



*Founded in 1967 as the
Hidalgo County Historical Museum*

***Financial Statements
and
Auditors' Report***

December 31, 2020 and 2019

**Financial Statements
And
Independent Auditors'
Report**

MUSEUM OF SOUTH TEXAS HISTORY

December 31, 2020 and 2019

MUSEUM OF SOUTH TEXAS HISTORY
December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Museum of South Texas History
Edinburg, Texas

Opinion

We have audited the accompanying financial statements of the Museum of South Texas History (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Museum of South Texas History as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Museum of South Texas History and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Museum of South Texas History has adopted the Financial Accounting Standards Board ASU 2020-07, *Not-for-Profit Entities (Topic 958)*. Our opinion is not modified with respect to this matter.

The 2019 financial statements have been restated to account for the correction of a misstatement related to the prior period. As further discussed in Note 25, the Museum of South Texas History's financial statements were restated and the total effect of the adjustment was an increase in ending net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum of South Texas History's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Museum of South Texas History's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Museum of South Texas History 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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

Cam, Riggs & Ingram, L.L.C.

McAllen, Texas

May 17, 2021

FINANCIAL STATEMENTS

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF FINANCIAL POSITION
December 31,

	2020	Restated 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,101,276	\$ 1,223,280
Investments	4,389,057	4,221,031
Certificates of deposit	-	284,871
Interest receivable	13,593	13,593
Pledges receivable (net)	131,772	67,626
Inventory	39,461	38,591
Other current assets	23,642	18,412
Total Current Assets	<u>5,698,801</u>	<u>5,867,404</u>
Noncurrent Assets		
Property, plant and equipment (net of accumulated depreciation)	<u>7,002,156</u>	<u>6,855,487</u>
Total Noncurrent Assets	<u>7,002,156</u>	<u>6,855,487</u>
TOTAL ASSETS	<u>\$ 12,700,957</u>	<u>\$ 12,722,891</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 57,767	\$ 43,943
Accrued expenses	66,091	57,648
Contract liabilities	-	18,564
Refundable advances	36,917	20,000
Loans payable	187,000	-
Total Current Liabilities	<u>347,775</u>	<u>140,155</u>
Total Liabilities	<u>347,775</u>	<u>140,155</u>
Net Assets		
Without donor restrictions	9,786,096	9,649,381
With donor restrictions	<u>2,567,086</u>	<u>2,933,355</u>
Total Net Assets	<u>12,353,182</u>	<u>12,582,736</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,700,957</u>	<u>\$ 12,722,891</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF ACTIVITIES
Year End December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Donations	\$ 147,360	\$ 3,600	\$ 150,960
In-kind donations	46,591	-	46,591
Grants from government agencies	658,000	95,000	753,000
Fundraising events	166,589	-	166,589
Annual donations	421,106	-	421,106
Investment income	32,212	31,057	63,269
Net unrealized and realized gains on long-term investments	71,769	74,756	146,525
Admission charges	19,776	-	19,776
Auxiliary activities	44,696	-	44,696
Rents and royalties	14,069	-	14,069
Other	6,567	-	6,567
Net assets released from restrictions			
Satisfaction of use restrictions	570,682	(570,682)	-
Total Operating Revenues, Gains, and Other Support	<u>2,199,417</u>	<u>(366,269)</u>	<u>1,833,148</u>
Operating Expenses			
Program Services			
Archives, exhibits and collections	199,676	-	199,676
Education programs	41,097	-	41,097
General program services	1,242,222	-	1,242,222
Total Program Services	<u>1,482,995</u>	<u>-</u>	<u>1,482,995</u>
Supporting Services			
Management and general	286,558	-	286,558
Costs of direct donor benefits	25,990	-	25,990
Fundraising	218,888	-	218,888
Auxiliary services	47,490	-	47,490
Total Supporting Services	<u>578,926</u>	<u>-</u>	<u>578,926</u>
Total Operating Expenses	<u>2,061,921</u>	<u>-</u>	<u>2,061,921</u>
Changes in Net Assets from Operations	<u>137,496</u>	<u>(366,269)</u>	<u>(228,773)</u>
Collection items purchased but not capitalized	<u>781</u>	<u>-</u>	<u>781</u>
Change in Net Assets	136,715	(366,269)	(229,554)
Beginning Net Assets	<u>9,649,381</u>	<u>2,933,355</u>	<u>12,582,736</u>
Ending Net Assets	<u>\$ 9,786,096</u>	<u>\$ 2,567,086</u>	<u>\$ 12,353,182</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF ACTIVITIES
Year End December 31, 2019

	Restated Without Donor Restrictions	With Donor Restrictions	Restated Total
Operating Revenues, Gains, and Other Support			
Donations	\$ 46,760	\$ 387,579	\$ 434,339
In-kind donations	20,925	-	20,925
Grants from government			
agencies	671,665	95,000	766,665
Fundraising events	190,798	-	190,798
Annual donations	451,704	-	451,704
Investment income	35,161	35,277	70,438
Net unrealized and realized gains on			
long-term investments	261,659	303,609	565,268
Admission charges	66,640	-	66,640
Auxiliary activities	201,944	-	201,944
Rents and royalties	29,863	-	29,863
Other	15,282	-	15,282
Net assets released from restrictions			
Satisfaction of use restrictions	549,992	(549,992)	-
Total Operating Revenues, Gains, and			
Other Support	<u>2,542,393</u>	<u>271,473</u>	<u>2,813,866</u>
Operating Expenses			
Program Services			
Archives, exhibits and			
collections	178,075	-	178,075
Education programs	14,160	-	14,160
General program services	1,217,749	-	1,217,749
Total Program Services	<u>1,409,984</u>	<u>-</u>	<u>1,409,984</u>
Supporting Services			
Management and general	348,423	-	348,423
Costs of direct donor benefits	47,250	-	47,250
Fundraising	228,788	-	228,788
Auxiliary services	79,656	-	79,656
Total Supporting Services	<u>704,117</u>	<u>-</u>	<u>704,117</u>
Total Operating Expenses	<u>2,114,101</u>	<u>-</u>	<u>2,114,101</u>
Changes in Net Assets from Operations	<u>428,292</u>	<u>271,473</u>	<u>699,765</u>
Collection items purchased but not capitalized	<u>196</u>	<u>-</u>	<u>196</u>
Change in Net Assets	428,096	271,473	699,569
Beginning Net Assets	<u>9,221,285</u>	<u>2,661,882</u>	<u>11,883,167</u>
Ending Net Assets	<u><u>\$ 9,649,381</u></u>	<u><u>\$ 2,933,355</u></u>	<u><u>\$ 12,582,736</u></u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2020	Restated 2019
	<hr/>	<hr/>
Cash Flows From Operating Activities		
Change in net assets	\$ (228,773)	\$ 699,765
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	356,410	338,180
Unrealized (gain) on investments	(33,615)	(441,050)
Collection items purchased	(781)	(196)
Net change in:		
(Increase) decrease in pledges receivable (net)	(64,146)	(25,151)
(Increase) decrease in other current assets	(5,230)	443
(Increase) decrease in inventory	(870)	1,982
Increase (decrease) in accounts payable	13,824	(222,826)
Increase (decrease) in accrued expenses	8,443	2,049
Increase (decrease) in contract liabilities	(18,564)	(26,340)
Increase (decrease) in refundable advances	16,917	(96,051)
	<hr/>	<hr/>
Net cash provided by operating activities	43,615	230,805
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Proceeds from investment sales	1,978,774	1,357,539
Purchase of investments	(1,828,314)	(1,272,258)
Acquisitions of property, plant, and equipment	(503,079)	(154,766)
	<hr/>	<hr/>
Net cash used by investing activities	(352,619)	(69,485)
	<hr/>	<hr/>
Cash Flows from Financing Activities:		
Proceeds of loans payable	187,000	-
	<hr/>	<hr/>
Net cash provided by financing activities	187,000	-
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(122,004)	161,320
Cash and cash equivalents, beginning of year	1,223,280	1,061,960
Cash and cash equivalents, end of year	<u>\$ 1,101,276</u>	<u>\$ 1,223,280</u>

The accompanying notes are an integral part of these financial statements.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

On February 20, 1967, the Hidalgo County Historical Museum (Museum) was chartered by the Texas Secretary of State as a nonprofit education organization. On June 18, 2002, the Board voted to change the name to the Museum of South Texas History (MOSTH) to better reflect the scope of work done at the Museum. MOSTH is located at 200 North Closner Boulevard, Edinburg, Texas. The Museum of South Texas History received its accreditation from the American Alliance of Museums in 2013. MOSTH's purpose is to increase and diffuse knowledge and appreciation of history and to that end establish and maintain, in the City of Edinburg, a museum and reference library to collect and preserve objects of historic interest, to protect historic sites from needless destruction, to provide facilities for research and publication, and to offer popular instruction and opportunities for aesthetic enjoyment. The charter evolved from the efforts of the Hidalgo County Historical Survey Committee. MOSTH is governed by an appointed Board of Trustees (The Board). The mission statement adopted by the Board is, "To preserve and present the borderland heritage of South Texas and Northeastern Mexico." The current vision statement adopted by the Board is, "The Museum of South Texas History will utilize its resources to be a trusted, internationally recognized interpretative and research center through the use of our resources, including archival and artifact collections. We will share the blended and unique heritage of South Texas and Northeastern Mexico through exhibits, programs and activities—seeking to promote dialogue, educate our communities and inspire the people of our region and beyond."

