

TULSA HISTORICAL SOCIETY

Financial Statements

Years ended December 31, 2012 and 2011

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, which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows 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, 2012 and 2011, 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.

MORSE & CO., PLLC

Tulsa, Oklahoma
October 31, 2013

TULSA HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash and cash equivalents	\$ 1,076,985	\$ 1,022,044
Inventory	4,120	4,164
Prepaid expenses	864	864
Pledges receivable	717,698	35,000
Beneficial interest in assets held by Tulsa Community Foundation	989,278	978,185
Property and equipment, net	<u>8,321,132</u>	<u>8,557,828</u>
Total assets	<u><u>\$ 11,110,077</u></u>	<u><u>\$ 10,598,085</u></u>
Net assets		
Unrestricted	\$ 10,134,440	\$ 9,547,233
Temporarily restricted	911,644	986,859
Permanently restricted	<u>63,993</u>	<u>63,993</u>
Total net assets	<u><u>\$ 11,110,077</u></u>	<u><u>\$ 10,598,085</u></u>

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

**TULSA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Memberships	\$ 62,875	\$ -	\$ -	\$ 62,875
Contributions and grants	972,633	90,000	-	1,062,633
Special events	232,133	-	-	232,133
Interest	25,348	792	-	26,140
Rents	65,387	-	-	65,387
Realized gain on investment	18,562	695	-	19,257
Unrealized gain on investment	58,186	5,590	-	63,776
Other	14,990	-	-	14,990
Net assets released from restrictions				
Satisfaction of program restrictions	172,292	(172,292)	-	-
Total public support and revenue	<u>1,622,406</u>	<u>(75,215)</u>	<u>-</u>	<u>1,547,191</u>
Expenses				
Program services	804,027	-	-	804,027
General and administrative	103,409	-	-	103,409
Fundraising	127,763	-	-	127,763
Total expenses	<u>1,035,199</u>	<u>-</u>	<u>-</u>	<u>1,035,199</u>
Changes in net assets	<u>587,207</u>	<u>(75,215)</u>	<u>-</u>	<u>511,992</u>
Net assets, beginning of year	<u>9,547,233</u>	<u>986,859</u>	<u>63,993</u>	<u>10,598,085</u>
Net assets, end of year	<u><u>\$ 10,134,440</u></u>	<u><u>\$ 911,644</u></u>	<u><u>\$ 63,993</u></u>	<u><u>\$ 11,110,077</u></u>

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

**TULSA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Memberships	\$ 68,121	\$ -	\$ -	\$ 68,121
Contributions and grants	82,012	85,000	-	167,012
Special events	252,525	-	-	252,525
Interest	29,231	-	-	29,231
Rents	62,939	(5)	-	62,934
Realized gain on investment	17,644	-	-	17,644
Unrealized (loss) on investment	(38,248)	(4)	-	(38,252)
Other	5,641	(34)	-	5,607
Net assets released from restrictions				
Satisfaction of program restrictions	56,957	(56,957)	-	-
Total public support and revenue	<u>536,822</u>	<u>28,000</u>	<u>-</u>	<u>564,822</u>
Expenses				
Program services	732,643	-	-	732,643
General and administrative	106,028	-	-	106,028
Fundraising	112,990	-	-	112,990
Total expenses	<u>951,661</u>	<u>-</u>	<u>-</u>	<u>951,661</u>
Changes in net assets	<u>(414,839)</u>	<u>28,000</u>	<u>-</u>	<u>(386,839)</u>
Net assets, beginning of year	<u>9,962,072</u>	<u>958,859</u>	<u>63,993</u>	<u>10,984,924</u>
Net assets, end of year	<u>\$ 9,547,233</u>	<u>\$ 986,859</u>	<u>\$ 63,993</u>	<u>\$ 10,598,085</u>

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

**TULSA HISTORICAL SOCIETY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Operating activities		
Change in net assets	\$ 511,992	\$ (386,839)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	239,156	247,190
Unrealized (gain) loss on investments	(63,776)	38,252
Realized (gain) on investments	(19,257)	(17,644)
Changes in assets and liabilities		
Inventory	44	1,958
Pledges receivable	(682,698)	(35,000)
Net cash provided by (used for) operating activities	<u>(14,539)</u>	<u>(152,083)</u>
Investing activities		
Proceeds from the sale of investments	194,202	146,826
Purchases of investments	(122,262)	(20,025)
Purchases of property and equipment	(2,460)	(13,716)
Net cash provided by (used for) investing activities	<u>69,480</u>	<u>113,085</u>
Net change in cash and cash equivalents	54,941	(38,998)
Cash and cash equivalents, beginning of year	<u>1,022,044</u>	<u>1,061,042</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,076,985</u></u>	<u><u>\$ 1,022,044</u></u>

