

**THE ALAMO ENDOWMENT AND AFFILIATES**  
*(The Alamo Endowment, Alamo Trust, Inc., and Remember The Alamo Foundation)*

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**Consolidated Audited Financial Statements**

**June 30, 2018**

**AKIN, DOHERTY, KLEIN & FEUGE, P.C.**  
*Certified Public Accountants*

**THE ALAMO ENDOWMENT AND AFFILIATES**  
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**June 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Alamo Endowment and Affiliates  
San Antonio, Texas

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of The Alamo Endowment and Affiliates (The Alamo Endowment, Alamo Trust, Inc., and Remember the Alamo Foundation) which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, 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 U.S. generally accepted accounting principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 U. S. generally accepted auditing standards. 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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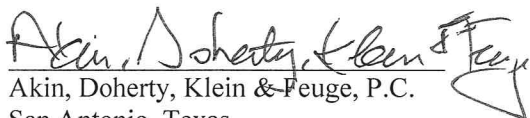
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### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Alamo Endowment and Affiliates as of June 30, 2018 and 2017, and the results of its activities, functional expenses, and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### ***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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Akin, Doherty, Klein & Feuge, P.C.

San Antonio, Texas

December 7, 2018

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Consolidated Statements of Financial Position**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 250,126	\$ 919,639
Accounts receivable, net	-	190,377
Pledges receivable, net	25,000	-
Replenishment receivable for operations, from GLO	209,256	425,939
Prepaid expenses	16,617	20,740
Other assets	1,200	-
Total current assets	<u>502,199</u>	<u>1,556,695</u>
Noncurrent Assets:		
Furniture and Equipment, net	13,367	19,216
Deposits	2,105	2,105
Total noncurrent assets	<u>15,472</u>	<u>21,321</u>
<b>Total Assets</b>	<u><u>\$ 517,671</u></u>	<u><u>\$ 1,578,016</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 136,796	\$ 155,438
Accrued expenses	274,021	242,894
Deferred revenue	25,389	18,425
Total current liabilities	<u>436,206</u>	<u>416,757</u>
Due to (from) General Land Office	(601,508)	559,989
Net Assets:		
Without donor restrictions:		
Available for operations	619,321	601,270
Designated for programs and mission	38,652	-
With donor restrictions:		
Pledges receivable, time restricted	25,000	-
Total net assets	<u>682,973</u>	<u>601,270</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 517,671</u></u>	<u><u>\$ 1,578,016</u></u>

*See notes to consolidated audited financial statements.*

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2018 and 2017**

	2018		2017		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
<b>Revenue and Other Support</b>					
Contributions, pledges and donations	\$ 554,851	\$ 25,000	\$ 323,683	\$ -	\$ 323,683
Public tours	1,012,209	-	893,135	-	893,135
Rental revenues	350,671	-	2,962,948	-	2,962,948
Commissions	-	-	264,290	-	264,290
Other revenue	125,953	-	12,173	-	12,173
Total revenue and other support	<u>2,043,684</u>	<u>25,000</u>	<u>4,456,229</u>	<u>-</u>	<u>4,456,229</u>
<b>Expenses</b>					
Program services	4,169,796	-	4,152,868	-	4,152,868
Management and general	2,560,773	-	2,528,344	-	2,528,344
Fundraising	14,372	-	-	-	-
Total expenses	<u>6,744,941</u>	<u>-</u>	<u>6,681,212</u>	<u>-</u>	<u>6,681,212</u>
<b>Change in Net Assets</b>	<u>(4,701,257)</u>	<u>25,000</u>	<u>(2,224,983)</u>	<u>-</u>	<u>(2,224,983)</u>
Cash transfers from the General Land Office	5,763,133	-	5,432,378	-	5,432,378
Cash transfers to the General Land Office	(2,166,670)	-	(4,653,628)	-	(4,653,628)
Amounts due from/(to) the GLO	1,161,497	-	437,014	-	437,014
Net assets released from restrictions	-	-	130,995	-	130,995
Net assets at beginning of year	<u>601,270</u>	<u>-</u>	<u>1,479,494</u>	<u>-</u>	<u>1,479,494</u>
<b>Net Assets at End of Year</b>	<u>\$ 657,973</u>	<u>\$ 25,000</u>	<u>\$ 601,270</u>	<u>\$ -</u>	<u>\$ 601,270</u>

See notes to consolidated audited financial statements.



