

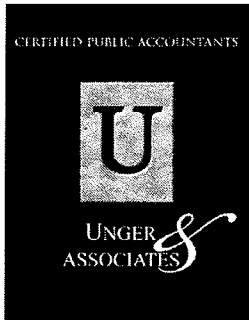
AMERICAN TRUCK HISTORICAL SOCIETY

**BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Truck Historical Society

We have audited the accompanying statements of financial position of American Truck Historical Society (a nonprofit organization) as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of American Truck Historical Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Truck Historical Society as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Unger & Associates P.C.

March 1, 2013
Unger & Associates, PC
Certified Public Accountants

**AMERICAN TRUCK HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents (Note 4)	\$ 617,188	\$ 531,775
Accounts receivable	357	48
Inventory held for resale (Note 5)	90,393	70,539
Prepaid expenses (Note 6)	53,105	76,407
Property and equipment – net (Note 7)	1,715,057	1,765,937
Library and museum collections	<u>696,170</u>	<u>618,596</u>
TOTAL ASSETS	<u>\$ 3,172,270</u>	<u>\$ 3,063,302</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 12,890	\$ 6,459
Accrued expenses (Note 8)	33,154	43,024
Accrued liability - Showtime	19,091	19,322
Deferred revenue	79,736	81,212
Security deposit	<u>13,000</u>	<u>13,000</u>
TOTAL LIABILITIES	<u>157,871</u>	<u>163,017</u>
NET ASSETS		
Unrestricted		
Board designated (Note 12)	138,858	138,858
Undesignated	<u>2,627,757</u>	<u>2,624,106</u>
Total unrestricted	2,766,615	2,762,964
Temporarily restricted (Note 13)	<u>247,784</u>	<u>137,321</u>
TOTAL NET ASSETS	<u>3,014,399</u>	<u>2,900,285</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,172,270</u>	<u>\$ 3,063,302</u>

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

AMERICAN TRUCK HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012 (WITH 2011 MEMORANDUM TOTALS)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2012 Total</u>	(2011) <u>(Total)</u>
REVENUES AND GAINS				
Memberships	\$ 629,492	\$ --	\$ 629,492	\$ 637,182
Convention	236,304	--	236,304	224,913
Magazine sales	208,606	--	208,606	194,038
Contributions	11,889	91,499	103,388	56,474
Rent income	84,550	--	84,550	57,425
Merchandise sales	58,371	--	58,371	47,801
Historical Highway	--	50,461	50,461	--
Advertising	49,681	--	49,681	64,725
Royalties	31,921	--	31,921	65,461
Miscellaneous	1,847	--	1,847	6,853
Investment income	<u>1,371</u>	<u>--</u>	<u>1,371</u>	<u>2,285</u>
TOTAL REVENUES AND GAINS	1,314,032	141,960	1,455,992	1,357,157
EXPENSES				
Program	968,621	--	968,621	890,626
Management	191,257	--	191,257	201,605
Fundraising	<u>182,000</u>	<u>--</u>	<u>182,000</u>	<u>181,295</u>
TOTAL EXPENSES	<u>1,341,878</u>	<u>--</u>	<u>1,341,878</u>	<u>1,273,526</u>
CHANGE IN TEMPORARILY RESTRICTED ASSETS				
Net assets released from restriction	<u>31,497</u>	<u>(31,497)</u>	<u>--</u>	<u>--</u>
INCREASE IN NET ASSETS	3,651	110,463	114,114	83,631
NET ASSETS, beginning of year	<u>2,762,964</u>	<u>137,321</u>	<u>2,900,285</u>	<u>2,816,654</u>
NET ASSETS, end of year	<u>\$ 2,766,615</u>	<u>\$ 247,784</u>	<u>\$ 3,014,399</u>	<u>\$ 2,900,285</u>

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

**AMERICAN TRUCK HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Memberships	\$ 637,182	\$ --	\$ 637,182
Convention	224,913	--	224,913
Magazine sales	194,038	--	194,038
Royalties	65,461	--	65,461
Advertising	64,725	--	64,725
Rent income	57,425	--	57,425
Merchandise sales	47,801	--	47,801
Contributions	29,564	26,910	56,474
Miscellaneous	6,853	--	6,853
Investment income	<u>2,285</u>	<u>--</u>	<u>2,285</u>
TOTAL REVENUES	1,330,247	26,910	1,357,157
EXPENSES			
Program	890,626	--	890,626
Management	201,605	--	201,605
Fundraising	<u>181,295</u>	<u>--</u>	<u>181,295</u>
TOTAL EXPENSES	<u>1,273,526</u>	<u>--</u>	<u>1,273,526</u>
CHANGE IN TEMPORARILY RESTRICTED ASSETS			
Net assets released from restriction	<u>6,499</u>	<u>(6,499)</u>	<u>--</u>
INCREASE IN NET ASSETS	63,220	20,411	83,631
NET ASSETS, beginning of year	<u>2,699,744</u>	<u>116,910</u>	<u>2,816,654</u>
NET ASSETS, end of year	<u>\$ 2,762,964</u>	<u>\$ 137,321</u>	<u>\$ 2,900,285</u>