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

TULSA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Program Services	General and Administrative	Fund Fundraising	Total
Employee Salaries	\$ 140,703	\$ 57,235	\$ 40,542	\$ 238,480
Employee Benefits	20,793	8,458	5,991	35,242
Payroll Taxes	10,764	4,379	3,102	18,245
Hall of Fame	-	-	59,527	59,527
Insurance	31,546	644	-	32,190
Utilities	55,269	1,128	-	56,397
Exhibit Expense	31,089	-	-	31,089
Maintenance and Repairs	200,873	4,099	-	204,972
Photos, Printing and Copying	14,090	-	-	14,090
Accounting and Payroll Services	4,156	12,467	-	16,623
Rental Expense, Tulsa Garden Center	12,200	-	-	12,200
Communications	6,153	684	-	6,837
Postage and Delivery	3,688	-	-	3,688
Office Expense	2,815	313	-	3,128
Archive Expense	10,013	-	-	10,013
Bank and Credit Card Fees	2,780	2,865	2,780	8,425
Contract Labor	4,434	-	-	4,434
Planned Giving	-	-	1,593	1,593
Vintage Tulsa	-	-	3,602	3,602
Advertising	-	-	1,597	1,597
Bus Tour	-	-	2,799	2,799
Merchandise	-	-	6,230	6,230
Computer Software	-	5,982	-	5,982
Other	18,288	372	-	18,660
	569,654	98,626	127,763	796,043
Depreciation	234,373	4,783	-	239,156
Total expenses	<u>\$ 804,027</u>	<u>\$ 103,409</u>	<u>\$ 127,763</u>	<u>\$ 1,035,199</u>

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

TULSA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	Program Services	General and Administrative	Fund Fundraising	Total
Employee Salaries	\$ 146,738	\$ 59,690	\$ 42,280	\$ 248,708
Employee Benefits	25,078	10,201	7,226	42,505
Payroll Taxes	11,034	4,488	3,179	18,701
Hall of Fame	-	-	57,592	57,592
Insurance	29,957	612	-	30,569
Utilities	61,213	1,249	-	62,462
Exhibit Expense	60,870	-	-	60,870
Maintenance and Repairs	77,646	1,572	-	79,218
Photos, Printing and Copying	11,127	-	-	11,127
Accounting and Payroll Services	4,507	13,522	-	18,029
Gift Shop Expense	2,858	-	-	2,858
Rental Expense, Tulsa Garden Center	12,370	-	-	12,370
Communications	6,210	690	-	6,900
Postage and Delivery	1,953	-	-	1,953
Office Expense	2,119	235	-	2,354
Archive Expense	3,164	-	-	3,164
Bank and Credit Card Fees	2,713	2,796	2,713	8,222
Contract Labor	9,248	-	-	9,248
Seminars	220	-	-	220
Other	21,372	6,029	-	27,401
	490,397	101,084	112,990	704,471
Depreciation	242,246	4,944	-	247,190
Total expenses	<u>\$ 732,643</u>	<u>\$ 106,028</u>	<u>\$ 112,990</u>	<u>\$ 951,661</u>

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

**TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

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

The Society'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, the Society acquired a residence at 1347 East 25th Street in Tulsa known as the Samuel Travis Mansion (the Mansion). The Mansion is now the home of the Society'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 the Society and changes therein are classified and reported as follows:

Unrestricted

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

Temporarily restricted

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Society and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Society.

Fair Value Measurements

The Society 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. The Society employs valuation techniques which maximize the use of observable inputs and minimize the use of unobservable inputs.

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TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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.

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.

The Organization estimates the fair value for the contribution receivable from a beneficial interest in a charitable trust by using an income approach based on calculating the present value of the future distribution expected to be received. This approach takes into account the Society'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 trust as of December 31, 2012.) The Society remeasures 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.

Cash and Cash Equivalents

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

Property and Equipment

Property and equipment are capitalized at cost. The straight-line depreciation method is used for all assets. The Society 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, 2012.

The Society 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 the Society 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 2012 and 2011.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collections

The collections, which were acquired through purchases and contributions since the Society's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets 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 2012 and 2011 there were no collections acquired.

Income Taxes

The Society 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. The Society has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Society qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and is thereby exempt from paying income taxes. The organization is not a private foundation.

The Society has evaluated if there are any uncertain tax positions. No uncertain tax positions were identified. The Society had no accrued interest or penalties relating to any tax contingencies. Federal tax returns of the Society for the years ended December 31, 2009, through December 31, 2013, 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

In 2012, Tulsa Historical Society Guardian Volunteer Corps donated time as speakers, docents, greeters, and program development aids, the total volunteer hours were 5,083. 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.