Funding is primarily provided by public contributions, program and exhibit fees, investment income, special fundraising events, and government grants and contributions.

B. Basis of Accounting and Presentation

MOSTH reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. To ensure observance of limitations and restrictions placed on the use of resources available, MOSTH's accounts are maintained in accordance with accounting principles generally accepted in the United States of America.

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. From time to time MOSTH's board will choose to place limitations on unrestricted net assets. These are disclosed in the notes to the financial statements as board designated net assets.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of MOSTH and/or the passage of time or maintained permanently by MOSTH. When a restriction expires, donor restricted net assets are reclassified to without donor restrictions and reported in the statement of activities as satisfaction of program/use restrictions. Generally, the donors of these assets permit MOSTH to use all or part of the income earned on any related investments for general or specific purposes.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

C. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

D. Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- Cash, pledges receivable, accounts payable and accrued liabilities: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

E. Revenue Recognition

MOSTH accounts for contributions in accordance with the recommendations of the FASB Accounting Standards Codification (ASC) 958-605 (Not-for Profit Entities – Revenue Recognition).

In accordance with ASC 958-605, contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions.

School contracts, which are included in auxiliary activities, are accounted for under ASC Topic 606, Revenue from Contracts with Customers ASC 606, recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Museum recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from school contracts received in advance are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or restriction purpose is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

F. Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

G. Cash and Cash Equivalents

For the purpose of the statement of cash flows, MOSTH considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

In accordance with the endowment investment policy of MOSTH, designed in accordance with UPMIFA, a portion of the endowment funds are invested under the guidance of a third party investment manager.

I. Property, Plant, and Equipment

It is MOSTH's policy to capitalize property and equipment with an original cost over \$500 and useful life exceeding one year. Lesser amounts are expensed. Plant Fund resources are utilized for the acquisition of land, buildings, and equipment. Property, plant, and equipment are depreciated or amortized using the straight line-method over the estimated useful lives of the asset classes below:

Furniture and fixtures	5-10 years
Buildings and improvements	10-40 years
Intangible assets	10 years
Permanent exhibits	20 years

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, MOSTH reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. MOSTH reclassifies net assets with donor restrictions to net assets without donor restrictions.

Depreciation and amortization are charged against current operations. Expenditures for major additions and improvements are capitalized. Routine maintenance, repairs, and replacement costs are expensed. When equipment or other property is disposed of, the cost and related accumulated depreciation is removed from the respective accounts, and any gain or loss is reflected in the results of operations.

J. Collections

MOSTH maintains permanent collections pertaining to Northeastern Mexico and South Texas. These holdings are both two and three-dimensional artifacts ranging from prehistoric materials to items of contemporary culture. Collection strengths include numerous artifacts pertaining to farming and ranching with a large photographic archive. MOSTH maintains, separate from the permanent collection, a collection of items used for hands-on-activities or other educational purposes.

In conformity with industry standards, historical objects purchased and donated are not capitalized or included as assets in the financial statements. Exhibits constructed are recorded at the cost of construction. Staff and trained volunteers use professionally recognized practices and archival quality materials to care for the collections. MOSTH provides storage and display environments that safeguard the artifacts from deleterious conditions.

Funds realized from the sale of deaccessioned items may be used only for acquisition or direct care of collections. Thus when an object is sold, the funds generated should be used to either replace the object with another that has relevance, importance or use to the Museum's mission (acquisition), or to invest in the existing collections by enhancing their life, usefulness or quality and thereby ensuring they will continue to benefit the public (direct care).

K. Inventory

Inventory is tracked perpetually and stated at cost. Inventories consist of the Museum's store merchandise and publications.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

L. Refundable Advances

Refundable advances represent revenues collected but not earned as of December 31, 2020 and 2019. This is primarily composed of revenue from grants that are conditional with a refunding provision noted in the contract.

M. Expense Allocation

The cost of providing various programs and supporting services have been summarized on a functional basis in the statement of activities and presented by nature and function in Note 22. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; depreciation and utilities are allocated based on the square footage of the Museum. Bank charges are broken down by account and allocated either 100% towards general management, or in the case of credit card fees, 50% program and 50% fundraising.

N. Federal Income Tax Status

MOSTH is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. However, rental income and earnings from certain activities not directly related to MOSTH's tax-exempt purpose are subject to taxation as unrelated business income. In addition, MOSTH qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). MOSTH's federal income tax returns remain open for possible examination for a period of three years after the respective filing of those returns.

O. Contributed Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

P. *Fair Value Measurements*

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principle market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that MOSTH has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the assets or liabilities, which are typically based on the entity's own assumptions, as there is little, if any, related market value.

NOTE 2 – RECENT FINANCIAL ACCOUNTING PRONOUNCEMENTS

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This update improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. See note 1 for the application of this accounting pronouncement.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurements (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. This update modifies the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. This change in accounting principal did not have a material impact on the financial statements.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK RELATED TO CASH DEPOSITS

MOSTH maintains cash balances at multiple financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, MOSTH did not have any uninsured cash balances.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects MOSTH’s financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for expenditure in the following year.

	2020	2019
Cash and cash equivalents	\$ 1,101,276	\$ 1,223,280
Investments	4,389,057	4,221,031
Certificates of deposit	-	284,871
Interest receivable	13,593	13,593
Pledges receivable (net)	131,772	67,626
Less: those not available for general expenditures within one year, due to -		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(126,921)	(514,603)
Endowments required to be maintained in perpetuity by donor	(1,900,000)	(1,900,000)
Accumulated investment gains subject to distribution policy	(540,165)	(518,753)
Board designation:		
Designated for emergencies	(776,909)	(744,609)
Quasi-endowment	(1,225,000)	(1,225,000)
Accumulated investment gains subject to distribution policy	(432,731)	(405,037)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 633,972</u>	<u>\$ 502,399</u>

In addition to financial assets available to meet general expenditures over the next year, the Museum operates with a balanced budget and anticipates covering its general expenditures through grants, contributions, auxiliary activities and fundraising. There is a fund established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 – INVESTMENT SECURITIES - FAIR VALUE AND UNREALIZED GAINS AND LOSSES

Investment securities are presented at fair value to more accurately reflect their current values. The fair value of investment securities is provided by the custodian of MOSTH's investment accounts. Investments held by MOSTH are considered to have level 1 or level 2 inputs and are therefore included within the level 1 or level 2 hierarchy.

Fair values of investments held are as follows:

	Market Value <u>December 31, 2020</u>	Market Value <u>December 31, 2019</u>
Level 1		
Equity securities	\$ 3,115,525	\$ 2,757,905
Bonds:		
Treasury	-	10,022
Corporate	123,478	166,168
Total	<u>3,239,003</u>	<u>2,934,095</u>
Level 2		
Agency securities	66,649	131,897
Bonds:		
Corporate	146,947	178,093
Municipal	936,458	976,946
Total	<u>1,150,054</u>	<u>1,286,936</u>
Grand Total	<u>\$ 4,389,057</u>	<u>\$ 4,221,031</u>

Agency securities and corporate bonds classified in Level 2 are valued based on observed trades. Municipal bonds classified in Level 2 are valued using the market value pricing model and observed trades.

