

ORAL HISTORY ASSOCIATION
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
YEARS ENDED DECEMBER 31, 2019 AND 2018

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TABLE OF CONTENTS

	PAGE
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 11



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Oral History Association

I have reviewed the accompanying financial statements of Oral History Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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, I 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.

Accountant's Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am 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.

Tim Montgomery, CPA PLLC

Murfreesboro, Tennessee
July 29, 2020

**ORAL HISTORY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 147,391	\$ 228,475
Certificates of deposit	50,441	-
Accounts receivable	30,887	22,717
Sponsorships receivable	-	2,150
Prepaid expenses	2,941	7,074
Investments	514,919	427,907
Total Assets	<u>\$ 746,579</u>	<u>\$ 688,323</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 23,047	\$ 49,818
Unearned revenue	47,530	51,090
Total Liabilities	<u>70,577</u>	<u>100,908</u>
Net Assets		
Without donor restrictions	170,867	159,508
Without donor restrictions (board designated)	505,135	427,907
Total Net Assets	<u>676,002</u>	<u>587,415</u>
Total Liabilities and Net Assets	<u>\$ 746,579</u>	<u>\$ 688,323</u>

See independent accountant's review report.

ORAL HISTORY ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Unrestricted revenue and support:		
Publications	\$ 113,856	\$ 113,410
Membership dues	77,914	59,097
Annual meeting	104,281	126,985
Contributions	9,671	15,800
Cuba trip	52,230	-
Workshops	4,884	10,527
In-kind income	120,596	108,458
Other income	1,448	1,158
Interest and dividends	10,451	9,271
	<u>495,331</u>	<u>444,706</u>
Expenses		
Member services	380,865	304,935
Supporting services		
Management and general	86,702	84,689
Fundraising	12,048	10,978
	<u>479,615</u>	<u>400,602</u>
TOTAL EXPENSES		
	<u>15,716</u>	<u>44,104</u>
CHANGE IN NET ASSETS FROM OPERATIONS		
Nonoperating activities		
Investment return, net	72,871	(16,305)
	<u>88,587</u>	<u>27,799</u>
CHANGE IN NET ASSETS		
NET ASSETS, BEGINNING OF YEAR	<u>587,415</u>	<u>559,616</u>
NET ASSETS, END OF YEAR	<u>\$ 676,002</u>	<u>\$ 587,415</u>

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Expenses	Year ended December 31, 2019				Year ended December 31, 2018			
	Member Services	Management and General	Fundraising	Total	Member Services	Management and General	Fundraising	Total
Advocacy	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 4,390	\$ -	\$ -	\$ 4,390
Annual meeting	75,295	-	-	75,295	62,479	-	-	62,479
Bank charges	5,698	272	633	6,603	4,322	1,320	480	6,122
Council meetings	18,472	-	-	18,472	13,100	-	-	13,100
Cuba trip	47,130	-	-	47,130	-	-	-	-
Insurance	859	1,074	215	2,148	940	1,175	235	2,350
Membership dues	3,090	-	-	3,090	-	-	-	-
Miscellaneous expenses	-	-	-	-	365	-	-	365
Office expense	752	941	188	1,881	1,172	1,465	293	2,930
Professional fees	-	5,933	-	5,933	-	8,790	-	8,790
Publications	96,023	-	-	96,023	97,406	-	-	97,406
Rent expense	2,473	1,753	279	4,505	2,473	1,753	279	4,505
Scholarships	17,989	-	-	17,989	19,505	-	-	19,505
Search - Executive Director	-	-	-	-	-	11,186	-	11,186
Strategic planning	-	9,784	-	9,784	-	-	-	-
Technology	9,230	1,731	577	11,538	9,320	1,748	583	11,651
Travel	2,677	-	-	2,677	2,835	-	-	2,835
Webinar initiatives	2,424	-	-	2,424	-	-	-	-
Website/marketing	-	1,203	-	1,203	-	-	-	-
Workshops	4,761	-	-	4,761	5,861	-	-	5,861
Salary allocations	90,992	64,011	10,156	165,159	80,767	57,252	9,108	147,127
TOTAL EXPENSES	\$ 380,865	\$ 86,702	\$ 12,048	\$ 479,615	\$ 304,935	\$ 84,689	\$ 10,978	\$ 400,602

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Cash Flows from Operating Activities-		
Change in net assets	\$ 88,587	\$ 27,799
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Net realized and unrealized (gain) loss on investments	(72,871)	16,305
(Increase) decrease in:		
Accounts receivable	(8,170)	2,595
Sponsorships receivable	2,150	(150)
Prepaid expenses	4,133	(2,894)
Increase (decrease) in:		
Accounts payable	(26,771)	40,415
Unearned revenue	(3,560)	(1,570)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(16,502)</u>	<u>82,500</u>
Cash Flows from Investing Activities-		
Proceeds from redemption of investments	-	20,152
Purchase of investments, including certificates of deposit	<u>(64,582)</u>	<u>(8,202)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(64,582)</u>	<u>11,950</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(81,084)	94,450
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>228,475</u>	<u>134,025</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 147,391</u></u>	<u><u>\$ 228,475</u></u>

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 - NATURE OF THE 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. The Organization also publishes a journal as well as newsletters and pamphlets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These assets may be used at the discretion of the Organization's management and council.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing member services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

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

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents except for those amounts that are held in the investment portfolio.