THE ALAMO ENDOWMENT AND AFFILIATES  
Consolidated Statements of Functional Expenses  
Years Ended June 30, 2018 and 2017

	2018			2017				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 3,877,151	\$ 594,696	\$ -	\$ 4,471,847	\$ 3,571,467	\$ 924,356	\$ -	\$ 4,495,823
Insurance	-	97,791	-	97,791	-	60,256	-	60,256
Accounting fees	-	38,481	-	38,481	-	22,840	-	22,840
Alamo master plan expenses	24,089	-	-	24,089	301,861	-	-	301,861
Bad debts	-	25,000	-	25,000	-	100,000	-	100,000
Legal and professional fees	-	199,989	-	199,989	-	397,132	-	397,132
Bank fees/interest	-	1,643	-	1,643	-	10	-	10
Office expenses	-	293,477	-	293,477	-	208,065	-	208,065
Computer expenses	-	150,220	-	150,220	-	132,690	-	132,690
Supplies	-	186,224	-	186,224	-	179,483	-	179,483
Repairs and maintenance	-	120,382	-	120,382	-	176,147	-	176,147
Utilities	-	117,157	-	117,157	-	106,779	-	106,779
Telephone and communication	-	54,746	-	54,746	-	45,201	-	45,201
Travel and meetings	-	32,764	-	32,764	-	12,421	-	12,421
Dues and subscriptions	-	9,509	-	9,509	-	13,543	-	13,543
Equipment expenses	-	615,580	-	615,580	-	98,789	-	98,789
Public relations and marketing	108,799	-	11,876	120,675	172,614	-	-	172,614
Rent	-	7,514	-	7,514	-	37,089	-	37,089
Security	5,049	-	-	5,049	23,235	-	-	23,235
Special projects	154,708	-	-	154,708	38,541	-	-	38,541
Sacristy restoration	-	-	-	-	35,000	-	-	35,000
Strategy and management	-	-	2,496	2,496	10,150	-	-	10,150
Other expenses	-	9,751	-	9,751	-	7,978	-	7,978
Depreciation	-	5,849	-	5,849	-	5,565	-	5,565
<b>Total Expenses</b>	<b>\$ 4,169,796</b>	<b>\$ 2,560,773</b>	<b>\$ 14,372</b>	<b>\$ 6,744,941</b>	<b>\$ 4,152,868</b>	<b>\$ 2,528,344</b>	<b>-</b>	<b>\$ 6,681,212</b>

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating Activities</b>		
Change in net assets	\$ (4,676,257)	\$ (2,224,983)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Depreciation	5,849	5,565
Bad debt expense	25,000	100,000
Change in operating assets and liabilities:		
Accounts receivable	190,377	(1,882)
Pledges receivable	(50,000)	5,000
Replenishment receivable for operations, due from GLO	216,683	206,860
Prepaid expenses	1,723	4,151
Other assets	1,200	(2,105)
Accounts payable	(18,642)	67,561
Accrued expenses	31,127	142,553
Deposit payable	-	(1,270)
Deferred revenue	6,964	16,045
Net cash (used) by operating activities	<u>(4,265,976)</u>	<u>(1,682,505)</u>
<b>Investing Activities</b>		
Purchases of furniture and equipment	-	(14,704)
Net cash (used) by investing activities	<u>-</u>	<u>(14,704)</u>
<b>Financing Activities</b>		
Cash transfers from the General Land Office	5,763,133	5,432,378
Cash transfers to the General Land Office	<u>(2,166,670)</u>	<u>(4,653,628)</u>
Net cash provided by investing activities	<u>3,596,463</u>	<u>778,750</u>
Net change in cash and cash equivalents	(669,513)	(918,459)
Cash and cash equivalents at beginning of year	<u>919,639</u>	<u>1,838,098</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 250,126</u></u>	<u><u>\$ 919,639</u></u>
<b>Supplemental Disclosures</b>		
Cash paid for interest	\$ 9	\$ 10
Cash paid for income taxes	-	-

*See notes to consolidated audited financial statements.*



**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization:* The Alamo Endowment began operations on June 11, 2013 as a Texas 501(c)3 non-profit tax-exempt corporation. The Commissioner of the State of Texas General Land Office (GLO) has the authority to nominate members to the Board of Directors. The Endowment was created for charitable and educational purposes to assist the GLO in the preservation, management, education, maintenance, operation and restoration of the Alamo shrine. The Alamo Endowment does not receive or spend state taxpayer funds.

These consolidated financial statements include The Alamo Endowment, Alamo Trust, Inc., and Remember the Alamo Foundation.

