

TULSA HISTORICAL SOCIETY

Financial Statements

Years Ended December 31, 2020 and 2019

With

Independent Auditor's Report

TULSA HISTORICAL SOCIETY

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Independent Auditor's Report

Board of Directors
Tulsa Historical Society

Report on the Financial Statements

We have audited the accompanying financial statements of Tulsa Historical Society (THS), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tulsa Historical Society 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.

Tulsa, Oklahoma
November 2, 2021

TULSA HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
Assets		
Cash and cash equivalents	\$ 137,279	\$ 239,399
Inventory	6,887	7,758
Pledges receivable - restricted	229,614	293,577
Beneficial interest in assets held by Tulsa Community Foundation	1,321,309	1,203,914
Property and equipment, net	6,636,756	6,869,140
Cash and cash equivalents - restricted	454,612	475,053
Total assets	<u>\$ 8,786,457</u>	<u>\$ 9,088,841</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ -	\$ 2,000
Deferred memberships	25,530	46,926
Total liabilities	<u>25,530</u>	<u>48,926</u>
Net assets		
Net assets without donor restrictions	8,012,708	8,207,292
Net assets with donor restrictions	748,219	832,623
Total net assets	<u>8,760,927</u>	<u>9,039,915</u>
Total liabilities and net assets	<u>\$ 8,786,457</u>	<u>\$ 9,088,841</u>

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Special events	\$ 129,306	\$ -	\$ 129,306
Unrealized gain on investments	109,553	-	109,553
Memberships	91,283	-	91,283
Contributions and grants	80,069	8,445	88,514
PPP loan forgiveness	87,500	-	87,500
Grants	84,667	-	84,667
Realized gain on investments, net of investment advisory fees of \$5,943	64,809	-	64,809
Rents	16,815	-	16,815
Photo Sales	13,530	-	13,530
Merchandise sales	3,712	-	3,712
Admissions	2,531	-	2,531
Other	1,385	-	1,385
Interest	634	-	634
Museum donations	484	-	484
Tour sales	50	-	50
Net assets released from restrictions			-
Satisfaction of program restrictions	92,849	(92,849)	-
Total public support and revenue	779,177	(84,404)	694,773
Expenses			
Program services	839,361	-	839,361
General and administrative	81,649	-	81,649
Fundraising	52,751	-	52,751
Total expenses	973,761	-	973,761
Change in net assets	(194,584)	(84,404)	(278,988)
Net assets, beginning of year	8,207,292	832,623	9,039,915
Net assets, end of year	\$ 8,012,708	\$ 748,219	\$ 8,760,927

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Special events	\$ 318,203	\$ -	\$ 318,203
Unrealized gain on investments	200,442	-	200,442
Contributions and grants	98,323	21,567	119,890
Memberships	84,068	-	84,068
Rents	62,045	-	62,045
Realized gain on investments, net of investment advisory fees of \$5,862	45,388	-	45,388
Merchandise sales	17,333	-	17,333
Tour sales	8,920	-	8,920
Admissions	6,085	-	6,085
Other	2,755	-	2,755
Museum donations	2,180	-	2,180
Interest	1,626	-	1,626
Net assets released from restrictions Satisfaction of program restrictions	98,217	(98,217)	-
Total public support and revenue	945,585	(76,650)	868,935
Expenses			
Program services	891,249	-	891,249
Fundraising	130,599	-	130,599
General and administrative	80,722	-	80,722
Total expenses	1,102,570	-	1,102,570
Change in net assets	(156,985)	(76,650)	(233,635)
Net assets, beginning of year	8,364,277	909,273	9,273,550
Net assets, end of year	\$ 8,207,292	\$ 832,623	\$ 9,039,915

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Operating activities		
Change in net assets	\$ (278,988)	\$ (233,635)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	232,383	235,232
Unrealized (gain) loss on investments	(109,553)	(200,442)
Realized (gain) on investments, net	(64,809)	(45,197)
Gain on forgiveness of PPP loan	(87,500)	-
Changes in assets and liabilities		
Inventory	872	(440)
Prepaid expenses	-	4,744
Pledges receivable - restricted	63,963	48,960
Accounts payable	(2,000)	2,000
Deferred memberships	(21,396)	6,353
Net cash provided by (used for) operating activities	(267,028)	(182,425)
Investing activities		
Proceeds from sale of investments	-	55,415
Disbursements	56,967	-
Net cash provided by (used for) investing activities	56,967	55,415
Financing activities		
Proceeds from PPP loan	87,500	-
Net cash provided by (used for) investing activities	87,500	-
Net change in cash and cash equivalents	(122,561)	(127,010)
Cash and cash equivalents, beginning of year	714,452	841,462
Cash and cash equivalents, end of year	\$ 591,891	\$ 714,452