Certificates of Deposit

The Organization maintains two certificates of deposit at a credit union. These certificates of deposit mature on May 15, 2020. Subsequent to May 15, 2020 the certificates of deposit have been renewed at the credit union.

Revenue Recognition

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.

Unearned Revenue

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

Income Taxes

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 the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(2) of the Internal Revenue Code. It is similarly recognized as tax exempt in the State of Tennessee. No income tax provision has been included in the financial statements. There was no unrelated business income for the years ended December 31, 2019 and 2018.

Investments

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

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's goal is generally to maintain financial assets to meet one year of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including certificate of deposits or money market accounts.

Financial assets:	
Cash and cash equivalents	\$ 147,391
Certificates of deposit	50,441
Accounts receivable	30,887
Investments	514,919
Financial assets, at year-end	743,638
Less those unavailable for general expenditure within one year	
Board designated investments for long-term purposes	505,135
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 238,503</u>

NOTE 4 - ENDOWMENT

Board-designated Endowment

For the years ended December 31, 2019 and 2018, the Council had designated \$505,135 and \$427,907, respectively, 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 statements of financial position. Since that amount resulted from an internal designation and is without donor restrictions, it is classified and reported as net assets without donor restrictions under the sub-classification board-designated endowment.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 4 - ENDOWMENT (continued)

Return Objectives, Risk Parameter and Spending Policy

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 vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocations between asset classes and strategies are managed to no expose the fund to unacceptable levels of risk.

The activities in the Organization's board-designated endowment for the years ended December 31 were as follows:

	2019	2018
Endowment net assets, beginning of year	\$ 427,907	\$ 456,162
Endowment investment return:		
Investment income, net of fees	9,951	8,202
Net appreciation (depreciation) in investments	72,871	(16,305)
Contributions	4,190	-
Appropriation of endowment assets for expenditure - spending rate	(9,784)	(20,152)
Endowment net assets, end of year	<u>\$ 505,135</u>	<u>\$ 427,907</u>

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 5 - FAIR VALUE MEASUREMENTS

The Organization utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 consists of quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 includes inputs other than quoted prices in Level 1 directly or indirectly observable for the assets or liabilities.

Level 3 are unobservable inputs for the assets or liabilities.

The following investments are considered Level 1 by the Organization:

	2019	2018
Federal Money Market Fund	\$ 183,469	\$ 177,956
Vanguard 500 Index Fund	331,450	249,951
	<u>\$ 514,919</u>	<u>\$ 427,907</u>

NOTE 6 – CONTRACT AND IN-KIND REVENUE

The Organization entered into a contract with Middle Tennessee State University (MTSU), whereby MTSU provides the Organization office space and furnishings, computer equipment and software, necessary office equipment and salaries for graduate assistants. The contract was signed August 17, 2017 and has an initial five-year term from January 1, 2018 through December 31, 2022. Under the contract the Organization pays MTSU quarterly for certain project expenses which are paid on a cost-reimbursable basis as outlined by the contract. The remainder of the costs incurred by MTSU are considered an in-kind donation by the Organization. For the years ended December 31, 2019 and 2018 the amounts paid by the Organization under the agreements were \$51,747 and \$46,010, respectively.

The fair value of donated salaries and benefits associated with the contract was \$113,413 and \$103,953 and the fair value of donated rent was \$4,505 for each year ended December 31, 2019 and 2018, respectively. The Organization recorded in-kind revenue, salary expense, and rent expense for the year ended December 31, 2019 and 2018 for these amounts.

NOTE 7 - RISKS AND CONCENTRATIONS

Cash

The Organization maintains deposits at a local financial institution. Deposits at this institution were within U.S. Federal Deposit Insurance Coverage (FDIC) of \$250,000 at December 31, 2019 and 2018.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

The Organization's operating expenses have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on a personnel-cost basis, based on the estimated time and effort personnel spend in a service area.

NOTE 9 - INCOME TAXES

The Organization applies the guidance on accounting for uncertain tax positions in FASB ASC 740 *Income Taxes*. There were no unrecognized tax benefits or related liabilities at December 31, 2019 and 2018.

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before December 31, 2016 are no longer subject to examination.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 29, 2020, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.