

**ORAL HISTORY ASSOCIATION
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Oral History Association

I have reviewed the accompanying financial statements of Oral History Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

I am required to be independent of Oral History Association and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

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

Tim Montgomery, CPA PLLC

Murfreesboro, Tennessee
August 30, 2023

**ORAL HISTORY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 211,544	\$ 131,949
Certificates of deposit	-	51,253
Accounts receivable	33,747	36,908
Prepaid expenses	14,886	26,130
Investments	<u>684,134</u>	<u>792,756</u>
Total Assets	<u>\$ 944,311</u>	<u>\$ 1,038,996</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 147,885	\$ 46,153
Contract liabilities	<u>65,549</u>	<u>59,710</u>
Total Liabilities	<u>213,434</u>	<u>105,863</u>
Net Assets		
Without donor restrictions	46,743	140,377
Without donor restrictions (board designated)	<u>684,134</u>	<u>792,756</u>
Total Net Assets	<u>730,877</u>	<u>933,133</u>
Total Liabilities and Net Assets	<u>\$ 944,311</u>	<u>\$ 1,038,996</u>

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Unrestricted revenue and support:		
Publications	\$ 24,579	\$ 34,421
Membership dues	68,861	63,637
Annual meeting	76,679	51,363
Contributions	25,918	31,933
Grant income	647,556	26,125
Workshops	1,557	1,037
In-kind income	89,965	126,832
Other income	4,806	3,061
Interest and dividends	11,001	6,516
	950,922	344,925
Expenses		
Program services:		
Member services	342,207	184,452
NEH grant	613,674	6,597
Supporting services:		
Management and general	84,159	93,834
Fundraising	9,189	12,128
	1,049,229	297,011
TOTAL EXPENSES		
CHANGE IN NET ASSETS FROM OPERATIONS	(98,307)	47,914
Nonoperating activities		
Investment return, net	(103,949)	104,566
CHANGE IN NET ASSETS	(202,256)	152,480
NET ASSETS, BEGINNING OF YEAR	933,133	780,653
NET ASSETS, END OF YEAR	\$ 730,877	\$ 933,133

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Year ended December 31, 2022					Year ended December 31, 2021				
	Member Services	NEH Grant	Management and General	Fundraising	Total	Member Services	NEH Grant	Management and General	Fundraising	Total
Expenses										
Advocacy	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Annual meeting	167,269	-	-	-	167,269	25,180	-	-	-	25,180
Bank charges	-	-	5,586	-	5,586	-	-	5,580	-	5,580
Council meetings	18,478	-	-	-	18,478	2,000	-	-	-	2,000
Insurance	238	1,964	2,752	550	5,504	1,030	-	1,287	257	2,574
Membership dues	2,292	-	-	-	2,292	1,498	-	-	-	1,498
Office expense	985	-	1,231	246	2,462	824	-	1,030	206	2,060
Professional fees	-	-	7,843	-	7,843	-	-	7,530	-	7,530
Publications	39,529	-	-	-	39,529	36,012	-	-	-	36,012
Rent expense	2,597	-	1,655	253	4,505	2,474	-	1,752	279	4,505
Scholarships and grant expenses	14,525	594,416	-	-	608,941	4,000	3,495	-	-	7,495
Strategic planning	-	-	8,390	-	8,390	-	-	6,450	-	6,450
Technology	11,983	-	2,247	749	14,979	11,003	-	2,063	688	13,754
Transition expense	-	-	2,946	-	2,946	-	-	-	-	-
Travel	4,038	-	-	-	4,038	1,615	-	-	-	1,615
Webinar initiatives	-	2,499	-	-	2,499	1,716	-	-	-	1,716
Website/marketing	-	-	623	-	623	-	-	861	-	861
Workshops	2,003	-	-	-	2,003	612	-	-	-	612
Wages and benefits	-	14,795	2,611	-	17,406	-	3,102	-	-	3,102
Salary allocations	75,770	-	48,275	7,391	131,436	94,988	-	67,281	10,698	172,967
TOTAL EXPENSES	\$ 342,207	\$613,674	\$ 84,159	\$ 9,189	\$ 1,049,229	\$ 184,452	\$ 6,597	\$ 93,834	\$ 12,128	\$ 297,011