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Employee salaries	\$ 271,577	\$ 34,354	\$ 34,354	\$ 340,285
Maintenance and repairs	65,832	1,344	-	67,176
Utilities	58,535	1,195	-	59,730
Employee benefits	41,437	6,296	6,296	54,030
Insurance	45,544	929	-	46,473
Payroll taxes	19,805	2,618	2,618	25,041
Accounting and payroll services	6,124	18,371	-	24,494
Exhibit expense	21,195	-	-	21,195
Specific project	20,441	-	-	20,441
Rental expense, Tulsa Garden Center	16,295	-	-	16,295
Printing and copying	14,091	288	-	14,379
Computer software	-	9,414	-	9,414
Archive expense	8,103	-	-	8,103
Other	6,187	99	-	6,286
Communications	5,578	620	-	6,198
Hall of Fame	-	-	5,632	5,632
Office expense	3,870	430	-	4,300
Merchandise	3,420	-	-	3,420
Bank and credit card fees	962	991	962	2,914
Postage and delivery	2,629	54	-	2,683
Curator's circle	-	-	1,975	1,975
Advertising	-	-	612	612
Other fundraising expense	-	-	302	302
	<u>611,625</u>	<u>77,002</u>	<u>52,751</u>	<u>741,378</u>
Depreciation	<u>227,736</u>	<u>4,647</u>	<u>-</u>	<u>232,383</u>
Total expenses	<u>\$ 839,361</u>	<u>\$ 81,649</u>	<u>\$ 52,751</u>	<u>\$ 973,761</u>

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Employee salaries	\$ 272,149	\$ 34,760	\$ 34,760	\$ 341,669
Maintenance and repairs	71,909	1,468	-	73,377
Hall of Fame	-	-	67,140	67,140
Utilities	62,494	1,275	-	63,769
Employee benefits	35,742	5,397	5,397	46,536
Insurance	43,247	883	-	44,130
Exhibit	28,477	-	-	28,477
Specific project	26,970	-	-	26,970
Payroll taxes	19,727	2,606	2,606	24,939
Accounting and payroll services	5,870	17,609	-	23,479
Printing and copying	19,187	392	-	19,579
Rental expense, Tulsa Garden Center	18,689	-	-	18,689
Curator's Circle	-	-	16,660	16,660
Other	12,800	234	-	13,034
Merchandise	10,479	-	-	10,479
Computer software	-	8,503	-	8,503
Archive	8,176	-	-	8,176
Bus tour	8,072	-	-	8,072
Office	5,082	565	-	5,647
Communications	4,682	520	-	5,202
Bank and credit card Fees	1,648	1,696	1,648	4,992
Postage and delivery	4,047	83	-	4,130
Other fundraising expense	-	-	2,188	2,188
Licenses and permits	927	19	-	946
Travel and entertainment	348	7	-	355
Advertising	-	-	200	200
	<u>660,722</u>	<u>76,017</u>	<u>130,599</u>	<u>867,338</u>
Depreciation	<u>230,527</u>	<u>4,705</u>	<u>-</u>	<u>235,232</u>
Total expenses	<u>\$ 891,249</u>	<u>\$ 80,722</u>	<u>\$ 130,599</u>	<u>\$ 1,102,570</u>

See independent auditor's report and accompanying note to financial statements.

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Tulsa Historical Society (THS) is a private, nonprofit organization chartered under the laws of the State of Oklahoma. THS is dedicated to fostering interest in the history, culture, growth, and development of Oklahoma and of the greater Tulsa metropolitan area.

THS's collection of historical items is extensive and includes fine arts, decorative arts, textiles, photographs, printed materials, videos, lists, maps, and directories. The collection is protected, cared for, and preserved by professionals. The collection is held for exhibition to the public and for educational and research purposes and is not held for financial gain.

