

**ORAL HISTORY ASSOCIATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Oral History Association  
Atlanta, GA 30303

We have reviewed the accompanying financial statements of Oral History Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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## **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Supplemental Information**

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedule of functional expenses is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

*Rhodes, Young, Blotk + Duncan*

September 19, 2017

**ORAL HISTORY ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016**

**ASSETS**

**Current Assets**

Cash	\$ 134,357
Accounts receivable	26,200
Sponsorships receivable	15,806
Prepaid expenses	<u>2,088</u>

**Total Current Assets** 178,451

**Noncurrent Assets**

Investments	<u>420,902</u>
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**Total Assets** \$ 599,353

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 11,458
Unearned revenue	<u>49,730</u>

**Total Current Liabilities** 61,188

**Net Assets**

Unrestricted	<u>538,165</u>
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**Total Net Assets** 538,165

**Total Liabilities and Net Assets** \$ 599,353

See independent accountants' review report and accompanying notes.

**ORAL HISTORY ASSOCIATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Unrestricted Net Assets**

Unrestricted Revenue and Support		
Publications	\$	121,447
Membership dues		45,188
Annual meeting		105,366
Contributions		14,738
Workshops		8,305
In-kind income		94,005
Net realized and unrealized gain on investments		27,638
Interest income		72
Total unrestricted revenue and support		<u>416,759</u>
Expenses		
Program services		284,113
Supporting services		
Fundraising		14,899
Management and general		<u>76,713</u>
Total expenses		<u>375,725</u>
Increase in unrestricted net assets		<u>41,034</u>
<b>Net assets at the beginning of the year</b>		<u>497,130</u>
<b>Net assets at end of year</b>	<b>\$</b>	<b><u><u>538,165</u></u></b>

See independent accountants' review report and accompanying notes.

**ORAL HISTORY ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets	\$ 41,035
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:	
Net realized and unrealized gain on investments	(27,638)
Changes in current assets and liabilities:	
Accounts receivable	(5,776)
Prepaid expenses	(251)
Sponsorships receivable	(15,806)
Accounts payable	4,827
Unearned revenue	(324)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(3,933)</b>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from redemption of investments	154,832
Purchase of investments	(167,132)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(12,300)</b>

NET DECREASE IN CASH (16,233)

CASH AT THE BEGINNING OF THE YEAR 150,590

CASH AT END OF YEAR \$ 134,357

See independent accountants' review report and accompanying notes.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies:**

*Description of Organization:*

Oral History Association ("the Organization") is a 501(c)(3) organization incorporated in the state of New York. The Organization is a membership organization that provides a means for effective cooperation among people concerned with documenting and preserving oral history. The Organization engages with policy makers, educators, and others to help foster best practices and encourages support for oral history and oral historians and publishes a journal as well as newsletters and pamphlets.

*Basis of Accounting:*

The financial statements of the Organization have been prepared under U.S. generally accepted accounting principles.

*Use of Estimates:*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses. Actual results could differ from those estimates.

*Unearned Revenue:*

Membership income is deferred and recognized over the period to which the related income relates. Lifetime memberships are recognized over a period of 20 years.

*Accounts Receivable:*

Accounts receivable represent amounts that have been billed but not collected as of the date of the financial statements. All accounts receivable represent amounts owed by the Organization's publisher under a publishing agreement. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2016, management has determined that, based on historical experience, all amounts are fully collectible and no allowance for doubtful accounts is necessary.

*Revenues and contributions:*

Revenue associated with membership is recognized when earned. Program revenue consists primarily of publication of a journal and newsletters and an annual meeting for which sponsorships and meeting attendance fees are collected. Program revenue is recognized when the associated services are completed. Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Contributions are considered to be unrestricted unless specifically restricted by the donor. The Organization reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of revenues, expenses and changes in net assets.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued):**

*Expense Allocation:*

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

*Investments:*

The Organization carries investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

*Fair Value:*

The Organization complies with FASB ASC 820 Fair Value Measurements and Disclosures (ASC 820), which provides a framework for measuring fair value. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Valuation inputs used to determine fair value are arranged in a hierarchy that categorizes the inputs into three broad levels, which are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are directly or indirectly observable valuation inputs for the asset or liability, excluding Level 1 inputs.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Organization's investments in available for sale securities are valued using Level 1 inputs and are based on unadjusted quoted market prices within active markets. As of December 31, 2016 the Organization has no Level 2 or Level 3 investments and there were no transfers between the levels.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued):**

*Net Assets:*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time. As of December 31, 2016, there were no temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed or other legal restrictions requiring the principal be maintained permanently by the Organization. As of December 31, 2016, there were no permanently restricted net assets.