MOSTH held certificates of deposit as of December 31, 2020 and 2019 in the amount of \$0 and \$284,871, respectively. Certificates of deposit are recorded at cost rather than fair value.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 – INVESTMENT SECURITIES - FAIR VALUE AND UNREALIZED GAINS AND LOSSES *(Continued)*

Total investment return for all funds as of December 31, 2020 and 2019 was \$209,794 and \$635,706, respectively. Investment returns consist of the following:

	2020	2019
Interest and dividends	\$ 97,139	\$ 103,542
Realized gain	112,910	124,218
Unrealized gain	33,615	441,050
Subtotal	243,664	668,810
Less: Investment expenses	(33,870)	(33,104)
Total Investment Return	\$ 209,794	\$ 635,706

Investment expenses consist of fees paid to the investment manager as well as transaction fees for purchases and sales of investment securities. No excise tax was due related to investment income.

Investment categories fluctuate periodically due to active portfolio management. The investment portfolios are managed by a third-party investment manager who manages the portfolio within the constraints of the investment policies of MOSTH.

NOTE 6 – PLEDGES RECEIVABLE

MOSTH conducts an annual campaign each year to raise funds needed for daily operations. An allowance of \$79,742 and \$53,620 has been established for estimated uncollectible pledges for 2020 and 2019, respectively.

Pledges receivable totaled \$211,514 and \$121,246 as of December 31, 2020 and 2019, respectively, and are expected to be collected as follows:

	2020	2019
Receivables in less than one year	\$ 211,514	\$ 121,246
Less allowance for doubtful accounts	(79,742)	(53,620)
Total Receivable	\$ 131,772	\$ 67,626

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 – INVENTORY

At December 31, 2020 and 2019, MOSTH's inventory consisted of the following:

	2020	2019
Books	\$ 8,047	\$ 7,445
Other store merchandise	31,414	31,146
Total	<u>\$ 39,461</u>	<u>\$ 38,591</u>

Shipping and handling costs are excluded from the value of items included in inventory.

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	2020	2019
Land and improvements	\$ 1,801,675	\$ 1,801,675
Furniture, fixtures, and equipment	230,877	103,650
Permanent exhibits	2,484,055	2,484,055
Buildings and improvements	7,453,964	7,382,205
Construction in progress	<u>337,303</u>	<u>33,210</u>
	12,307,874	11,804,795
Less: Accumulated depreciation	<u>(5,305,718)</u>	<u>(4,949,308)</u>
Total	<u>\$ 7,002,156</u>	<u>\$ 6,855,487</u>

In June 1988, MOSTH acquired the building and land adjacent to the original structure (1910 Hidalgo County Jail) from Noble Walker and Associates of Austin. H. E. Butt Grocery (H-E-B) had owned and operated a grocery store on this property which was subsequently converted for use as governmental offices. Since that time, MOSTH has been raising funds and making significant capital expenditures for the purpose of expanding, improving, and modifying the facility and surrounding property.

In 2002, a new two story wing was added on the site of the parking lot. Renovations of the H-E-B building and installation of the exhibits were completed in 2003. The archive renovation was completed in 2004. These capital expenditures are classified according to their nature and depreciated pursuant to the lives described in Note 1.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT *(Continued)*

A major fund-raising campaign, Project Preservation, began in 2004. The purpose was to provide funds to pay for the purchase of the adjacent property owned by Risica & Sons and its conversion to additional parking and program space, a master plan for stabilization of the historic 1910 Hidalgo County Jail, a new jail roof, and completion of the River Crossroads portion of the Rio Grande Legacy exhibit.

Depreciation for 2020 and 2019 was \$356,409 and \$338,182, respectively.

In 2009, the Save Our Jail fund-raising campaign began. The purpose was to provide funds for the restoration and maintenance of the 1910 Jail and installation of exhibits.

Some artifacts and pieces of furniture are loaned to MOSTH. Their values are not reflected in the financial statements.

NOTE 9 – REFUNDABLE ADVANCES

Refundable advances at December 31, 2020 and 2019 consist of:

	2020	2019
Raul Tijerina Jr. Foundation	\$ 14,748	\$ 20,000
Betty Stieren Kelso Foundation	22,169	-
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Total	\$ 36,917	\$ 20,000
	<hr/>	<hr/>

NOTE 10 – LOANS PAYABLE

In April of 2020, the Museum signed a promissory note with PlainsCapital Bank guaranteed by the U.S. Small Business Administration (SBA) under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (the Act) for \$187,000. The note is for two years at a 1% interest rate. However, section 1106 of the Act provides forgiveness of up to the full amount of the loan and any accrued interest. In March of 2021, the loan was forgiven.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 11 – DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

MOSTH's Board of Directors has designated net assets without donor restrictions at December 31, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Operating Fund		
Subject to expenditure for specific purpose:		
Emergency Reserve	\$ 776,909	\$ 774,609
Endowment Fund		
Subject to expenditure for specific purpose:		
Quasi-endowment	<u>1,657,731</u>	<u>1,630,037</u>
Total designated net assets without donor restrictions	<u><u>\$ 2,434,640</u></u>	<u><u>\$ 2,404,646</u></u>

MOSTH has several board-designated endowments (quasi-endowments). These were contributions or bequests, which were originally unrestricted, that were received by MOSTH and designated by the board as being part of the Endowment Fund. These are considered to be net assets without donor restrictions, since the restriction on such funds was created internally. These amounts are captioned within the financial statements as net assets without donor restrictions.

In May of 2010, MOSTH executed an oil and gas lease with Newfield Production Company for a mineral interest (.01%) in Uintah County, Utah received as part of the Mary Ellen McFadden Endowment. Newfield requested and received approval in 2011 to establish 40-acre drilling and spacing units and to pool all interests in the Green River Formation included in this lease.

Producing wells have been developed. Royalties received in 2020 and 2019 amounted to \$7,648 and \$12,870, which represented production through October of the respective years.

The Board elected to restrict the royalties from these interests as part of the quasi-endowment. In 2015, the Board limited the principal amount of the corpus to \$500,000, including past royalty earnings and the initial contribution.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 are as follows:

	2020	2019
Operating Fund		
Subject to expenditure for specific purpose:		
Hotel/Motel - tourism/promotion	\$ 37,926	\$ 57,172
Archives - support/purchase	24,195	23,745
Plant Fund		
Subject to expenditure for specific purpose:		
Memorial bricks	6,651	3,751
South Texas Heritage - public art project	5,244	6,644
Endowment Fund		
Subject to spending policy:		
Investment in perpetuity (\$1,900,000), the income from which is subject to spending policy:		
Endowments and cumulative earnings	2,440,165	2,418,753
Legacy Park Fund		
Subject to expenditure for specific purpose:		
Legacy Park - development	29,290	29,040
Save Our Jail Fund		
Subject to expenditure for specific purpose:		
Jail renovation and exhibits	23,615	394,250
Total net assets with donor restrictions	\$ 2,567,086	\$ 2,933,355

The City of Edinburg distributes a portion of its hotel occupancy tax to MOSTH. The use of these funds is restricted to expenditures that directly enhance and promote tourism, the convention and hotel industry, and historical preservation. This resource is maintained in a separate bank account.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 – ENDOWMENT FUND NET ASSET BREAKDOWN

The following tables show the reconciliations between the beginning and ending net assets in the endowment fund:

<u>With donor restrictions</u>	2020	2019
Campaign of Discovery	\$ 1,150,000	\$ 1,150,000
Cumulative earnings	408,103	397,810
	<u>1,558,103</u>	<u>1,547,810</u>
Guerra Trust	150,000	150,000
Cumulative earnings	50,543	48,737
	<u>200,543</u>	<u>198,737</u>
Schaleben	100,000	100,000
Cumulative earnings	18,719	17,569
	<u>118,719</u>	<u>117,569</u>
Edinburg Foundation	500,000	500,000
Cumulative earnings	62,800	54,637
	<u>562,800</u>	<u>554,637</u>
Total with donor restrictions	<u>\$ 2,440,165</u>	<u>\$ 2,418,753</u>
<u>Without donor restrictions</u>	2020	2019
McFadden	\$ 500,000	\$ 500,000
Cumulative earnings	243,270	225,930
	<u>743,270</u>	<u>725,930</u>
O'Leary	400,000	400,000
Cumulative earnings	104,544	98,814
	<u>504,544</u>	<u>498,814</u>
Gary White	325,000	325,000
Cumulative earnings	84,917	80,293
	<u>409,917</u>	<u>405,293</u>
Total without donor restrictions	<u>\$ 1,657,731</u>	<u>\$ 1,630,037</u>

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 – ENDOWMENT FUND NET ASSET BREAKDOWN *(Continued)*

The Endowment Fund was established with a restricted donation from Margaret and Argyle McAllen. The Campaign of Discovery capital campaign, which expanded the existing facility and the permanent exhibit sequence, specified that \$1,000,000 would be added to the Endowment Fund. The Museum exceeded the \$1,000,000 mark set by the Campaign of Discovery capital campaign for restricted donations by \$150,000. Pledges of \$150,000 were received for a named endowment in honor of Mrs. Rafael A. (Carmen) Guerra. At the end of 2015, \$250,000 was received from the Edinburg Foundation, Inc. in fulfillment of its challenge grant. In January of 2016, MOSTH transferred \$250,000 in matching funds to fully fund the Edinburg Foundation, Inc. Endowment, designated for maintenance of MOSTH's facilities. The Schaleben endowment was initiated with a restricted donation in honor of Ray Schaleben, a longtime supporter of the Museum. Through additional restricted donations from friends of Mrs. Schaleben, the \$100,000 threshold to become a named endowment was reached in 2013.