In December, 1997, with significant help from the Tulsa Tribune Foundation, THS acquired a residence at 1347 East 25th Street in Tulsa known as the Samuel Travis Mansion, which is now the home of THS's collections and administrative offices.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of THS and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions

Net assets subject to donor-imposed restrictions which can be fulfilled, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the period such restrictions are satisfied and reported in the statement of activities as net assets released from restrictions. Payments that are received in advance for future program services are not recognized as net assets with donor restrictions due to their deferred nature. The recognition of revenue will occur simultaneously with the release of the restricted purpose.

Fair Value Measurements

THS has determined the fair value of certain assets and liabilities. Fair value is defined 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. THS employs valuation techniques which maximize the use of observable inputs and minimize the use of unobservable inputs.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Assets and liabilities stated at fair value are categorized using a hierarchy which prioritizes the valuation inputs into three broad levels based on the quality of the inputs used. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Cash and Cash Equivalents

For purposes of the statement of cash flows, THS considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include donor restricted deposits that are readily available.

Pledges Receivable

THS estimates the fair value for the pledge contribution receivable from a beneficial interest in a charitable trust by using an income approach based on calculating the present value of the future distributions expected to be received. This approach takes into account THS's determination of an appropriate risk-adjusted yield rate determined by the U.S. Treasury Securities yield rate (1.80% and 2.20%, respectively for each pledge as of December 31, 2020.) The remaining unamortized discount was \$60,348 and \$70,197 at December 31, 2020 and 2019, respectively. THS measures the fair value of its beneficial interest in a charitable trust annually and adjusts the measurement inputs based on statements received from the trustee, market conditions, and other relevant data. No allowance for uncollectable pledges was deemed necessary as of December 31, 2020 and 2019.

Inventories

Inventory is stated at lower-of-cost or net-realizable-value, and is determined by the first-in, first-out method. Inventory consists primarily of printed books, maps, and videos held for sale.

Property and Equipment

Property and equipment are capitalized at cost. The straight-line depreciation method is used for all assets. THS follows the practice of capitalizing expenditures for property and equipment in excess of \$2,000 with a useful life of more than one year, although a formal policy was not adopted as of December 31, 2020.

THS records impairments to its fixed assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by THS based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded in 2020 and 2019.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collections

The collections, which were acquired through purchases (Tulsa Four and Beryl Ford Collection) and contributions since THS's inception, are not recognized as assets in the statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or net assets with donor restrictions (Bobbie Potter purchase of art deco items) if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. During 2020 and 2019 there were no collections acquired.

Income Taxes

THS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision or liability for income taxes has been included in the financial statements. THS has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

THS has evaluated if there are any uncertain tax positions. No uncertain tax positions were identified. THS had no accrued interest or penalties relating to any tax contingencies. Federal tax returns of THS for the years ended December 31, 2017, through December 31, 2019, are subject to examination by the Internal Revenue Service. Any tax, penalty, or interest which might result from an examination will be included in operating expense, if incurred.

Volunteer Hours

Tulsa Historical Society Guardian Volunteer Corps donated time as speakers, docents, greeters, and program development aids. The total volunteer hours were 1,968 and 5,487 for the years ended December 31, 2020 and 2019, respectively. These hours and their related value do not meet the requirements for recognition in the financial statements.

Estimates

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

Advertising

THS expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2020 and 2019, was \$612 and \$200, respectively.

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TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include utilities, insurance, maintenance, repairs, and other various expenses which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, and office expenses, which are allocated on the basis of estimates of time and effort.

Subsequent Events

On February 23, 2021, THS received loan proceeds in the amount of \$81,515 under the Paycheck Protection Program ("PPP"). The PPP established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduced salaries during the twenty-four-week period.

In the event any portion of the PPP loan is not forgiven interest is accrued at 1% requiring payments of \$1,914 beginning in July 2022. THS believes its use of the loan proceeds will meet the condition for forgiveness of the loan.

On April 23, 2021 THS was granted full forgiveness for the initial PPP loan received in 2020 in the amount of \$87,500.

THS has evaluated subsequent events through November 2, 2021, the date the financial statements were available to be issued.