Alamo Trust, Inc. (ATI), formerly known as Alamo Complex Management, began operations on July 11, 2015 as a Texas 501(c)3 non-profit tax-exempt corporation and with the transfer of \$533,237 in net assets from The Daughters of the Republic of Texas (DRT), the previous manager of the Alamo shrine. The Commissioner of the GLO has the authority to nominate members to the Board of Directors and contracted with the Endowment in 2015 to operate the Alamo shrine complex. Under a management agreement executed between The Alamo Endowment and ATI, the Endowment delegated to ATI the day-to-day management, including personnel, education, grounds, maintenance, security, events and programming. GLO Financial Management began running the day-to-day operations of the Alamo accounting offices on January 5, 2018. All of ATI's income and expenses are tracked and reported through the Texas General Land Office, and all revenues generated on-site are deposited with the Texas State Comptroller.

Remember the Alamo Foundation ("the Foundation") began operations on July 6, 2015 as a Texas 501(c)3 non-profit tax-exempt corporation. The Commissioner of the GLO has the authority to nominate members to the Board of Directors. 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.

*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, as oversighted by the GLO.

*Basis of Presentation:* The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles (GAAP). The consolidated financial statements include The Alamo Endowment, Alamo Trust, Inc., and Remember the Alamo Foundation, collectively referred to as The Alamo Endowment (or "the Endowment"). All significant intercompany balances and transactions have been eliminated. Net assets, support and revenues, 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:

*Net Assets 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 Endowment generally are not considered "restricted" under GAAP***, though for internal reporting the Endowment tracks 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.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions that are more restrictive than the Endowment'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 are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

*Revenue Recognition:* Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Revenues from public donations are recognized in the period which they are received. Revenue from public tours are recognized at the time of tour, generally occurring immediately after purchase. Rental income is recognized based on the terms of rental and usage agreements. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor restrictions whose restrictions are met in the same reporting period are generally reported as unrestricted support in the same reporting year.

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 Endowment have been summarized on a functional basis in the consolidated statements 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. Cash held by ATI is for its operations, but ultimately accrues to the benefit of the GLO. See Note E.

*Accounts Receivable:* Accounts 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 at June 30, 2018 and 2017. Interest is not generally charged on accounts receivable. At June 30, 2017, accounts receivable were also included as a part of ATI's liability due to the GLO in the Consolidated Statements of Financial Position. There are no outstanding accounts receivable as of June 30, 2018.

*Replenishment Receivable:* Replenishment receivable for operations, from GLO, represents amounts due for operating expenses incurred by ATI but not yet reimbursed by GLO.

*Pledges Receivable:* Legally enforceable pledges and contributions, less an allowance for uncollectible amounts, are recorded as pledges and revenue in the year made unless the pledge or contribution is dependent upon occurrence of a specified future and uncertain event to bind the promisor. Conditional pledges and contributions are recognized when the conditions upon which they depend are substantially met or when the possibility that the condition will not be met is remote. The allowance is determined based on an account by account review and historical trends. An allowance of \$25,000 was recorded at June 30, 2018. There were no pledges receivable at June 30, 2017.

*Furniture 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.

*Deferred Revenues:* 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.



**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

*Total Liabilities:* Total liabilities are calculated as \$436,206 at June 30, 2018 and \$976,746 at June 30, 2017. The due from GLO at June 30, 2018 is considered a receivable in determination of the above calculation. It is presented on the Statement of Financial Position with Liabilities so as to conform with the prior year presentation for the Due to GLO.

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

*Donated Services:* The Endowment, and in particular 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 7,600 in 2018 and 2,900 in 2017. However, since the volunteer assistance received by the ATI does not meet the above criteria, a value is not assigned and recognized in these financial statements.

*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 Endowment 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 since inception remain subject to examination.

*Retirement Plan:* ATI provides a 401(k) plan (the Plan) for its full-time 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 elect to contribute up to \$18,000, plus \$6,000 for participants age 50 and over, of their compensation to the Plan. ATI provided matching and discretionary contributions of \$155,574 in 2018 and \$141,463 in 2017.

*Concentrations of Credit Risk:* The Endowment has concentrations of credit risk with respect to its cash and cash equivalents and pledges receivable. The Endowment maintains cash deposits with major banks which, from time-to-time, may exceed federally insured limits. The Endowment periodically assesses the financial condition of the institutions and believes the risk of any loss is minimal. Concentrations of credit risk with respect to pledges receivable are limited since amounts are generally due from a large number of individual donors or corporations.