Effective September 1, 2007, the State of Texas adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which governs Texas charitable institutions with respect to the management, investment, and expenditure of donor-restricted endowment funds.

The Board of Directors has interpreted Texas' adoption of UPMIFA as requiring MOSTH to adopt investment and spending policies that preserve the fair value of the original gift as of the date of the gift, absent donor stipulations to the contrary. Although MOSTH has a long-term fiduciary duty to the donor (and others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment, if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, MOSTH classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net earnings (realized and unrealized) on the investment of net assets with donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by MOSTH in a manner consistent with the purpose or time restriction, if any, imposed by the donor.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 – ENDOWMENT FUND NET ASSET BREAKDOWN (Continued)

	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year, January 1, 2020	\$ 1,630,037	\$ 2,418,753	\$ 4,048,790
Change in endowment net assets:			
Investment income	20,056	31,012	51,068
Net unrealized and realized gains on long-term investments	48,140	74,756	122,896
Royalties	7,648	-	7,648
Other	682	-	682
Appropriation for expenditures	84,356	(84,356)	-
Transfers out	(133,188)	-	(133,188)
Total endowment funds as of December 31, 2020	<u>\$ 1,657,731</u>	<u>\$ 2,440,165</u>	<u>\$ 4,097,896</u>

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year, January 1, 2019	\$ 1,457,238	\$ 2,176,426	\$ 3,633,664
Change in endowment net assets:			
Investment income	22,697	35,220	57,917
Net unrealized and realized losses on long-term investments	194,356	303,609	497,965
Royalties	12,870	-	12,870
Other	958	-	958
Appropriation for expenditures	96,502	(96,502)	-
Transfers out	(154,584)	-	(154,584)
Total endowment funds as of December 31, 2019	<u>\$ 1,630,037</u>	<u>\$ 2,418,753</u>	<u>\$ 4,048,790</u>

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 – ENDOWMENT FUND NET ASSET BREAKDOWN (Continued)

The objectives of the investment policy for the donor restricted endowment assets are to preserve the purchasing power while protecting the principal against permanent loss, to generate a sufficient return to provide sustainable funding for current needs and to grow the principal of the endowment to protect from inflation. Risk parameters are specified to prohibit total equity investments from exceeding 75 percent of assets with no single position exceeding 5 percent. The annual spending objective is to use up to 4 ½ percent of a five year rolling market value of average assets. Approval of 80 percent of the Board is required if principal invasion is required to meet the spending objective.

In 2020 and 2019, the transfers from the Endowment Fund to the Operating Fund, in accordance with the investment policy, were \$133,188 and \$154,584, respectively.

NOTE 14 – DONATIONS

Donations in 2020 and 2019 were as follows:

	2020	2019
Memorials	\$ 5,280	\$ 7,220
Brick Campaign	2,900	245
Historical Tax Credit	-	380,305
General Contributions	2,947	7,319
Coates Foundation	-	10,000
Pershing Advisors Solutions, LLC	-	20,000
UTRGV	12,000	9,250
Raul Tijerina Jr. Foundation	5,252	-
Betty Stieren Kelso Foundation	32,831	-
IMAS	250	-
BBVA Compass Bank	2,500	-
Humanities Texas	15,000	-
Summerlee Foundation	20,000	-
City of Edinburg	2,000	-
H-E-B	50,000	-
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Total	\$ 150,960	\$ 434,339
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MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 15 – GRANTS FROM GOVERNMENT AGENCIES

Grant revenue in the Operating Fund from government agencies in 2020 and 2019 is as follows:

	2020	Restated 2019
City of Edinburg	\$ 255,000	\$ 241,875
Hidalgo County	460,000	460,000
City of McAllen	38,000	67,790
Total	<u>\$ 753,000</u>	<u>\$ 769,665</u>

NOTE 16 – SPECIAL EVENTS

MOSTH has traditionally conducted two annual special events. The revenue generated from these events and the corresponding expenses are as follows:

	2020		
	Heritage Gala	Fandango	Total
Revenue	\$ 2,640	\$ 163,949	\$ 166,589
Cost of direct donor benefits	-	(25,990)	(25,990)
Direct expenses	(5,344)	(47,523)	(52,867)
Total	<u>\$ (2,704)</u>	<u>\$ 90,436</u>	<u>\$ 87,732</u>

	2019		
	Heritage Gala	Fandango	Total
Revenue	\$ 13,151	\$ 177,647	\$ 190,798
Cost of direct donor benefits	-	(47,250)	(47,250)
Direct expenses	(48,659)	(15,639)	(64,298)
Total	<u>\$ (35,508)</u>	<u>\$ 114,758</u>	<u>\$ 79,250</u>

Heritage Gala is held at the conclusion of the Heritage Associate portion of the Annual Campaign to recognize donors to MOSTH's Operating Fund contributing \$1,250 or more. Funds raised by the Annual Campaign are reflected as annual donations in the Statement of Activities. Thus, the revenue and expenses reflected above for the Heritage Gala must be linked to the \$421,106 and \$451,704 raised in the annual campaigns for 2020 and 2019, respectively, to reflect the true impact of this effort. Benefits given to donors are for the designated calendar year.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 17 – AUXILIARY ACTIVITIES

Additional revenue is earned by providing services and through the sale of merchandise and publications related to MOSTH's mission.

Revenues from these activities for 2020 and 2019 were as follows:

	2020	2019
Student, school, and class fees	\$ 24,029	\$ 123,007
General merchandise sales	13,505	68,982
Book sales	7,162	9,955
	<hr/>	<hr/>
Total	\$ 44,696	\$ 201,944
	<hr/> <hr/>	<hr/> <hr/>

NOTE 18 – IN-KIND DONATIONS

As described in Note 1, volunteers contributed substantial services to MOSTH in various capacities. Operating Fund donations that had values assigned and met the requirements of generally accepted accounting principles are as follows:

	2020	2019
Professional services	\$ 1,075	\$ 4,909
Rental of facility and other items for Gala	-	1,300
Advertising	8,757	13,491
Fandango	36,759	-
Other	-	1,225
	<hr/>	<hr/>
Total	\$ 46,591	\$ 20,925
	<hr/> <hr/>	<hr/> <hr/>

NOTE 19 – LEASES

MOSTH leases the land on which its original building is located under a non-cancellable operating lease with Hidalgo County. The lease agreement has a term of 99 years, and commenced on June 12, 1968. The lease requires an annual payment of \$1 and the fulfillment of certain covenants, such as payment for improvements and maintenance, as consideration. The value of the land used for the jail has not been recognized since the value is not considered material to the financial statements taken as a whole.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
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NOTE 20 – EMPLOYEE BENEFIT PLAN

The following description of the Museum of South Texas Simplified Employee Pension Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more thorough description of the Plan's provisions. The Plan is a defined contribution plan covering all employees of MOSTH who have completed six months of employment. An employee may enter the Plan in the quarter beginning after the date on which an employee meets the eligibility requirement.

During the Plan year ended December 31, 2020 and 2019, MOSTH elected to contribute five percent of employees' base salary to the Plan. Contributions were \$36,075 and \$36,277, respectively. The plan is self-directed by the individual employees. The trustee is Wells Fargo Advisors or another agent if the employee so designates.

NOTE 21 – COMMITMENTS

At December 31, 2020, MOSTH has an outstanding commitment of approximately \$15,490 for the permanent exhibits and staging of the 1910 jail restoration and renovation.