Functional Expenses

Expenses have been classified by specific functions where ascertainable. Those expenses which cannot be specifically identified by function type have been allocated to functions based on management's best estimate of usage.

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**TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Society has evaluated subsequent events through October 31, 2013, the date the financial statements were available to be issued.

NOTE 2 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION

During 2001, the Society transferred the initial contribution of trust investments to the Tulsa Community Foundation (the Foundation) and named itself the beneficiary. The Society 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 the Society'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.

Interpretation of Relevant Law

The Society'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, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 permanently restricted net assets is classified as temporarily 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 the Society that a portion of the Fund be used as a reserve to fund general operating expenses of the Society if necessary. The remaining portion of the Fund is to be used as a permanent endowment to further the purposes of the Society.

The Society has adopted investment policies for endowment assets that attempt to protect and grow the assets of the Fund. The assets of the Fund are money market securities.

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 - (CONTINUED)

The composition of beneficial interest in assets held by the Foundation by fund type as of December 31, 2012 and 2011, respectively, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2012				
Donor-restricted endowment funds	\$ -	\$ -	\$ 63,933	\$ 63,933
Board-designated endowment funds	925,345	-	-	925,345
	<u>\$ 925,345</u>	<u>\$ -</u>	<u>\$ 63,933</u>	<u>\$ 989,278</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2011				
Donor-restricted endowment funds	\$ -	\$ -	\$ 63,933	\$ 63,933
Board-designated endowment funds	914,252	-	-	914,252
	<u>\$ 914,252</u>	<u>\$ -</u>	<u>\$ 63,933</u>	<u>\$ 978,185</u>

Changes in the beneficial interest in assets held by the Foundation for the years ending December 31, 2012 and 2011 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2011	\$ 961,661	\$ -	\$ 63,933	\$ 1,025,594
Investment return				
Net realized and unrealized appreciation	(573)	(43)	-	(616)
Distributions	<u>(46,836)</u>	<u>43</u>	<u>-</u>	<u>(46,793)</u>
Endowment net assets, December 31, 2011	914,252	-	63,933	978,185
Investment return				
Net realized and unrealized appreciation	94,016	7,077	-	101,093
Distributions	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>
Endowment net assets, December 31, 2012	<u>\$ 918,268</u>	<u>\$ 7,077</u>	<u>\$ 63,933</u>	<u>\$ 989,278</u>

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 - (CONTINUED)

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 the Society to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2012 and 2011.

Return Objectives and Risk Parameters

The Society 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 savings accounts while assuming a low level of investment risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society has a policy of appropriating its endowment fund for distribution as needed. Distribution requires an affirmative vote of 2/3 of the Board of Directors of the Society. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow. This is consistent with the Society'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.

NOTE 3 - 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, 2012			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 989,278	\$ -
Pledges receivable - other	-	-	5,000
Pledges receivable - beneficial interest in charitable trust	-	-	712,698
Total	\$ -	\$ 989,278	\$ 717,698

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3 - (CONTINUED)

	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, 2011			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 978,185	\$ -
Pledges receivable - other	-	-	35,000
Total	<u>\$ -</u>	<u>\$ 978,185</u>	<u>\$ 35,000</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.

NOTE 4 - PROPERTY AND EQUIPMENT, NET

	2012	2011
Buildings	\$ 4,995,217	\$ 4,995,217
Travis Mansion	3,694,853	3,694,853
Land	512,251	512,251
West lawn including Five Moons	619,702	619,702
Furniture and equipment	194,442	191,981
Exhibit equipment	123,286	123,286
Cemetery Fence	4,900	4,900
	<u>10,144,651</u>	<u>10,142,190</u>
Accumulated depreciation	(1,823,519)	(1,584,362)
Property and equipment, net	<u>\$ 8,321,132</u>	<u>\$ 8,557,828</u>

(Continued)

TULSA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

	2012	2011
Travis Mansion restoration	\$ 624,677	\$ 652,551
Dunn family endowment	235,967	243,308
Art deco project	1,000	1,000
Lawson special projects	50,000	50,000
Development director salary	-	35,000
Maps	-	5,000
Total	<u>\$ 911,644</u>	<u>\$ 986,859</u>

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

	2012	2011
Travis Mansion restoration	\$ 117,874	\$ -
Development director salary	35,000	35,000
Lobbyist fee	-	12,000
Public relations	7,341	-
Grounds maintenance	-	10,000
Maps	5,000	-
Time-restricted endowment earnings appropriated for expenditure	7,077	(43)
Total	<u>\$ 172,292</u>	<u>\$ 56,957</u>

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

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

NOTE 7 - RETIREMENT PLAN

The Society participates in a SIMPLE IRA plan covering eligible employees. During 2012 and 2011, the Society contributed \$10,580 and \$5,476, respectively, to the plan.