*Subsequent Events:* Subsequent events have been evaluated by management through the date of the independent auditor's report. There are no material subsequent events to disclose in a separate footnote to these financial statements.

*Use of Estimates:* The preparation of the 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 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 May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact to its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. 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, results of operations and related disclosures.

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

In June 2018, the FASB issued a new accounting pronouncement clarifying the scope and guidance for contributions received, effective for periods beginning after December 15, 2018 with early adoption permitted. The update assists organizations in 1) evaluating whether transactions should be accounted for as contributions or exchange transactions and 2) determine whether contributions are conditional. Management does not expect the new standard to have a significant impact to its financial position, results of operations and related disclosures.

*Recently Adopted Accounting Pronouncements:* In August 2016, the FASB issued Accounting Standard Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Endowment early adopted this new pronouncement effective July 1, 2016.

**NOTE B – RECLASSIFICATION OF CHANGE IN NET ASSETS**

It was determined in 2018 that the transfers to and from the GLO should not be considered as a component of the change in net assets, but rather as an equity type transaction. Accordingly, for the 2018 presentation the cash transfers to and from the GLO are included on the Statement of Activities below Change in Net Assets (i.e, as an equity transaction) and the 2017 presentation is conformed.

**NOTE C – PLEDGES RECEIVABLE**

Pledges receivable are as follows at June 30:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 50,000	\$ -
Receivable in one to five years	-	-
Total pledges receivable	<u>50,000</u>	<u>-</u>
Less allowance for uncollectible pledges	<u>(25,000)</u>	<u>-</u>
Pledges receivable, net	<u><u>\$ 25,000</u></u>	<u><u>\$ -</u></u>

**NOTE D – FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 19,966	\$ 19,966
Software	8,457	8,457
Less accumulated depreciation	<u>(15,056)</u>	<u>(9,207)</u>
Net furniture and equipment	<u><u>\$ 13,367</u></u>	<u><u>\$ 19,216</u></u>

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE E – GENERAL LAND OFFICE**

As mandated by State of Texas statute, all revenues derived by the on-going operations of the Alamo shrine, including donations collected on the shrine grounds, belong to and are due to the State of Texas. Within these consolidated financial statements, ATI recognizes all revenues as earned, and reports such revenue on the Consolidated Statements of Activities. Likewise, the costs to operate the Alamo shrine are paid by the State of Texas through the GLO. ATI recognizes all expenses as incurred (accrued) and reports such expenses on the Consolidated Statements of Activities.

Cash is "swept" to the State of Texas Treasury from the ATI cash accounts, and as cash funds are needed by ATI to pay expenses, cash is transferred by the Treasury to ATI. During fiscal year 2018, the majority of cash funds were immediately swept (one to three days) from ATI's cash accounts. In early 2018, the GLO implemented a policy for ATI to request funds (replenishment receivable) from the GLO on a weekly basis to cover all expected disbursements for that week.

At June 30, 2018, ATI had a due from GLO of \$601,508, and at June 30, 2017, ATI had a due to GLO of \$559,989. The due to (from) GLO swings are primarily the result of the timing of receipts and disbursements, combined with the frequency of the cash sweeps.

**NOTE F – NET ASSETS**

Net assets include the following at June 30:

	<u>2018</u>	<u>2017</u>
Without Donor Restriction, Designated for The Alamo Endowment's mission:		
Cannon conservation	\$ 17,652	\$ -
Ultraviolet photography	10,000	-
Mexico City research	6,000	-
Education programs	<u>5,000</u>	<u>-</u>
	<u>\$ 38,652</u>	<u>\$ -</u>
With Donor Restriction:		
Pledges receivable (time restriction)	<u>\$ 25,000</u>	<u>\$ -</u>



**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Notes to Audited Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**NOTE G – OPERATING LEASES**

The Endowment leases office equipment from a third party, and through June 30, 2017, it also leased office space from the GLO. Rent expense totaled approximately \$31,000 for the year ended June 30, 2018 and \$44,000 for the years ended June 30, 2017.

Future minimum lease payments are as follows for the years ending June 30:

2019	\$	3,900
2020		1,950

**NOTE H – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

Accounting Standards Update 2016-14 requires management to discuss its financial resources that are available as of year-end and which may be utilized for operations over the next twelve-month period. As discussed in Note E, the primary operations of the daily operations of The Alamo is conducted by ATI, and these operations are required to be paid by, and revenue earned turned over to, the Texas General Land Office. So in essence ATI operates as a conduit entity.

