

**TULSA HISTORICAL SOCIETY**

Financial Statements

Years Ended December 31, 2015 and 2014

With

Independent Auditor's Report

# TULSA HISTORICAL SOCIETY

## TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position - December 31, 2015 and 2014	3
Statement of Activities - Year ended December 31, 2015	4
Statement of Activities - Year ended December 31, 2014	5
Statements of Cash Flows - Years ended December 31, 2015 and 2014	6
Statement of Functional Expenses - Year ended December 31, 2015	7
Statement of Functional Expenses - Year ended December 31, 2014	8
Notes to Financial Statements	9 - 17



## **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, 2015 and 2014, 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 opinions.

### **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, 2015 and 2014, 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  
November 1, 2016

**TULSA HISTORICAL SOCIETY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 410,972	\$ 581,997
Inventory	3,549	3,717
Prepaid expenses	4,706	4,744
Pledges receivable	522,026	594,306
Beneficial interest in assets held by Tulsa Community Foundation	988,546	1,070,558
Property and equipment, net	7,722,251	7,898,755
Cash - restricted	497,965	463,916
Total assets	<u>\$ 10,150,015</u>	<u>\$ 10,617,993</u>
<b>Net assets</b>		
Unrestricted	\$ 9,588,057	\$ 10,090,084
Temporarily restricted	497,965	463,916
Permanently restricted	63,993	63,993
Total net assets	<u>10,150,015</u>	<u>10,617,993</u>
Total liabilities and net assets	<u>\$ 10,150,015</u>	<u>\$ 10,617,993</u>

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

**TULSA HISTORICAL SOCIETY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenue</b>				
Memberships	\$ 65,727	\$ -	\$ -	\$ 65,727
Contributions and grants	133,125	105,000	-	238,125
Special events	255,174	-	-	255,174
Interest	15,969	-	-	15,969
Rents	59,433	-	-	59,433
Realized gain on investment	96,896	-	-	96,896
Unrealized loss on investment	(134,527)	-	-	(134,527)
Other	39,858	-	-	39,858
Net assets released from restrictions				
Satisfaction of program restrictions	70,951	(70,951)	-	-
<b>Total public support and revenue</b>	<u>602,606</u>	<u>34,049</u>	<u>-</u>	<u>636,655</u>
<b>Expenses</b>				
Program services	917,828	-	-	917,828
General and administrative	67,692	-	-	67,692
Fundraising	119,113	-	-	119,113
<b>Total expenses</b>	<u>1,104,633</u>	<u>-</u>	<u>-</u>	<u>1,104,633</u>
<b>Changes in net assets</b>	<u>(502,027)</u>	<u>34,049</u>	<u>-</u>	<u>(467,978)</u>
<b>Net assets, beginning of year</b>	<u>10,090,084</u>	<u>463,916</u>	<u>63,993</u>	<u>10,617,993</u>
<b>Net assets, end of year</b>	<u>\$ 9,588,057</u>	<u>\$ 497,965</u>	<u>\$ 63,993</u>	<u>\$ 10,150,015</u>

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



**TULSA HISTORICAL SOCIETY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenue</b>				
Memberships	\$ 67,968	\$ -	\$ -	\$ 67,968
Contributions and grants	154,325	44,500	-	198,825
Special events	392,203	-	-	392,203
Interest	16,312	391	-	16,703
Rents	62,435	-	-	62,435
Realized gain on investment	31,377	343	-	31,720
Unrealized gain on investment	2,978	2,759	-	5,737
Other	51,469	-	-	51,469
Net assets released from restrictions				
Satisfaction of program restrictions	141,956	(141,956)	-	-
Total public support and revenue	<u>921,023</u>	<u>(93,963)</u>	<u>-</u>	<u>827,060</u>
<b>Expenses</b>				
Program services	884,350	-	-	884,350
General and administrative	70,590	-	-	70,590
Fundraising	191,121	-	-	191,121
Total expenses	<u>1,146,061</u>	<u>-</u>	<u>-</u>	<u>1,146,061</u>
Changes in net assets	<u>(225,038)</u>	<u>(93,963)</u>	<u>-</u>	<u>(319,001)</u>
Net assets, beginning of year	<u>10,315,122</u>	<u>557,879</u>	<u>63,993</u>	<u>10,936,994</u>
Net assets, end of year	<u>\$ 10,090,084</u>	<u>\$ 463,916</u>	<u>\$ 63,993</u>	<u>\$ 10,617,993</u>