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

**AMERICAN TRUCK HISTORICAL SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 117,897	\$ 83,631
Depreciation and amortization	86,689	87,237
Change in operating assets and liabilities:		
Accounts receivable	(309)	742
Inventory held for sale	(19,854)	3,247
Prepaid expenses	23,302	(26,262)
Accounts payable	6,431	(2,845)
Accrued expenses	(10,101)	5,879
Security deposit	--	13,000
Deferred revenue	<u>(1,476)</u>	<u>14,572</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>202,579</u>	 <u>179,201</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of antique truck	--	--
Purchase of library resources	(77,574)	(2,042)
Purchases of property and equipment	<u>(39,592)</u>	<u>(68,054)</u>
 NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	 <u>(117,166)</u>	 <u>(70,096)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts paid on principal portion of long-term debt	<u>--</u>	<u>(96,676)</u>
 NET CASH USED FOR FINANCING ACTIVITIES	 <u>--</u>	 <u>(96,676)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 85,413	 12,429
 CASH AND CASH EQUIVALENTS, beginning of year	 <u>531,775</u>	 <u>519,346</u>
 CASH AND CASH EQUIVALENTS, end of year	 <u>\$ 617,188</u>	 <u>\$ 531,775</u>

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

**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

Organization

The American Truck Historical Society (the Society) was incorporated in the state of Illinois on March 24, 1971 as a nonprofit entity. The Society was organized for the collection and preservation of the dynamic history of trucks, the trucking industry, and its pioneers. The Society had 20,540 and 20,776 members as of December 31, 2012 and 2011, respectively.

Nature of Activities

The Society maintains a Library and Museum Collection in Kansas City, Missouri. Library and museum collections consist of historical objects acquired by gift or purchase. The values of the historical objects acquired by gift for which the Society can make a reasonable estimate or which have been appraised, are recorded in the financial statements based on estimates or appraisals. Historical objects acquired by purchase are recorded at cost. The collections are considered inexhaustible and are not depreciated. The Society meets annually in the spring of each year throughout the United States to foster the promotion and preservation of the history of trucks.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Society's financial statements are prepared on the accrual basis of accounting, which conforms to accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Society considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Financial Statement Presentation

The Society follows FASB ASC-958-205, "Financial Statements for Not-for-Profit Organizations". Under this standard, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At December 31, 2012 and 2011, the Society has further segregated unrestricted net assets to include a board restriction. In addition, the Society is required to present a statement of cash flows.

**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - continued

Contributions and Receivables

The Society utilizes FASB ASC 985-605, "Not-for-Profit Revenue Recognition". This standard requires that unconditional promises to give be recorded as receivables and revenues and requires the Society to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as temporarily restricted or permanently restricted revenues that increase those net asset classes. However, if a restriction is met in the same time period in which the contribution is received, the Society reports the revenue as unrestricted. Conditional promises to give are not included as revenue until the conditions are substantially met.

Revenue

The Society derives unrestricted revenue through memberships, rental of unused office space, a national convention and by selling items that were purchased, produced, or donated for sale. Examples include the sale of magazines and publications, reproductions, articles of clothing, and advertising space. Such sales are often cash sales at the Kansas City, MO facility or mail order sales. Memberships, rent, convention income and sales are recorded as revenue at the time of sale or shipment. Magazine sales, however, are recognized over the period to which the subscription applies, and deferred revenues are recorded for subscriptions relating to future periods.

Property and Equipment

Capital assets are carried at cost, if purchased, or fair value at the date of donation. Depreciation is charged to expense based on estimated useful lives ranging from five to forty years and is computed using the straight-line method. Upon sale or retirement of furniture or equipment, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss, if any, is included in the statement of activities.

Donated Services

Donated services are reflected as contributions at their estimated value at the date of receipt. Contributed services are recorded if they require specialized skills which would typically need to be purchased if not provided by donation. The Society had no donations which met this criterion in 2012 and 2011.

Fair Value Measurements

The Society uses FAST ASC 820-10, "Fair Value Measurements", which provides a framework for measuring fair value under generally accepted accounting principles. This measure applies to all financial instruments being measured and reported on a fair value basis.

**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3. CONCENTRATION OF CREDIT RISK

The Society maintains cash balances at various financial institutions. The balance at each institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2012 and 2011, the Society's had no uninsured cash balances.