Remember The Alamo Foundation (“RTAF”) was established as the fundraising and development arm of The Alamo Endowment, with the intended purpose to fundraise for the long-range plan of The Alamo. Full scale fundraising is expected to commence once the long-range plan has been fully developed over the next several years. On-going operating costs incurred by RTAF are limited at this date.

The Alamo Endowment was established to act as the “parent” organization of ATI and RTAF, and its on-going operating costs are also limited at this date.

**NOTE I – CONTINGENCIES**

In October 2018, a lawsuit was filed naming Alamo Trust, Inc. and a member of management as Defendants. The suit primarily asserts violation of the Plaintiff’s constitutional right to free speech on the grounds of the Alamo property. The suit is seeking declaratory and injunctive relief, nominal damages, attorney fees, and the establishment of the Plaintiff’s free speech. Management and the Board are vigorously defending their position with attorneys provided by the Organization’s insurance carrier.

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**THE ALAMO ENDOWMENT AND AFFILIATES**

**Supplemental Information**

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**June 30, 2018**

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Consolidating Statements of Financial Position**  
**June 30, 2018**

	<u>The</u> <u>Alamo</u> <u>Endowment</u>	<u>Alamo</u> <u>Trust, Inc.</u>	<u>Remember</u> <u>the</u> <u>Alamo</u> <u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u> <u>Totals</u>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 142,188	\$ 11,321	\$ 96,617	\$ -	\$ 250,126
Accounts receivable, intercompany	71,436	116,275	14,592	(202,303)	-
Pledges receivable, net	-	-	25,000	-	25,000
Replenishment receivable for operations, due from GLO	-	209,256	-	-	209,256
Prepaid expenses	1,500	15,117	-	-	16,617
Other assets	-	1,200	-	-	1,200
Total current assets	<u>215,124</u>	<u>353,169</u>	<u>136,209</u>	<u>(202,303)</u>	<u>502,199</u>
Noncurrent Assets:					
Furniture and equipment, net	13,367	-	-	-	13,367
Deposits	2,105	-	-	-	2,105
Total noncurrent assets, net	<u>15,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,472</u>
<b>Total Assets</b>	<u>\$ 230,596</u>	<u>\$ 353,169</u>	<u>\$ 136,209</u>	<u>\$ (202,303)</u>	<u>\$ 517,671</u>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities:					
Accounts payable	\$ 1,371	\$ 122,030	\$ 13,395	\$ -	\$ 136,796
Accounts payable, intercompany	73,351	-	128,952	(202,303)	-
Accrued expenses	-	274,021	-	-	274,021
Deferred revenue	-	25,389	-	-	25,389
Total current liabilities	<u>74,722</u>	<u>421,440</u>	<u>142,347</u>	<u>(202,303)</u>	<u>436,206</u>
Due to (from) GLO	-	(601,508)	-	-	(601,508)
Net Assets:					
Without donor restrictions:					
Available for operations	124,874	533,237	(38,790)	-	619,321
Designated for programs and mission	6,000	-	32,652	-	38,652
With donor restrictions:					
Pledges receivable, time restricted	25,000	-	-	-	25,000
Total net assets	<u>155,874</u>	<u>533,237</u>	<u>(6,138)</u>	<u>-</u>	<u>682,973</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 230,596</u>	<u>\$ 353,169</u>	<u>\$ 136,209</u>	<u>\$ (202,303)</u>	<u>\$ 517,671</u>

THE ALAMO ENDOWMENT AND AFFILIATES  
 Consolidating Statements of Activities  
 Year Ended June 30, 2018

	The Alamo Endowment		Alamo Trust, Inc.		Remember the Alamo Foundation		Consolidated Totals		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>									
Contributions, pledges and donations	\$ 6,015	\$ 25,000	\$ -	-	\$ 327,329	\$ -	\$ 554,851	\$ 25,000	\$ 579,851
Public tours	-	-	1,012,209	-	-	-	1,012,209	-	1,012,209
Rental revenues	-	-	350,671	-	-	-	350,671	-	350,671
Other revenue	118,382	-	3,088	-	4,483	-	125,953	-	125,953
Total revenue and other support	124,397	25,000	1,587,475	-	331,812	-	2,043,684	25,000	2,068,684
<b>Expenses</b>									
Program services	65,080	-	3,991,613	-	113,103	-	4,169,796	-	4,169,796
Management and general	69,232	-	2,353,822	-	137,719	-	2,560,773	-	2,560,773
Fundraising	11,841	-	-	-	2,531	-	14,372	-	14,372
Total expenses	146,153	-	6,345,435	-	253,353	-	6,744,941	-	6,744,941
<b>Change in Net Assets</b>	(21,756)	25,000	(4,757,960)	-	78,459	-	(4,701,257)	25,000	(4,676,257)
Cash transfers from the GLO	-	-	5,763,133	-	-	-	5,763,133	-	5,763,133
Cash transfers to the GLO	-	-	(2,166,670)	-	-	-	(2,166,670)	-	(2,166,670)
Amounts due from/(to) the GLO	-	-	1,161,497	-	-	-	1,161,497	-	1,161,497
Net assets at beginning of year	152,630	-	533,237	-	(84,597)	-	601,270	-	601,270
<b>Net Assets at End of Year</b>	\$ 130,874	\$ 25,000	\$ 533,237	\$ -	\$ (6,138)	\$ -	\$ 657,973	\$ 25,000	\$ 682,973