NOTE 2 – RECOGNITION OF PPP LOAN

On April 13, 2020, THS received loan proceeds in the amount of \$87,500 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan is forgivable as long as THS utilized the funds for eligible purposes including payroll, benefits, rent, and utilities. THS filed the application for forgiveness by the Small Business Administration on November 16, 2020. Management believe they are in compliance with all terms and condition of the agreement to receive full forgiveness. As such, management has elected to recognize the loan proceeds as revenues in the year in which the conditions were fulfilled. Should a portion of the loan balance not be forgiven management will correct in a subsequent period.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 137,269
Pledges receivable to be collected within one year	56,041
Distributions from beneficial interest in assets held by Tulsa Community Foundation	53,000
Total	<u>\$ 246,310</u>

THS regularly monitors liquidity required to meet its operating needs and other contractual commitments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, THS considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, TSH operates within a balanced budget and anticipates collecting sufficient revenues and grants to cover general expenditures.

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION

During 2001, THS transferred the initial contribution of trust investments to the Tulsa Community Foundation (the Foundation) and named itself the beneficiary. THS executed an "Agency Fund Agreement" with the Foundation, creating an agency fund. The Board of Trustees of the Foundation shall have the power to modify any restriction or condition on distributions from the agency fund for any specific charitable purposes or to specific organizations if, in the sole judgment of the Board of Trustees, the restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs served by the Foundation. All contributions to this fund shall be irrevocable once accepted by the Foundation. These funds have been recorded as an asset at fair market value.

The funds held by the Foundation represent THS's only endowment, which includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION
(CONTINUED)**

Spending Policy and How the Investment Objectives Relate to Spending Policy

THS has a policy of appropriating its endowment fund for distribution as needed. Distribution requires an affirmative vote of two-thirds of the Board of Directors of THS. In establishing this policy, THS considered the long-term expected return on its endowment. Accordingly, over the long term, THS expects the current spending policy to allow its endowment to grow. This is consistent with THS's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through gifts and investment return.

Interpretation of Relevant Law

THS's Board of Directors (the Board) interprets the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds (the Fund), absent explicit donor stipulations to the contrary. As a result, THS classifies as perpetually restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the Fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

It is the intent of THS that a portion of the Fund be used as a reserve to fund general operating expenses of THS if necessary. The remaining portion of the Fund is to be used as an endowment to further the purposes of THS.

THS has adopted investment policies for endowment assets that attempt to protect and grow the assets of the Fund. The assets of the Fund are invested primarily in equities.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires THS to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of December 31, 2020 and 2019.

Return Objectives and Risk Parameters

THS has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed those of savings accounts while assuming a low level of investment risk.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION (CONTINUED)

The composition of beneficial interest in assets held by the Foundation by fund type as of December 31, 2020 and 2019, respectively, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
December 31, 2020			
Donor-restricted endowment funds	\$ -	\$ 63,993	\$ 63,993
Board-designated endowment funds	1,257,316	-	1,257,316
	<u>\$ 1,257,316</u>	<u>\$ 63,993</u>	<u>\$ 1,321,309</u>
December 31, 2019			
Donor-restricted endowment funds	\$ -	\$ 63,993	\$ 63,993
Board-designated endowment funds	1,139,921	-	1,139,921
	<u>\$ 1,139,921</u>	<u>\$ 63,993</u>	<u>\$ 1,203,914</u>

Changes in the beneficial interest in assets held by the Foundation for the years ending December 31, 2020 and 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2018	\$ 949,697	\$ 63,993	\$ 1,013,690
Net realized and unrealized loss	245,639	-	245,639
Distributions	(55,415)	-	(55,415)
Endowment net assets, December 31, 2019	1,139,921	63,993	1,203,914
Net realized and unrealized loss	174,362	-	174,362
Distributions	(56,967)	-	(56,967)
Endowment net assets, December 31, 2020	<u>\$ 1,257,316</u>	<u>\$ 63,993</u>	<u>\$ 1,321,309</u>

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are as follows at December 31,

	2020	2019
Amounts due in:		
Less than one year	\$ 56,041	\$ 64,814
One to five years	144,670	199,861
Greater than five years	28,903	28,902
Total	<u>\$ 229,614</u>	<u>\$ 293,577</u>

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

THS may be subject to credit risk related to its cash and cash equivalents, which are placed with high-quality financial institutions. From time to time, THS may have amounts on deposit in excess of the Federal Deposit Insurance Corporation limits. Management believes THS is not exposed to any significant credit risk on cash and cash equivalents, nor has it experienced any losses.