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

**TULSA HISTORICAL SOCIETY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating activities</b>		
Change in net assets	\$ (467,978)	\$ (319,001)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	237,792	239,335
Unrealized (gain) loss on investments	134,527	(5,737)
Realized (gain) loss on investments	(96,896)	(31,720)
Changes in assets and liabilities		
Inventory	168	276
Prepaid expenses	38	(3,880)
Pledges receivable	<u>72,280</u>	<u>97,229</u>
Net cash provided by (used for) operating activities	<u>(120,069)</u>	<u>(23,498)</u>
<b>Investing activities</b>		
Proceeds from sale of investments	856,766	283,567
Purchases of investments	(812,385)	(245,572)
Purchases of property and equipment	<u>(61,288)</u>	<u>(43,053)</u>
Net cash provided by (used for) investing activities	<u>(16,907)</u>	<u>(5,058)</u>
Net change in cash and cash equivalents	(136,976)	(28,556)
Cash and cash equivalents, beginning of year	<u>1,045,913</u>	<u>1,074,469</u>
Cash and cash equivalents, end of year	<u><u>\$ 908,937</u></u>	<u><u>\$ 1,045,913</u></u>

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



**TULSA HISTORICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	Program Services	General and Administrative	Fundraising	Total
Employee salaries	\$ 265,232	\$ 33,668	\$ 33,668	\$ 332,568
Employee benefits	35,025	5,284	5,284	45,593
Payroll taxes	19,969	2,644	2,644	25,257
Specific project	37,832	-	-	37,832
Hall of Fame	-	-	57,347	57,347
Other fundraising expense	-	-	1,627	1,627
Insurance	41,097	839	-	41,936
Utilities	68,083	1,389	-	69,472
Exhibit expense	35,468	-	-	35,468
Maintenance and repairs	80,104	1,635	-	81,739
Photos, printing and copying	12,643	-	-	12,643
Accounting and payroll services	3,853	11,558	-	15,411
Rental expense, Tulsa Garden Center	13,950	-	-	13,950
Communications	4,343	483	-	4,827
Postage and delivery	4,634	-	-	4,634
Office expense	5,207	579	-	5,785
Archive expense	12,445	-	-	12,445
Bank and credit card fees	943	972	943	2,858
Contract labor	5,475	-	-	5,475
Advertising	-	-	681	681
Bus tour	10,470	-	-	10,470
Merchandise	-	-	16,919	16,919
Computer software	-	3,314	-	3,314
Other	28,019	571	-	28,590
	<u>684,792</u>	<u>62,936</u>	<u>119,113</u>	<u>866,841</u>
Depreciation	<u>233,036</u>	<u>4,756</u>	<u>-</u>	<u>237,792</u>
Total expenses	<u>\$ 917,828</u>	<u>\$ 67,692</u>	<u>\$ 119,113</u>	<u>\$ 1,104,633</u>

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

**TULSA HISTORICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2014**

	Program Services	General and Administrative	Fundraising	Total
Employee salaries	\$ 222,309	\$ 31,086	\$ 31,086	\$ 284,481
Benefits	31,226	4,366	4,366	39,958
Payroll taxes	17,694	2,474	2,474	22,642
Specific project	57,362	-	-	57,362
Hall of Fame	-	-	54,339	54,339
Oil Barons Ball	-	-	75,139	75,139
Other fundraising expense	-	-	3,975	3,975
Insurance	37,587	767	-	38,354
Utilities	59,343	1,211	-	60,554
Exhibit expense	38,144	-	-	38,144
Maintenance and repairs	79,394	1,620	-	81,014
Photos, printing and copying	13,364	-	-	13,364
Accounting and payroll services	4,946	14,837	-	19,783
Rental expense, Tulsa Garden Center	12,525	-	-	12,525
Communications	4,376	486	-	4,862
Postage and delivery	3,679	-	-	3,679
Office expense	7,336	815	-	8,151
Archive expense	6,491	-	-	6,491
Bank and credit card fees	1,407	1,450	1,407	4,264
Contract labor	5,773	-	-	5,773
Advertising	-	-	925	925
Bus tour	18,361	-	-	18,361
Merchandise	-	-	17,410	17,410
Computer software	-	6,110	-	6,110
Other	28,485	581	-	29,066
	649,802	65,803	191,121	906,726
Depreciation	234,548	4,787	-	239,335
Total expenses	<u>\$ 884,350</u>	<u>\$ 70,590</u>	<u>\$ 191,121</u>	<u>\$ 1,146,061</u>

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

**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, which 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.

(Continued)



**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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.

The Organization 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 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, 2015.) The Society 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.

***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, 2015.

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 2015 and 2014.

(Continued)

**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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 2015 and 2014 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 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, 2012, through December 31, 2015, 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 2015 and 2014, Tulsa Historical Society Guardian Volunteer Corps donated time as speakers, docents, greeters, and program development aids. The total volunteer hours were 5,851 and 7,655 for the years ended December 31, 2015 and 2014, 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.