NOTE 4. CASH AVAILABLE FOR OPERATIONS

Cash and cash equivalents of \$617,188 and \$531,775 as of December 31, 2012 and 2011, respectively, have been set aside for the additions to the library and for capital costs related to the acquisition of land and buildings for the national headquarters.

	<u>2012</u>	<u>2011</u>
Total Cash and cash equivalents	\$ 617,188	\$ 531,775
Less: Reserved – board designated (Note 12)	(138,858)	(138,858)
Temporarily restricted (Note 13)	<u>(247,784)</u>	<u>(137,321)</u>
Cash available for operations	<u>\$ 230,546</u>	<u>\$ 255,596</u>

NOTE 5. INVENTORY HELD FOR RESALE

The Society purchases for resale books, photos and clothing related to the trucking industry. The value of remaining inventory as of December 31, 2012 and 2011 was \$90,393 and \$70,539, respectively, based on the lower of cost or market method.

NOTE 6. PREPAID EXPENSES

Prepaid expenses as of December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Prepaid convention expenses	\$ 16,118	\$ 34,507
Prepaid insurance	14,111	14,030
Prepaid postage	827	689
Other prepaid expenses	<u>22,049</u>	<u>27,181</u>
Total	<u>\$ 53,105</u>	<u>\$ 50,145</u>

**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment and the related accumulated depreciation as of December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Building	\$ 1,974,069	\$ 1,961,158
Office furniture and equipment	400,780	374,099
Leasehold improvements	43,831	43,831
Land	<u>200,000</u>	<u>200,000</u>
	2,618,680	2,579,088
Less accumulated depreciation	<u>(903,623)</u>	<u>(813,151)</u>
Net property and equipment	<u>\$ 1,715,057</u>	<u>\$ 1,765,937</u>

NOTE 8. ACCRUED EXPENSES

Accrued expenses as of December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Wages and payroll taxes	\$ 18,704	\$ 20,756
Audit fees	6,570	5,588
Convention expense	<u>7,880</u>	<u>16,680</u>
Total	<u>\$ 33,154</u>	<u>\$ 43,024</u>

NOTE 9. LONG-TERM DEBT

The Society purchased land and a building in 2001 to serve as its national headquarters. In conjunction with the purchase, the Society borrowed \$1,000,000 to finance the purchase. The balance of the mortgage payable was paid in full in 2011.

**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10. EMPLOYEE BENEFIT PLAN

The Society offers staff employees the opportunity for participation in a contributory SEP IRA retirement plan. The employee becomes eligible after ninety days of employment. The Society contributes 2.5% of the employee's salary after two years of employment. The Society in 2012 and 2011 contributed \$7,429 and \$7,322, respectively, towards the employee retirement plan.

NOTE 11. INCOME TAX STATUS

The Society is an exempt organization for federal income tax purposes under Internal Revenue Code Section 501 (c)(3); therefore, no federal income taxes have been provided for. The Society is classified by the Internal Revenue Service as other than a private foundation. However, the Society did report unrelated business loss from the lease of unused office space in 2012 and 2011, respectively.

NOTE 12. BOARD DESIGNATED NET ASSETS

Board designated net assets of \$138,858 at December 31, 2012 and 2011, respectively, represent a Life Membership Fund. The Society has placed all past, present, and will place future Life and Endowing dues in this fund, with only the income from this fund to be used for operating expenses, and with the principal to be used only by vote of the Board of Directors.

NOTE 13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets – Temporarily restricted net assets are those whose use by the Society has been limited by donors to a specific time period or purpose. Temporarily restricted net assets at December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
21 st Century Endowment Fund	\$ 196,092	\$ 100,574
Library Fund	<u>51,692</u>	<u>36,747</u>
Total temporarily restricted net assets	<u>\$ 247,784</u>	<u>\$ 137,321</u>

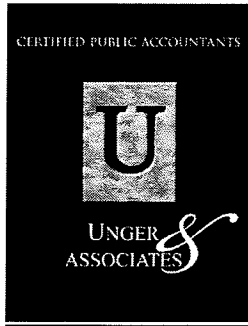
**AMERICAN TRUCK HISTORICAL SOCIETY
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 14. COMMITMENT AND CONTINGENCIES

The Society leases out 32% of the Kansas City, MO facility to an unrelated entity. The lease reduced unrestricted net assets by \$10,389 and \$46,488 but defrayed operating costs of \$95,389 and \$103,913 in 2012 and 2011, respectively. A new tenant signed a five year, two month lease effective March 1, 2011 for a monthly lease of \$6,500 with an option for an additional 2,500 square feet. Effective April 1, 2013, the monthly rental fee will increase in April or 2013. The entire operating cost allocated to the rental of the building would have been substantially incurred without regard to having a tenant occupying a portion of the building.