NOTE 22 – REVENUE CONCENTRATIONS

A significant portion of the Museum's revenues consist of grants from government agencies. In both 2020 and 2019, the Museum received \$460,000 or 61% and 60% of grants from the County of Hidalgo.

The Museum also received \$255,000 and \$241,875 or 34% and 32% of grants from the City of Edinburg in 2020 and 2019, respectively.

Fundraising revenues are a significant portion of the Museum's revenues. The Fandango event raised revenues of \$163,949 and \$177,647 in 2020 and 2019, respectively. This is 98% and 88% of total fundraising revenues for 2020 and 2019, respectively.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 23 – CONTRACTS WITH CUSTOMERS

The Museum recognized school contract revenues of \$24,029 and \$123,007 in 2020 and 2019, respectively. 100% of beginning balance of contract liabilities were recognized during 2020 and 2019, \$18,564 and \$44,904 respectively. As of December 31, 2020, there are no performance obligations to be satisfied. These performance obligations are recorded upon contract agreements with school districts and revenue is recognized over time based upon completion of school tours.

Contracts with customers balances at December 31, 2020 and 2019 consists of:

	2020	2019
Contract liabilities, beginning of the year	\$ 18,564	\$ 44,904
Contract liabilities, end of the year	-	18,564
Receivable from contracts, beginning of the year	855	-
Receivable from contracts, end of the year	-	855

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 24 - ALLOCATION OF FUNCTIONAL EXPENSES

Allocation of expenses for MOSTH to functional categories for the year ended December 31, 2020 are as follows:

	Program Services	Management and General	Fundraising	Auxiliary Services	Total
Operating Fund					
Salaries	\$ 448,441	\$ 192,600	\$ 134,419	\$ 23,549	\$ 799,009
Employee benefits	50,895	21,859	15,256	2,673	90,683
Payroll taxes	33,256	14,283	9,968	1,746	59,253
Total salaries and related expenses	532,592	228,742	159,643	27,968	948,945
Advertising and public relations	50,945	-	-	-	50,945
Archives and exhibits	27,418	-	-	-	27,418
Bad debts	20,923	-	-	-	20,923
Bank charges	2,742	56	-	2,742	5,540
Cost of goods sold	-	-	-	11,072	11,072
Conferences and meetings	3,640	1,709	627	219	6,195
Contract labor	7,090	-	-	3,493	10,583
Dues and subscriptions	12,180	-	-	-	12,180
Education programs	41,097	-	-	-	41,097
Fundraising (direct)	-	-	52,867	-	52,867
Insurance	82,862	1,388	553	158	84,961
Miscellaneous	658	2,526	740	-	3,924
Professional fees	-	35,533	-	-	35,533
Postage/supplies	11,810	6,667	571	-	19,048
Printing/publications	6,444	-	-	-	6,444
Repairs and maintenance	138,140	1,179	508	118	139,945
Travel	433	204	75	26	738
Utilities	96,913	827	356	83	98,179
Total expenses	1,035,887	278,831	215,940	45,879	1,576,537
Plant Fund					
Depreciation	344,123	7,727	2,948	1,611	356,409
Total expenses	344,123	7,727	2,948	1,611	356,409
Save Our Jail Fund					
Bad debts	5,200	-	-	-	5,200
Miscellaneous	97	-	-	-	97
Postage/supplies	68	-	-	-	68
Repairs and maintenance	97,620	-	-	-	97,620
Total expenses	102,985	-	-	-	102,985
Total for all Funds	\$ 1,482,995	\$ 286,558	\$ 218,888	\$ 47,490	\$ 2,035,931

Advertising costs are expensed as incurred. Total advertising costs incurred for 2020 amounted to \$50,945, which includes in-kind contributions of \$8,757.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 24 - ALLOCATION OF FUNCTIONAL EXPENSES (Continued)

Allocation of expenses for MOSTH to functional categories for the year ended December 31, 2019 are as follows:

	Program Services	Management and General	Fundraising	Auxiliary Services	Total
Operating Fund					
Salaries	\$ 457,414	\$ 200,976	\$ 131,363	\$ 27,268	\$ 817,021
Employee benefits	55,971	24,592	16,074	3,337	99,974
Payroll taxes	39,450	17,333	11,329	2,352	70,464
Total salaries and related expenses	552,835	242,901	158,766	32,957	987,459
Advertising and public relations	76,237	-	-	-	76,237
Archives and exhibits	12,908	-	-	-	12,908
Bad debts	20,212	-	-	-	20,212
Bank charges	3,885	467	-	3,885	8,237
Cost of goods sold	-	-	-	39,695	39,695
Conferences and meetings	3,385	1,589	583	203	5,760
Contract labor	1,899	-	-	935	2,834
Dues and subscriptions	10,610	-	-	-	10,610
Education programs	14,160	-	-	-	14,160
Fundraising (direct)	-	-	64,298	-	64,298
Insurance	71,748	1,523	596	178	74,045
Miscellaneous	123	46,592	123	-	46,838
Professional fees	-	37,923	-	-	37,923
Postage/supplies	13,835	7,810	669	-	22,314
Printing/publications	3,601	-	-	-	3,601
Repairs and maintenance	126,914	1,083	466	108	128,571
Travel	7,100	3,333	1,222	426	12,081
Utilities	106,290	907	391	89	107,677
Total expenses	1,025,742	344,128	227,114	78,476	1,675,460
Plant Fund					
Bank charges	-	3	-	-	3
Depreciation	331,059	4,269	1,674	1,180	338,182
Total expenses	331,059	4,272	1,674	1,180	338,185
Save Our Jail Fund					
Bank charges	-	23	-	-	23
Postage/supplies	203	-	-	-	203
Professional fees	52,507	-	-	-	52,507
Repairs and maintenance	473	-	-	-	473
Total expenses	53,183	23	-	-	53,206
Total for all Funds	<u>\$ 1,409,984</u>	<u>\$ 348,423</u>	<u>\$ 228,788</u>	<u>\$ 79,656</u>	<u>\$ 2,066,851</u>

Advertising costs are expensed as incurred. Total advertising costs incurred for 2019 amounted to \$76,237, which includes in-kind contributions of \$13,491.

MUSEUM OF SOUTH TEXAS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 25 – PRIOR PERIOD ADJUSTMENT

In 2019, the Museum misclassified annual donations and grants from government agencies as deferred revenues in the amounts of \$63,475 and \$28,500, respectively. These amounts were restated as revenues in 2019 resulting in an increase in net assets without donor restrictions of \$91,975.

NOTE 26 – UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Museum. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

NOTE 27 – SUBSEQUENT EVENTS

For purposes of reporting subsequent events, management has considered events occurring up to May 17, 2021, the date the report was available to be issued.

In March 2021, the Museum's loan payable of \$187,000 from the Payroll Protection Program received in response to the COVID-19 pandemic was forgiven.

In April 2021, the Museum received funding for a second time, in the amount of \$187,537, from the Payroll Protection Program Loan in response to the COVID-19 pandemic.

SUPPLEMENTARY SCHEDULES

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF FINANCIAL POSITION – FUND LEVEL
December 31, 2020 and 2019

	Operating		Plant		Endowment	
	2020	Restated 2019	2020	2019	2020	2019
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 714,367	\$ 496,082	\$ 23,112	\$ 21,970	\$ 291,960	\$ 373,805
Investments	595,008	558,181	-	-	3,794,049	3,662,850
Certificates of deposit	-	-	-	-	-	-
Interest receivable	1,706	1,706	-	-	11,887	11,887
Pledges receivable (net)	131,772	62,426	-	-	-	-
Inventory	39,461	38,591	-	-	-	-
Other current assets	23,642	18,412	-	-	-	-
Due from other funds	490	1,402	800	385	-	250
Total Current Assets	1,506,446	1,176,800	23,912	22,355	4,097,896	4,048,792
Noncurrent Assets						
Property, plant and equipment (net of accumulated depreciation)	-	-	6,673,353	6,830,777	-	-
Total Noncurrent Assets	-	-	6,673,353	6,830,777	-	-
TOTAL ASSETS	\$ 1,506,446	\$ 1,176,800	\$ 6,697,265	\$ 6,853,132	\$ 4,097,896	\$ 4,048,792
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	\$ 44,917	\$ 43,943	\$ -	\$ -	\$ -	\$ -
Accrued expenses	66,091	57,648	-	-	-	-
Due to other funds	1,878	1,298	-	1,400	-	2
Contract liabilities	-	18,564	-	-	-	-
Refundable advances	36,917	20,000	-	-	-	-
Loans payable	187,000	-	-	-	-	-
Total Current Liabilities	336,803	141,453	-	1,400	-	2
Total Liabilities	336,803	141,453	-	1,400	-	2
Net Assets						
Without donor restrictions	1,107,522	954,429	6,685,370	6,841,337	1,657,731	1,630,037
With donor restrictions	62,121	80,918	11,895	10,395	2,440,165	2,418,753
Total Net Assets	1,169,643	1,035,347	6,697,265	6,851,732	4,097,896	4,048,790
TOTAL LIABILITIES AND NET ASSETS	\$ 1,506,446	\$ 1,176,800	\$ 6,697,265	\$ 6,853,132	\$ 4,097,896	\$ 4,048,792