***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.

(Continued)



**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Subsequent Events***

The Society has evaluated subsequent events through November 1, 2016, 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, 2015 AND 2014**

**NOTE 2 - 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, 2015 and 2014, respectively, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2015				
Donor-restricted endowment funds	\$ -	\$ -	\$ 63,933	\$ 63,933
Board-designated endowment funds	924,613	-	-	924,613
	<u>\$ 924,613</u>	<u>\$ -</u>	<u>\$ 63,933</u>	<u>\$ 988,546</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2014				
Donor-restricted endowment funds	\$ -	\$ -	\$ 63,933	\$ 63,933
Board-designated endowment funds	1,006,625	-	-	1,006,625
	<u>\$ 1,006,625</u>	<u>\$ -</u>	<u>\$ 63,933</u>	<u>\$ 1,070,558</u>

Changes in the beneficial interest in assets held by the Foundation for the years ending December 31, 2015 and 2014, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2014	\$ 1,007,163	\$ -	\$ 63,933	\$ 1,071,096
Investment return				
Net realized and unrealized appreciation	49,891	9,229	-	59,120
Distributions	<u>(50,429)</u>	<u>(9,229)</u>	<u>-</u>	<u>(59,658)</u>
Endowment net assets, December 31, 2014	1,006,625	-	63,933	1,070,558
Investment return				
Net realized and unrealized appreciation	(29,287)	-	-	(29,287)
Distributions	<u>(52,725)</u>	<u>-</u>	<u>-</u>	<u>(52,725)</u>
Endowment net assets, December 31, 2015	<u>\$ 924,613</u>	<u>\$ -</u>	<u>\$ 63,933</u>	<u>\$ 988,546</u>

(Continued)

**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 2 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION  
(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, 2015 and 2014.

*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 two-thirds 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, 2015			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 988,546	\$ -
Pledges receivable - beneficial interest in charitable trust	-	-	522,026
Total	\$ -	\$ 988,546	\$ 522,026

(Continued)

**TULSA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 3 - FAIR VALUE MEASUREMENTS (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, 2014			
Beneficial interest in assets held by Tulsa Community Foundation	\$ -	\$ 1,070,558	\$ -
Pledges receivable - beneficial interest in charitable trust	-	-	594,306
Total	<u>\$ -</u>	<u>\$ 1,070,558</u>	<u>\$ 594,306</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, 2015 and 2014, for assets measured at fair value based upon significant unobservable (non-market) information:

	2015	2014
Balance, beginning of year	\$ 594,306	\$ 691,535
New pledges	-	10,000
Pledges collected	(68,398)	(104,614)
Interest collected	(3,882)	(2,615)
Change in allowance for uncollectible pledges	-	-
Balance, end of year	<u>\$ 522,026</u>	<u>\$ 594,306</u>

(Continued)



**TULSA HISTORICAL SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment are as follows:

	2015	2014
Buildings	\$ 5,036,522	\$ 5,001,651
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	249,437	223,020
Exhibit equipment	123,286	123,286
Cemetery Fence	24,900	24,900
	10,260,951	10,199,663
Accumulated depreciation	(2,538,700)	(2,300,908)
Property and equipment, net	<u>\$ 7,722,251</u>	<u>\$ 7,898,755</u>

Depreciation expense for the years ended December 31, 2015 and 2014, was \$237,792 and \$239,335, respectively.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	2015	2014
Travis Mansion restoration and maintenance	\$ 191,080	\$ 246,949
Dunn family endowment	210,967	210,967
Art deco project	1,000	1,000
Voices of History Gallery	10,000	-
Archive department	34,068	-
1921 Race Riot Computer Application	1,953	5,000
Exhibitions	25,000	-
Children's education	23,897	-
Total	<u>\$ 497,965</u>	<u>\$ 463,916</u>

(Continued)

**TULSA HISTORICAL SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

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

	2015	2014
Travis Mansion restoration and maintenance	\$ 55,869	\$ 18,963
Dunn family endowment	-	25,000
Development Director salary	-	40,000
Exhibitions	-	15,000
Children's education	6,103	29,500
Book project	-	10,000
Archive department	5,932	-
1921 Race Riot Computer Application	3,047	-
Time-restricted endowment earnings		
appropriated for expenditure	-	3,493
Total	<u>\$ 70,951</u>	<u>\$ 141,956</u>

**NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted as investments in perpetuity and are included in the beneficial interest in assets held by a Foundation. The restrictions specified by donors, allow for the income to be used for general operations of the Organization. The balance consists of the following at December 31:

	2015	2014
Beneficial interest in assets	<u>\$ 63,993</u>	<u>\$ 63,993</u>

**NOTE 7 - 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 8 - RETIREMENT PLAN**

The Society sponsors a SIMPLE IRA plan covering eligible employees. The Society matches up to 3% of employee contributions to the plan. During 2015 and 2014, the Society contributed \$9,291 and \$6,940, respectively, to the plan.