Pledges receivable is made up of a single donor. Management believes the risk related to this receivable is minimal and is fully collectible.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment are as follows:

	2020	2019
Buildings	\$ 5,073,848	\$ 5,073,848
Travis Mansion	3,694,853	3,694,853
West lawn including Five Moons	619,702	619,702
Land	512,251	512,251
Furniture and equipment	306,236	306,236
Exhibit equipment	123,286	123,286
Cemetery Fence	24,900	24,900
	<u>10,355,076</u>	<u>10,355,076</u>
Accumulated depreciation	<u>(3,718,320)</u>	<u>(3,485,936)</u>
Property and equipment, net	<u>\$ 6,636,756</u>	<u>\$ 6,869,140</u>

Depreciation expense for the years ended December 31, 2020 and 2019, was \$232,383 and \$235,232, respectively.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 - FAIR VALUE MEASUREMENTS

	Fair Value Measurements Using		
	Quoted Prices in Active Markets of Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 1,321,309	\$ -
Pledges receivable - beneficial interest in charitable trust	-	-	229,614
Total	<u>\$ -</u>	<u>\$ 1,321,309</u>	<u>\$ 229,614</u>

	Fair Value Measurements Using		
	Quoted Prices in Active Markets of Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 1,203,914	\$ -
Pledges receivable - beneficial interest in charitable trust	-	-	293,577
Total	<u>\$ -</u>	<u>\$ 1,203,914</u>	<u>\$ 293,577</u>

The beneficial interest in assets held by Tulsa Community Foundation is valued using quoted market prices of the underlying securities that comprise the interest.

The following is a reconciliation of activity for the years ended December 31, 2020 and 2019, for assets measured at fair value based upon significant unobservable (non-market) information:

	2020	2019
Balance, beginning of year	\$ 293,577	\$ 342,537
Additional pledges	-	8,500
Pledges collected	(63,963)	(57,460)
Balance, end of year	<u>\$ 229,614</u>	<u>\$ 293,577</u>

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 - RETIREMENT PLAN

THS sponsors a SIMPLE IRA plan covering eligible employees and matches up to 3% of employee contributions to the plan. During 2020 and 2019, THS contributed \$10,112 and \$10,155, respectively, to the plan.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2020	2019
Restricted for a specified purpose		
Dunn family endowment	\$ 210,967	\$ 210,967
Travis Mansion restoration and maintenance	134,219	140,264
L'dor V'dor Documentary	79,630	79,630
Archive department	28,342	42,738
Art deco project	1,000	1,000
1921 Race Riot computer application	454	454
Total restricted for a specified purpose	454,612	475,053
Time restricted for future periods	229,614	293,577
Perpetually restricted	63,993	63,993
Total net assets with donor restrictions	<u>\$ 748,219</u>	<u>\$ 832,623</u>

The following net assets were released from donor restrictions by incurring expenses satisfying the restrictions:

	2020	2019
Pledges collected	\$ 63,963	\$ 57,460
Archive department	14,396	23,569
Exhibitions	8,445	13,067
Travis Mansion restoration and maintenance	6,045	3,692
L'dor V'dor Documentary	-	429
Total	<u>\$ 92,849</u>	<u>\$ 98,217</u>

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 - SUPPLEMENTAL CASH FLOW INFORMATION

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the balance sheet that equal the total of the same such amounts shown in the statement of cash flows.

	2020	2019
Cash and cash equivalents	\$ 137,279	\$ 239,399
Restricted cash	454,612	475,053
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 591,891</u>	<u>\$ 714,452</u>

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which provides more transparency and comparability among organizations by recognizing leased assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted. THS will be evaluating the impact this standard will have on its financial statements and related disclosures.

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which improves generally accepted accounting principles by increasing the transparency of contributed non-financial assets for not-for-profit entities through enhancement to presentation and disclosure. ASU 2020-07 is affected for annual periods beginning after June 15, 2021 with early adoption permitted.

THS will be evaluating the impact these standards will have on its financial statements and related disclosures.