills and operational costs associated with management of the Alamo Plaza Buildings.

**ALAMO TRUST, INC.
AND
REMEMBER THE ALAMO FOUNDATION**

Supplemental Information – Consolidating Statements

June 30, 2021

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidating Statement of Financial Position
June 30, 2021

	Alamo Trust, Inc.	Remember the Alamo Foundation	Eliminations	Consolidated Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3,848,999	\$ 430,091	\$ -	\$ 4,279,090
Alamo Master Plan reimbursement receivable:				
City of San Antonio	291,437	-	-	291,437
Accounts receivable, due from GLO:				
Management contract	1,084,400	-	-	1,084,400
Reimbursement for operations	595,572	-	-	595,572
Other receivables	1,056,691	-	-	1,056,691
Accounts receivable, intercompany	2,652	23,650	(26,302)	-
Prepaid expenses	49,076	-	-	49,076
Other assets	537	813	-	1,350
Total current assets	<u>6,929,364</u>	<u>454,554</u>	<u>(26,302)</u>	<u>7,357,616</u>
Property and equipment, net	<u>544,219</u>	<u>3,419</u>	<u>-</u>	<u>547,638</u>
Total Assets	<u>\$ 7,473,583</u>	<u>\$ 457,973</u>	<u>\$ (26,302)</u>	<u>\$ 7,905,254</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 607,664	\$ 4,369	\$ -	\$ 612,033
Accounts payable, intercompany	23,650	2,652	(26,302)	-
Accrued expenses	436,641	-	-	436,641
Deferred revenue	137,042	22,077	-	159,119
Total current liabilities	<u>1,204,997</u>	<u>29,098</u>	<u>(26,302)</u>	<u>1,207,793</u>
Noncurrent Liabilities:				
GLO management contract advance	<u>2,586,289</u>	<u>-</u>	<u>-</u>	<u>2,586,289</u>
Total Liabilities	3,791,286	29,098	(26,302)	3,794,082
Net Assets:				
Without donor restrictions:				
Available for operations	3,678,801	378,636	-	4,057,437
Designated for programs and mission	3,496	50,239	-	53,735
Total net assets	<u>3,682,297</u>	<u>428,875</u>	<u>-</u>	<u>4,111,172</u>
Total Liabilities and Net Assets	<u>\$ 7,473,583</u>	<u>\$ 457,973</u>	<u>\$ (26,302)</u>	<u>\$ 7,905,254</u>

See independent auditors report.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidating Statement of Activities
Year Ended June 30, 2021

	<u>Alamo Trust, Inc.</u>	<u>Remember the Alamo Foundation</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Revenue and Other Support				
Contributions and donations	\$ 204,994	\$ 99,170	\$ -	\$ 304,164
Membership revenue	-	1,390	-	1,390
Public tours	1,035,669	-	-	1,035,669
Rental revenues	102,173	-	-	102,173
Gift shop revenues	1,841,040	-	-	1,841,040
Management fee	1,500,000	-	-	1,500,000
Facilities sublease revenues	660,978	-	-	660,978
Paycheck Protection Program grant	993,400	-	-	993,400
Employee retention credit	1,054,976	-	-	1,054,976
State reimbursements	1,630,042	-	-	1,630,042
Other revenue	29,575	307	-	29,882
Total revenue and other support	<u>9,052,847</u>	<u>100,867</u>	<u>-</u>	<u>9,153,714</u>
Expenses				
Program services	5,958,076	67,969	-	6,026,045
Management and general	1,676,123	37,186	-	1,713,309
Fundraising	139,094	39,205	-	178,299
Total expenses	<u>7,773,293</u>	<u>144,360</u>	<u>-</u>	<u>7,917,653</u>
Change in Net Assets	1,279,554	(43,493)	-	1,236,061
Net assets at beginning of year	<u>2,402,743</u>	<u>472,368</u>	<u>-</u>	<u>2,875,111</u>
Net Assets at End of Year	<u>\$ 3,682,297</u>	<u>\$ 428,875</u>	<u>\$ -</u>	<u>\$ 4,111,172</u>

Note: All activities are without donor restriction (as defined under U.S. generally accepted accounting principles).

See independent auditor's report.

ALAMO TRUST, INC. AND REMEMBER THE ALAMO FOUNDATION
Consolidating Statement of Functional Expenses
Year Ended June 30, 2021

	Alamo Trust, Inc.			Remember the Alamo Foundation			Consolidated Total			
	Program Services	Management and General	Fundraising	Program Services	Management and General	Fundraising	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 3,871,820	\$ 1,015,630	\$ 129,363	\$ -	\$ -	\$ -	\$ 3,871,820	\$ 1,015,630	\$ 129,363	\$ 5,016,813
Insurance	500	110,593	2,450	-	4,841	-	500	115,434	2,450	118,384
Accounting fees	834	31,976	-	-	15,000	-	834	46,976	-	47,810
Legal and professional fees	550,995	74,364	-	-	12,635	-	550,995	86,999	-	637,994
Bank fees	-	-	-	-	2,524	-	-	2,524	-	2,524
Contract services	1,105,055	59,627	500	-	2,247	-	1,105,055	61,874	500	1,167,429
Office expenses	48,947	39,447	-	-	339	-	48,947	39,786	-	88,733
Computer expenses	80,094	210,013	-	-	258	2,339	80,094	210,271	2,339	292,704
Supplies	41,792	5,972	2,533	-	-	-	41,792	5,972	2,533	50,297
Printing expenses	13,263	44	-	-	-	-	13,263	44	-	13,307
Repairs and maintenance	51,989	2,248	-	-	-	-	51,989	2,248	-	54,237
Utilities	96,375	-	-	-	-	-	96,375	-	-	96,375
Telephone and communication	17,167	15,617	1,975	-	-	-	17,167	15,617	1,975	34,759
Travel and meetings	36,865	1,690	-	-	-	-	36,865	1,690	-	38,555
Dues and subscriptions	3,668	3,480	-	-	79	-	3,668	3,559	-	7,227
Equipment expenses	18,248	17,626	700	-	-	-	18,248	17,626	700	36,574
Public relations and marketing	5,566	6,364	1,569	-	-	-	5,566	6,364	1,569	13,499
Special projects	-	-	-	23,204	-	-	23,204	-	-	23,204
Fundraising and development	-	-	-	44,765	-	36,866	44,765	-	36,866	81,631
Other expenses	-	13,970	4	-	(3,634)	-	-	10,336	4	10,340
Collections acquisitions	14,615	51,117	-	-	-	-	14,615	51,117	-	65,732
Depreciation	283	16,345	-	-	2,897	-	283	19,242	-	19,525
Total Expenses	\$ 5,958,076	\$ 1,676,123	\$ 139,094	\$ 67,969	\$ 37,186	\$ 39,205	\$ 6,026,045	\$ 1,713,309	\$ 178,299	\$ 7,917,653

See independent auditor's report.