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF FINANCIAL POSITION – FUND LEVEL
December 31, 2020 and 2019

Legacy Park		Save Our Jail		Eliminations		Total	
2020	2019	2020	2019	2020	2019	2020	Restated 2019
\$ 29,290	\$ 29,040	\$ 42,547	\$ 302,383	\$ -	\$ -	\$ 1,101,276	\$ 1,223,280
-	-	-	-	-	-	4,389,057	4,221,031
-	-	-	284,871	-	-	-	284,871
-	-	-	-	-	-	13,593	13,593
-	-	-	5,200	-	-	131,772	67,626
-	-	-	-	-	-	39,461	38,591
-	-	-	-	-	-	23,642	18,412
-	-	1,078	663	(2,368)	(2,700)	-	-
29,290	29,040	43,625	593,117	(2,368)	(2,700)	5,698,801	5,867,404
-	-	328,803	24,710	-	-	7,002,156	6,855,487
-	-	328,803	24,710	-	-	7,002,156	6,855,487
<u>\$ 29,290</u>	<u>\$ 29,040</u>	<u>\$ 372,428</u>	<u>\$ 617,827</u>	<u>\$ (2,368)</u>	<u>\$ (2,700)</u>	<u>\$ 12,700,957</u>	<u>\$ 12,722,891</u>
\$ -	\$ -	\$ 12,850	\$ -	\$ -	\$ -	\$ 57,767	\$ 43,943
-	-	-	-	-	-	66,091	57,648
-	-	490	-	(2,368)	(2,700)	-	-
-	-	-	-	-	-	-	18,564
-	-	-	-	-	-	36,917	20,000
-	-	-	-	-	-	187,000	-
-	-	13,340	-	(2,368)	(2,700)	347,775	140,155
-	-	13,340	-	(2,368)	(2,700)	347,775	140,155
-	-	335,473	223,578	-	-	9,786,096	9,649,381
29,290	29,040	23,615	394,249	-	-	2,567,086	2,933,355
29,290	29,040	359,088	617,827	-	-	12,353,182	12,582,736
<u>\$ 29,290</u>	<u>\$ 29,040</u>	<u>\$ 372,428</u>	<u>\$ 617,827</u>	<u>\$ (2,368)</u>	<u>\$ (2,700)</u>	<u>\$ 12,700,957</u>	<u>\$ 12,722,891</u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF ACTIVITIES – FUND LEVEL
December 31, 2020 and 2019

	Operating		Plant		Endowment	
	2020	Restated 2019	2020	2019	2020	2019
Operating Revenues, Gains, and Other Support						
Donations	\$ 147,810	\$ 52,289	\$ 2,900	\$ 245	\$ -	\$ -
In-kind contributions	46,591	20,925	-	-	-	-
Grants from government						
agencies	753,000	766,665	-	-	-	-
Fundraising events	166,589	190,798	-	-	-	-
Annual donations	421,106	451,704	-	-	-	-
Investment income	9,655	9,918	56	127	51,068	57,917
Net unrealized and realized gains/(losses)						
on long-term investments	23,629	67,303	-	-	122,896	497,965
Admission charges	19,776	66,640	-	-	-	-
Auxiliary activities	44,696	201,944	-	-	-	-
Rents and royalties	6,421	16,993	-	-	7,648	12,870
Other	5,885	14,324	-	-	682	958
Total Operating Revenues, Gains, and Other Support	<u>1,645,158</u>	<u>1,859,503</u>	<u>2,956</u>	<u>372</u>	<u>182,294</u>	<u>569,710</u>
Operating Expenses						
Program Services						
Archives, collections and exhibits	28,200	13,105	171,476	164,970	-	-
Education programs	41,097	14,160	-	-	-	-
General program services	966,590	998,477	172,647	166,089	-	-
Total Program Services	<u>1,035,887</u>	<u>1,025,742</u>	<u>344,123</u>	<u>331,059</u>	<u>-</u>	<u>-</u>
Supporting Services						
Management and general	278,831	344,128	7,727	4,272	-	-
Costs of direct donor benefits	25,990	47,250	-	-	-	-
Fundraising	215,940	227,114	2,948	1,674	-	-
Auxiliary services	45,879	78,478	1,611	1,178	-	-
Total Supporting Services	<u>566,640</u>	<u>696,970</u>	<u>12,286</u>	<u>7,124</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>1,602,527</u>	<u>1,722,712</u>	<u>356,409</u>	<u>338,183</u>	<u>-</u>	<u>-</u>
Change in Net Assets from Operations	<u>42,631</u>	<u>136,791</u>	<u>(353,453)</u>	<u>(337,811)</u>	<u>182,294</u>	<u>569,710</u>
Other changes						
Transfers out	(40,742)	(19,108)	-	(1,750)	(133,188)	(154,584)
Transfers in	133,188	156,334	198,986	1,866,901	-	-
Total Other Changes	<u>92,446</u>	<u>137,226</u>	<u>198,986</u>	<u>1,865,151</u>	<u>(133,188)</u>	<u>(154,584)</u>
Change in net assets related to collection items not capitalized	<u>135,077</u>	<u>274,017</u>	<u>(154,467)</u>	<u>1,527,340</u>	<u>49,106</u>	<u>415,126</u>
Collection items purchased but not capitalized	<u>781</u>	<u>196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>134,296</u>	<u>273,821</u>	<u>(154,467)</u>	<u>1,527,340</u>	<u>49,106</u>	<u>415,126</u>
Beginning Net Assets	<u>1,035,347</u>	<u>761,526</u>	<u>6,851,732</u>	<u>5,324,392</u>	<u>4,048,790</u>	<u>3,633,664</u>
Ending Net Assets	<u>\$ 1,169,643</u>	<u>\$ 1,035,347</u>	<u>\$ 6,697,265</u>	<u>\$ 6,851,732</u>	<u>\$ 4,097,896</u>	<u>\$ 4,048,790</u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF ACTIVITIES – FUND LEVEL
December 31, 2020 and 2019

Legacy Park		Save Our Jail		Eliminations		Total	
2020	2019	2020	2019	2020	2019	2020	Restated 2019
\$ 250	\$ 400	\$ -	\$ 381,405	\$ -	\$ -	\$ 150,960	\$ 434,339
-	-	-	-	-	-	46,591	20,925
-	-	-	-	-	-	753,000	766,665
-	-	-	-	-	-	166,589	190,798
-	-	-	-	-	-	421,106	451,704
-	-	2,490	2,476	-	-	63,269	70,438
-	-	-	-	-	-	146,525	565,268
-	-	-	-	-	-	19,776	66,640
-	-	-	-	-	-	44,696	201,944
-	-	-	-	-	-	14,069	29,863
-	-	-	-	-	-	6,567	15,282
250	400	2,490	383,881	-	-	1,833,148	2,813,866
-	-	-	-	-	-	199,676	178,075
-	-	-	-	-	-	41,097	14,160
-	-	102,985	53,183	-	-	1,242,222	1,217,749
-	-	102,985	53,183	-	-	1,482,995	1,409,984
-	-	-	23	-	-	286,558	348,423
-	-	-	-	-	-	25,990	47,250
-	-	-	-	-	-	218,888	228,788
-	-	-	-	-	-	47,490	79,656
-	-	-	23	-	-	578,926	704,117
-	-	102,985	53,206	-	-	2,061,921	2,114,101
250	400	(100,495)	330,675	-	-	(228,773)	699,765
-	-	(158,244)	(1,847,793)	332,174	2,023,235	-	-
-	-	-	-	(332,174)	(2,023,235)	-	-
-	-	(158,244)	(1,847,793)	-	-	-	-
250	400	(258,739)	(1,517,118)	-	-	(228,773)	699,765
-	-	-	-	-	-	781	196
250	400	(258,739)	(1,517,118)	-	-	(229,554)	699,569
29,040	28,640	617,827	2,134,945	-	-	12,582,736	11,883,167
\$ 29,290	\$ 29,040	\$ 359,088	\$ 617,827	\$ -	\$ -	\$ 12,353,182	\$ 12,582,736