**THE ALAMO ENDOWMENT AND AFFILIATES**  
**Consolidating Statements of Functional Expenses**  
**Year Ended June 30, 2018**

	The Alamo Endowment			Alamo Trust, Inc.		
	Program Services	Management and General	Fundraising	Program Services	Management and General	Fundraising
Salaries and benefits	\$ 40,991	\$ 14,927	\$ -	\$ 3,738,277	\$ 544,125	\$ -
Insurance	-	-	-	-	97,702	-
Accounting fees	-	-	-	-	16,291	-
Alamo master plan expenses	24,089	-	-	-	-	-
Bad debt	-	-	-	-	-	-
Legal and professional fees	-	29,820	-	-	151,357	-
Bank fees/interest	-	-	-	-	9	-
Office expenses	-	12,882	-	-	277,005	-
Computer expenses	-	-	-	-	133,269	-
Supplies	-	-	-	-	186,224	-
Repairs and maintenance	-	-	-	-	120,382	-
Utilities	-	-	-	-	113,689	-
Telephone and communication	-	-	-	-	54,746	-
Travel and meetings	-	-	-	-	30,559	-
Dues and subscriptions	-	83	-	-	7,317	-
Equipment expenses	-	-	-	-	611,696	-
Public relations and marketing	-	-	11,841	108,799	-	-
Rent	-	5,671	-	-	-	-
Security	-	-	-	5,049	-	-
Special projects	-	-	-	139,488	-	-
Strategy and management	-	-	-	-	-	-
Other expenses	-	-	-	-	9,451	-
Depreciation	-	5,849	-	-	-	-
<b>Total Expenses</b>	<b>\$ 65,080</b>	<b>\$ 69,232</b>	<b>\$ 11,841</b>	<b>\$ 3,991,613</b>	<b>\$ 2,353,822</b>	<b>\$ -</b>



THE ALAMO ENDOWMENT  
Consolidating Statements of Functional Expenses  
Year Ended June 30, 2018

Remember the Alamo Foundation			Consolidated Totals			
Program Services	Management and General	Fundraising	Program Services	Management and General	Fundraising	Total
\$ 97,883	\$ 35,644	\$ -	\$ 3,877,151	\$ 594,696	\$ -	\$ 4,471,847
-	89	-	-	97,791	-	97,791
-	22,190	-	-	38,481	-	38,481
-	-	-	24,089	-	-	24,089
-	25,000	-	-	25,000	-	25,000
-	18,812	-	-	199,989	-	199,989
-	1,634	-	-	1,643	-	1,643
-	3,590	-	-	293,477	-	293,477
-	16,951	-	-	150,220	-	150,220
-	-	-	-	186,224	-	186,224
-	-	-	-	120,382	-	120,382
-	3,468	-	-	117,157	-	117,157
-	-	-	-	54,746	-	54,746
-	2,205	-	-	32,764	-	32,764
-	2,109	-	-	9,509	-	9,509
-	3,884	-	-	615,580	-	615,580
-	-	35	108,799	-	11,876	120,675
-	1,843	-	-	7,514	-	7,514
-	-	-	5,049	-	-	5,049
15,220	-	-	154,708	-	-	154,708
-	-	2,496	-	-	2,496	2,496
-	300	-	-	9,751	-	9,751
-	-	-	-	5,849	-	5,849
<u>\$ 113,103</u>	<u>\$ 137,719</u>	<u>\$ 2,531</u>	<u>\$ 4,169,796</u>	<u>\$ 2,560,773</u>	<u>\$ 14,372</u>	<u>\$ 6,744,941</u>