*Board-designated Endowment:*

As of December 31, 2016, the Board of Trustees had designated \$420,902 of unrestricted net assets as a general endowment fund to support the mission of the Organization. This amount is classified as “Investments” on the accompanying statement of financial position. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Organization has a spending policy of appropriating for distribution each year 5% of its board-designated endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its general endowment fund to grow at an average of 5% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued):**

Composition of and changes in endowment net assets for the year ended December 31, 2016 were as follows:

Board-designated endowment net assets, beginning of year	\$ 380,964
Contributions	2,756
Lifetime memberships	3,388
Investment income	5,669
Net appreciation in investments	34,269
Amounts appropriated for expenditure	<u>(6,144)</u>
Board-designated endowment net assets, end of year	<u><u>\$ 420,902</u></u>

*Tax Status:*

The Organization has received a letter effective June 1968, from the Internal Revenue Service stating that the Organization has been recognized as exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code and that the Organization is an organization of the type described in Section 509(a)(2) of the Internal Revenue Code and is not a private foundation. It is similarly recognized as tax exempt in the State of Georgia. Therefore, no income tax provision has been included in the financial statements.

The Organization applies the guidance on accounting for uncertain tax positions in FASB ASC 740 Income Taxes ("FASB AS 740"). There were no unrecognized tax benefits or related liabilities at December 31, 2016.

The Organization is no longer subject to income tax examinations for calendar years up to and including 2013.

*Agreement with Publisher*

The Organization has an agreement with a publisher whereby the publisher produces and distributes a journal annually to all of the Organization's members. The Organization receives 55% of the net profit from subscriptions and the Publisher retains 45% of the net profit as a fee for distribution and production. The agreement is in effect through December 31, 2019 or through the publication of volume 46, whichever occurs sooner and continues thereafter for successive 3 year periods unless terminated by either party with twelve months' notice.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 2. Memorandum of Understanding and In-Kind Revenue:**

The Organization operates under a memorandum of understanding as amended (“MOU”) with Georgia State University (“University”) whereby University provides office space and furnishings, computer equipment and software, necessary office equipment and salaries for graduate assistants. It also provided the salary for a program associate through June 30, 2016. On October 5, 2016 the MOU was amended effective July 1, 2016 to remove the program associate salary which was paid directly by the Organization from July 1, 2016 forward. Under the MOU the Organization pays an annual fee to the University to offset a portion of these costs with the remainder of the costs incurred by the University being contributed as an in-kind donation. For the year ended December 31, 2016 the amount paid by the Organization under that contract was \$22,327.

The fair value of donated salaries associated with the MOU was \$28,692 and the fair value of donated rent was \$40,320 for the year ended December 31, 2016 and the Organization recorded in-kind revenue, salary expense and rent expense for the year ended December 31, 2016. The MOU became effective January 1, 2013 and has an initial term of five years ending December 31, 2017. Annual fees under the updated MOU are \$35,846 for 2017.

During 2016 the Organization had an acting executive director whose salary was paid the University of Arizona as an in-kind donation. The fair value of the donated salaries was \$47,320 for the year ended December 31, 2016.

**Note 3. Investments:**

Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. The investments have been valued using Level 1 inputs, which are based on unadjusted quoted market prices within active markets.

The investment portfolio consisted of the following at December 31, 2016:

Cash, Money Market and Treasury Funds

Federal Money Market Fund	\$ 167,311
Total Cash, Money Market and Treasury Funds	167,311

Mutual Funds

Vanguard 500 Index Fund	253,591
Total Mutual Funds	253,591

Total	\$ 420,902
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See independent accountants’ review report.

**ORAL HISTORY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 3. Investments (continued):**

Investment activities for the year ended December 31, 2016 are as follows:

Investments, beginning of year	\$ 380,964
Purchase of investments	167,132
Sales of investments	(154,832)
Dividends reinvested	5,669
Realized and unrealized losses	21,969
Investments, end of year	<u>\$ 420,902</u>

**Note 4. Subsequent Events**

Management has evaluated subsequent events through September 19, 2017, the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**ORAL HISTORY ASSOCIATION  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Program Services	Support Services		Total
		Management and General	Fundraising	
<u>Expenses</u>				
Advertising	\$ 2,364	\$ -	\$ 2,363	\$ 4,727
Annual meeting	55,150	-	-	55,150
Bank charges	4,073	1,249	499	5,821
Council meetings	8,598	-	-	8,598
Events	33,821	-	-	33,821
Insurance	200	213	43	456
Miscellaneous expense	1,221	1,352		2,573
Office expense	-	1,924	-	1,924
Professional fees	-	8,500	-	8,500
Publications	98,024	-	-	98,024
Rent expense	16,128	20,160	4,032	40,320
Scholarships	13,950	-	-	13,950
Technology	8,327	1,508	603	10,438
Telephone	1,079	-	47	1,126
Travel	5,317	-	114	5,431
Workshops	5,456	-	-	5,456
Salaries	30,405	41,807	7,198	79,410
Total expenses	<u>\$ 284,113</u>	<u>\$ 76,713</u>	<u>\$ 14,899</u>	<u>\$ 375,725</u>

See independent accountants' review report.