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – OPERATING FUND
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Donations	\$ 147,360	\$ 450	\$ 147,810
In-kind donations	46,591	-	46,591
Grants from government agencies	658,000	95,000	753,000
Fundraising events	166,589	-	166,589
Annual donations	421,106	-	421,106
Investment income	9,610	45	9,655
Net unrealized and realized gains on long-term investments	23,629	-	23,629
Admission charges	19,776	-	19,776
Auxiliary activities	44,696	-	44,696
Rents and royalties	6,421	-	6,421
Other	5,885	-	5,885
Net assets released from restrictions			
Satisfaction of use restrictions	114,292	(114,292)	-
Total Operating Revenues, Gains, and Other Support	1,663,955	(18,797)	1,645,158
Operating Expenses			
Program Services			
Archives, collections and exhibits	28,200	-	28,200
Education programs	41,097	-	41,097
General program services	966,590	-	966,590
Total Program Services	1,035,887	-	1,035,887
Supporting Services			
Management and general	278,831	-	278,831
Costs of direct donor benefits	25,990	-	25,990
Fundraising	215,940	-	215,940
Auxiliary services	45,879	-	45,879
Total Supporting Services	566,640	-	566,640
Total Operating Expenses	1,602,527	-	1,602,527
Change in Net Assets from Operations	61,428	(18,797)	42,631
Other Changes			
Transfers out	(40,742)	-	(40,742)
Transfers in	133,188	-	133,188
Total Other Changes	92,446	-	92,446
Change in net assets related to collection items not capitalized	153,874	(18,797)	135,077
Collection items purchased but not capitalized	781	-	781
Change in Net Assets	153,093	(18,797)	134,296
Beginning Net Assets	954,429	80,918	1,035,347
Ending Net Assets	\$ 1,107,522	\$ 62,121	\$ 1,169,643

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – OPERATING FUND
Year Ended December 31, 2019

	Restated Without Donor Restrictions	With Donor Restrictions	Restated Total
Operating Revenues, Gains, and Other Support			
Donations	\$ 46,760	\$ 5,529	\$ 52,289
In-kind donations	20,925	-	20,925
Grants from government agencies	671,665	95,000	766,665
Fundraising events	190,798	-	190,798
Annual donations	451,704	-	451,704
Investment income	9,861	57	9,918
Net unrealized and realized (losses) on long-term investments	67,303	-	67,303
Admission charges	66,640	-	66,640
Auxiliary activities	201,944	-	201,944
Rents and royalties	16,993	-	16,993
Other	14,324	-	14,324
Net assets released from restrictions			
Satisfaction of use restrictions	84,068	(84,068)	-
Total Operating Revenues, Gains, and Other Support	1,842,985	16,518	1,859,503
Operating Expenses			
Program Services			
Archives, collections and exhibits	13,105	-	13,105
Education programs	14,160	-	14,160
General program services	998,477	-	998,477
Total Program Services	1,025,742	-	1,025,742
Supporting Services			
Management and general	344,128	-	344,128
Costs of direct donor benefits	47,250	-	47,250
Fundraising	227,114	-	227,114
Auxiliary services	78,478	-	78,478
Total Supporting Services	696,970	-	696,970
Total Operating Expenses	1,722,712	-	1,722,712
Changes in Net Assets from Operations	120,273	16,518	136,791
Other Changes			
Transfers out	(19,108)	-	(19,108)
Transfers in	156,334	-	156,334
Total Other Changes	137,226	-	137,226
Change in net assets related to collection items not capitalized	257,499	16,518	274,017
Collection items purchased but not capitalized	196	-	196
Change in Net Assets	257,303	16,518	273,821
Beginning Net Assets	697,126	64,400	761,526
Ending Net Assets	\$ 954,429	\$ 80,918	\$ 1,035,347

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – PLANT FUND
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Donations	\$ -	\$ 2,900	\$ 2,900
Investment income	56	-	56
Net assets released from restrictions			
Satisfaction of use restrictions	1,400	(1,400)	-
Total Operating Revenues, Gains, and Other Support	<u>1,456</u>	<u>1,500</u>	<u>2,956</u>
Operating Expenses			
Program Services			
Archives, collections and exhibits	171,476	-	171,476
General program services	172,647	-	172,647
Total Program Services	<u>344,123</u>	<u>-</u>	<u>344,123</u>
Supporting Services			
Management and general	7,727	-	7,727
Fundraising	2,948	-	2,948
Auxiliary service	1,611	-	1,611
Total Supporting Services	<u>12,286</u>	<u>-</u>	<u>12,286</u>
Total Operating Expenses	<u>356,409</u>	<u>-</u>	<u>356,409</u>
Changes in Net Assets from Operations	<u>(354,953)</u>	<u>1,500</u>	<u>(353,453)</u>
Other Changes			
Transfers in	198,986	-	198,986
Total Other Changes	<u>198,986</u>	<u>-</u>	<u>198,986</u>
Change in Net Assets	<u>(155,967)</u>	<u>1,500</u>	<u>(154,467)</u>
Beginning Net Assets	<u>6,841,337</u>	<u>10,395</u>	<u>6,851,732</u>
Ending Net Assets	<u><u>\$ 6,685,370</u></u>	<u><u>\$ 11,895</u></u>	<u><u>\$ 6,697,265</u></u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – PLANT FUND
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Donations	\$ -	\$ 245	\$ 245
Investment income	127	-	127
Net assets released from restrictions			
Satisfaction of use restrictions	10,250	(10,250)	-
Total Operating Revenues, Gains, and Other Support	10,377	(10,005)	372
Operating Expenses			
Program Services			
Archives, collections and exhibits	164,970	-	164,970
General program services	166,089	-	166,089
Total Program Services	331,059	-	331,059
Supporting Services			
Management and general	4,272	-	4,272
Fundraising	1,674	-	1,674
Auxiliary service	1,178	-	1,178
Total Supporting Services	7,124	-	7,124
Total Operating Expenses	338,183	-	338,183
Changes in Net Assets from Operations	(327,806)	(10,005)	(337,811)
Other Changes			
Transfers out	(1,750)	-	(1,750)
Transfers in	1,866,901	-	1,866,901
Total Other Changes	1,865,151	-	1,865,151
Change in Net Assets	1,537,345	(10,005)	1,527,340
Beginning Net Assets	5,303,992	20,400	5,324,392
Ending Net Assets	\$ 6,841,337	\$ 10,395	\$ 6,851,732

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – ENDOWMENT FUND
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Investment income	\$ 20,056	\$ 31,012	\$ 51,068
Net unrealized and realized gains on long-term investments	48,140	74,756	122,896
Royalties	7,648	-	7,648
Other	682	-	682
Net assets released from restrictions			
Satisfaction of use restrictions	84,356	(84,356)	-
Total Operating Revenues, Gains, and Other Support	<u>160,882</u>	<u>21,412</u>	<u>182,294</u>
Changes in Net Assets from Operations	<u>160,882</u>	<u>21,412</u>	<u>182,294</u>
Other Changes			
Transfers out	<u>(133,188)</u>	<u>-</u>	<u>(133,188)</u>
Total Other Changes	<u>(133,188)</u>	<u>-</u>	<u>(133,188)</u>
Change in Net Assets	<u>27,694</u>	<u>21,412</u>	<u>49,106</u>
Beginning Net Assets	<u>1,630,037</u>	<u>2,418,753</u>	<u>4,048,790</u>
Ending Net Assets	<u><u>\$ 1,657,731</u></u>	<u><u>\$ 2,440,165</u></u>	<u><u>\$ 4,097,896</u></u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – ENDOWMENT FUND
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Investment income	\$ 22,697	\$ 35,220	\$ 57,917
Net unrealized and realized gains on long-term investments	194,356	303,609	497,965
Royalties	12,870	-	12,870
Other	958	-	958
Net assets released from restrictions			
Satisfaction of use restrictions	96,502	(96,502)	-
Total Operating Revenues, Gains, and Other Support	<u>327,383</u>	<u>242,327</u>	<u>569,710</u>
Other Changes			
Transfers out	<u>(154,584)</u>	<u>-</u>	<u>(154,584)</u>
Total Other Changes	<u>(154,584)</u>	<u>-</u>	<u>(154,584)</u>
Change in Net Assets	<u>172,799</u>	<u>242,327</u>	<u>415,126</u>
Beginning Net Assets	<u>1,457,238</u>	<u>2,176,426</u>	<u>3,633,664</u>
Ending Net Assets	<u><u>\$ 1,630,037</u></u>	<u><u>\$ 2,418,753</u></u>	<u><u>\$ 4,048,790</u></u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – LEGACY PARK FUND
Year Ended December 31, 2020