NOTE 15. FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

To the Executive Committee of the
American Truck Historical Society

Our report on our audits of the basic financial statements of American Truck Historical Society for 2012 and 2011 appears on page 3. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming our opinion on the basic financial statements taken as a whole. The schedules of functional expenses and unrelated business income are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Unger & Associates, P.C.
Certified Public Accountants
Platte City, Missouri
March 1, 2013

AMERICAN TRUCK HISTORICAL SOCIETY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012 (WITH 2011 MEMORANDUM TOTALS)

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>2012 Total</u>	<u>(2011) (Total)</u>
Compensation, benefits, and taxes	\$ 203,890	\$ 58,871	\$ 121,926	\$ 384,687	\$ 379,658
Magazines	236,932	-	-	236,932	252,792
Convention	245,892	-	-	245,892	162,522
Historic highway	31,497	-	-	31,497	-
Postage and delivery	33,335	877	877	35,089	33,758
Professional fees	15,886	10,195	5,892	31,973	24,254
Depreciation	43,428	37,999	9,047	90,474	87,237
Building					
Utilities	31,746	27,779	6,614	66,139	74,893
Cleaning and janitorial	8,512	7,447	1,773	17,732	17,660
Repairs and maintenance	5,408	4,733	1,127	11,268	20,765
Landscaping	5,301	4,638	1,104	11,043	18,227
Repairs and maintenance	10,463	6,276	4,185	20,924	20,198
Merchandise sold	18,090	-	-	18,090	33,993
Printing	8,811	5,286	3,524	17,621	14,762
Interest	-	-	-	-	7,873
Promotions	2,431	1,459	12,144	16,034	11,517
Board and committee	10,991	1,448	1,122	13,561	16,881
Office supplies	9,876	5,925	3,949	19,750	18,299
Telephone	5,973	3,585	2,390	11,948	10,248
Service charges	18,654	1,037	1,036	20,727	19,296
Insurance	13,600	11,902	2,834	28,336	27,327
Miscellaneous	6,877	1,183	2,044	10,104	15,008
Registration fees and taxes	1,028	617	412	2,057	6,358
TOTAL	<u>\$ 968,621</u>	<u>\$ 191,257</u>	<u>\$ 182,000</u>	<u>\$ 1,341,878</u>	<u>\$ 1,273,526</u>

**AMERICAN TRUCK HISTORICAL SOCIETY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>2011 Total</u>
Compensation, benefits, and taxes	\$ 201,219	\$ 58,134	\$ 120,305	\$ 379,658
Magazines	252,792	-	-	252,792
Convention	162,522	-	-	162,522
Postage and delivery	32,070	844	844	33,758
Professional fees	12,061	7,678	4,515	24,254
Depreciation	41,875	36,639	8,723	87,237
Building				
Utilities	35,950	31,454	7,489	74,893
Cleaning and janitorial	8,477	7,417	1,766	17,660
Repairs and maintenance	9,966	8,722	2,077	20,765
Landscaping	8,748	7,656	1,823	18,227
Property taxes	-	-	-	-
Repairs and maintenance	10,100	6,059	4,039	20,198
Merchandise sold	33,993	-	-	33,993
Printing	7,382	4,428	2,952	14,762
Interest	3,780	3,306	787	7,873
Promotions	-	-	11,517	11,517
Board and committee	12,161	2,739	1,981	16,881
Office supplies	9,150	5,490	3,659	18,299
Telephone	5,123	3,075	2,050	10,248
Service charges	17,366	965	965	19,296
Insurance	13,116	11,478	2,733	27,327
Miscellaneous	9,597	3,613	1,798	15,008
Registration fees and taxes	3,178	1,908	1,272	6,358
TOTAL	<u>\$ 890,626</u>	<u>\$ 201,605</u>	<u>\$ 181,295</u>	<u>\$ 1,273,526</u>

**AMERICAN TRUCK HISTORICAL SOCIETY
SCHEDULES OF UNRELATED BUSINESS INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Income:		
Rent Income	\$ 84,550	\$ 57,425
Expenses:		
Building		
Utilities	\$ 22,775	\$ 23,965
Cleaning and janitorial	5,674	5,651
Repairs and maintenance	3,606	6,645
Landscaping	3,534	5,833
Property taxes	-	-
Depreciation	28,951	27,916
Interest	-	2,519
Insurance	9,727	9,399
Compensation, benefits, and taxes	9,991	9,872
Professional fees	2,694	3,163
Repairs and maintenance	2,092	2,020
Office supplies	1,975	1,830
Telephone	1,195	1,025
Printing	2,249	2,628
Miscellaneous	720	811
Registration fees and taxes	206	636
Total expenses	95,389	103,913
Net unrelated business loss	\$ (10,839)	\$ (46,488)