	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support		
Donations	\$ 250	\$ 250
Total Operating Revenues, Gains, and Other Support	<u>250</u>	<u>250</u>
Change in Net Assets	<u>250</u>	<u>250</u>
Beginning Net Assets	<u>29,040</u>	<u>29,040</u>
Ending Net Assets	<u><u>\$ 29,290</u></u>	<u><u>\$ 29,290</u></u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – LEGACY PARK FUND
Year Ended December 31, 2019

	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support		
Donations	\$ 400	\$ 400
Total Operating Revenues, Gains, and Other Support	400	400
Change in Net Assets	400	400
Beginning Net Assets	28,640	28,640
Ending Net Assets	\$ 29,040	\$ 29,040

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – SAVE OUR JAIL FUND
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Investment income	\$ 2,490	\$ -	\$ 2,490
Net assets released from restrictions			
Satisfaction of use restrictions	370,634	(370,634)	-
Total Operating Revenues, Gains, and Other Support	373,124	(370,634)	2,490
Operating Expenses			
Program Services			
General program services	102,985	-	102,985
Total Program Services	102,985	-	102,985
Total Operating Expenses	102,985	-	102,985
Changes in Net Assets from Operations	270,139	(370,634)	(100,495)
Other Changes			
Transfers out	(158,244)	-	(158,244)
Total Other Changes	(158,244)	-	(158,244)
Change in Net Assets	111,895	(370,634)	(258,739)
Beginning Net Assets	223,578	394,249	617,827
Ending Net Assets	\$ 335,473	\$ 23,615	\$ 359,088

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENT OF ACTIVITIES – SAVE OUR JAIL FUND
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support			
Donations	\$ -	\$ 381,405	\$ 381,405
Investment income	2,476	-	2,476
Net assets released from restrictions			
Satisfaction of use restrictions	359,172	(359,172)	-
Total Operating Revenues, Gains, and Other Support	<u>361,648</u>	<u>22,233</u>	<u>383,881</u>
Operating Expenses			
Program Services			
General program services	53,183	-	53,183
Total Program Services	<u>53,183</u>	<u>-</u>	<u>53,183</u>
Supporting services			
Management and general	23	-	23
Total Supporting Services	<u>23</u>	<u>-</u>	<u>23</u>
Total Operating Expenses	<u>53,206</u>	<u>-</u>	<u>53,206</u>
Changes in Net Assets from Operations	<u>308,442</u>	<u>22,233</u>	<u>330,675</u>
Other Changes			
Transfers out	(1,847,793)	-	(1,847,793)
Total Other Changes	<u>(1,847,793)</u>	<u>-</u>	<u>(1,847,793)</u>
Change in Net Assets	<u>(1,539,351)</u>	<u>22,233</u>	<u>(1,517,118)</u>
Beginning Net Assets	<u>1,762,929</u>	<u>372,016</u>	<u>2,134,945</u>
Ending Net Assets	<u><u>\$ 223,578</u></u>	<u><u>\$ 394,249</u></u>	<u><u>\$ 617,827</u></u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF CASH FLOWS – FUND LEVEL
Years Ended December 31, 2020 and 2019

	Operating		Plant		Endowment	
	2020	Restated 2019	2020	2019	2020	2019
Cash flows from operating activities						
Change in net assets	\$ 42,631	\$ 136,791	\$ (353,453)	\$ (337,811)	\$ 182,294	\$ 569,710
Adjustments to reconcile change in net assets to cash provided by operating activities:						
Depreciation and amortization	-	-	356,410	338,180	-	-
Collection items purchased	(781)	(196)	-	-	-	-
Unrealized (gain)/loss on investments	(14,397)	(53,576)	-	-	(19,218)	(387,474)
Net change in:						
(Increase) decrease in pledges receivable (net)	(69,346)	(25,151)	-	-	-	-
(Increase) decrease in other current assets	(5,230)	443	-	-	-	-
(Increase) decrease in inventory	(870)	1,982	-	-	-	-
(Increase) decrease in due from other funds	910	(1,400)	(415)	(245)	250	-
Increase (decrease) in accounts payable	974	1,621	-	-	-	-
Increase (decrease) in accrued expenses	8,443	2,049	-	-	-	-
Increase (decrease) in due to other funds	580	245	(1,400)	1,400	-	-
Increase (decrease) in contract liabilities	(18,564)	(26,340)	-	-	-	-
Increase (decrease) in refundable advances	16,917	(96,051)	-	-	-	-
Net cash provided (used) by operating activities	(38,733)	(59,583)	1,142	1,524	163,326	182,236
Cash flows from investing activities						
Proceeds from investment sales	231,198	260,572	-	-	1,462,705	1,096,967
Purchase of investments	(253,626)	(243,325)	-	-	(1,574,688)	(1,028,933)
Acquisitions of property and equipment	-	(67,302)	(198,986)	(9,900)	-	-
Net cash provided (used) by investing activities	(22,428)	(50,055)	(198,986)	(9,900)	(111,983)	68,034
Cash flows from financing activities:						
Increase (decrease) in loans payable	187,000	-	-	-	-	-
Transfer in	133,188	156,334	198,986	-	-	-
Transfer out	(40,742)	-	-	(1,750)	(133,188)	(154,584)
Net cash provided (used) by financing activities	279,446	156,334	198,986	(1,750)	(133,188)	(154,584)
Net increase (decrease) in cash and cash equivalents	218,285	46,696	1,142	(10,126)	(81,845)	95,686
Cash and cash equivalents, beginning of year	496,082	449,386	21,970	32,096	373,805	278,119
Cash and cash equivalents, end of year	<u>\$ 714,367</u>	<u>\$ 496,082</u>	<u>\$ 23,112</u>	<u>\$ 21,970</u>	<u>\$ 291,960</u>	<u>\$ 373,805</u>

MUSEUM OF SOUTH TEXAS HISTORY
STATEMENTS OF CASH FLOWS – FUND LEVEL
Years Ended December 31, 2020 and 2019

Legacy Park		Save Our Jail		Eliminations		Total	
2020	2019	2020	2019	2020	2019	2020	Restated 2019
\$ 250	\$ 400	\$ (100,495)	\$ 330,675	\$ -	\$ -	\$ (228,773)	\$ 699,765
-	-	-	-	-	-	356,410	338,180
-	-	-	-	-	-	(781)	(196)
-	-	-	-	-	-	(33,615)	(441,050)
-	-	5,200	-	-	-	(64,146)	(25,151)
-	-	-	-	-	-	(5,230)	443
-	-	-	-	-	-	(870)	1,982
-	-	(415)	-	-	-	330	(1,645)
-	-	12,850	(224,447)	-	-	13,824	(222,826)
-	-	-	-	-	-	8,443	2,049
-	-	490	-	-	-	(330)	1,645
-	-	-	-	-	-	(18,564)	(26,340)
-	-	-	-	-	-	16,917	(96,051)
250	400	(82,370)	106,228	-	-	43,615	230,805
-	-	284,871	-	-	-	1,978,774	1,357,539
-	-	-	-	-	-	(1,828,314)	(1,272,258)
-	-	(304,093)	(77,564)	-	-	(503,079)	(154,766)
-	-	(19,222)	(77,564)	-	-	(352,619)	(69,485)
-	-	-	-	-	-	187,000	-
-	-	-	-	(332,174)	(156,334)	-	-
-	-	(158,244)	-	332,174	156,334	-	-
-	-	(158,244)	-	-	-	187,000	-
250	400	(259,836)	28,664	-	-	(122,004)	161,320
29,040	28,640	302,383	273,719	-	-	1,223,280	1,061,960
\$ 29,290	\$ 29,040	\$ 42,547	\$ 302,383	\$ -	\$ -	\$ 1,101,276	\$ 1,223,280