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Cash Flows from Operating Activities-		
Change in net assets	\$ (202,256)	\$ 152,480
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Net realized and unrealized (gain) loss on investments	103,949	(104,566)
(Increase) decrease in:		
Accounts receivable	3,161	(18,781)
Prepaid expenses	11,244	(13,030)
Increase (decrease) in:		
Accounts payable	101,732	15,518
Unearned revenue	5,839	8,190
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>23,669</u>	<u>39,811</u>
Cash Flows from Investing Activities-		
Proceeds from investments, including certificates of deposit	491,670	-
Purchase of investments, including certificates of deposit	<u>(435,744)</u>	<u>(126,241)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>55,926</u>	<u>(126,241)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79,595	(86,430)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>131,949</u>	<u>218,379</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 211,544</u>	<u>\$ 131,949</u>

See independent accountant's review report.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 - NATURE OF THE ORGANIZATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

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

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their used is restricted by explicit donor stipulation or by law. Expirations or donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contributions were received.

Measure of Operations

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

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Investments

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

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

Income Taxes

The Organization has received a letter effective June 1968, from the Internal Revenue Service stating that the Organization has been recognized as exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code and the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(2) of the Internal Revenue Code. No income tax provision has been included in the financial statements. There was no unrelated business income for the years ended December 31, 2022 and 2021.

Contributions

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

Contributions of Services

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reduction of future grant funds. The Organization's management believes if any costs were disallowed, those amounts would not materially affect the financial position of the Organization.

Use of Estimates

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

Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation.

New Accounting Pronouncement

For the year ended December 31, 2021, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequent to ASU 2014-09, FASB issued several related ASUs (collectively "ASC 606"). The Organization adopted the provisions of ASU 2014-09 and the related ASUs as of January 1, 2021 using a modified retrospective approach, which resulted in no cumulative effect adjustment of net assets as of January 1, 2021. There was no change in the timing and amount of revenue recognized as a result of the adoption of these ASUs.

NOTE 3 - REVENUES

On January 1, 2021, the Organization adopted ASC 606 using the modified retrospective approach. The Organization determined there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of January 1, 2021. Under ASC 606, revenue is recognized when the Organization transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 - REVENUES (CONTINUED)

Contract balances – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying statements of financial position totaled \$65,549 and \$59,710 as of December 31, 2022 and 2021, respectively. Deferred revenue represents income from membership dues. The membership dues are deferred when received prior to their annual contract period and amortized over the terms of the membership contract period as earned. Life memberships are deferred and amortized over a period of 20 years, which is estimated to represent the average membership period of members during their lifetime.

Accounts receivable – The Organization accounts for potential losses in accounts receivable using the allowance method. Management believes accounts receivable are fully collectible at December 31, 2022 and 2021. As a result, no allowance for uncollectible accounts has been provided.

Performance obligations and revenue recognition – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's revenue within the scope of ASC 606 consists of revenue from membership dues, publication royalties licensed to a third party, and annual meeting registration fees. The contract performance obligation for membership dues is performed over the respective contract or membership period, which runs for the same period as the Organization's fiscal year. Membership dues include subscription to the *Oral History Review* and related newsletters and other publications. These subscriptions run concurrent to the members' contract period, therefore the Organization does not consider these items to be separate performance obligations. Royalty income for the Organization's license agreement for its publications is recognized under terms of this agreement, which provide for an advance payment at the beginning of the year, with settlement of remaining royalty payments by the end of the year. For the annual meeting registration fees, the contract obligation is satisfied at the time of the meeting over the fiscal year to which the fee relates.

Practical expedients and exemptions – There are several practical expedient and exemptions allowed under ASC 606 that impact timing of revenue recognition and disclosures. The one practical expedient the Organization applied in the adoption and application of ASC 606 allows the Organization to elect to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the results will not be materially different from the consideration of each individual contract.

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2022:

	<u>Membership dues</u>	
	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 59,710	\$ 51,520
Revenue recognized that was included in deferred revenue at the beginning of year	(37,621)	(29,625)
Increase in deferred revenue due to cash received during the period	43,460	37,815
Deferred revenue, end of year	<u>\$ 65,549</u>	<u>\$ 59,710</u>

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial assets:	
Cash and cash equivalents	\$ 211,544
Accounts receivable	33,747
Investments	684,134
Financial assets, at year-end	<u>929,425</u>
Less those unavailable for general expenditure within one year	.
Board designated investments for long-term purposes	<u>684,134</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 245,291</u></u>

NOTE 5 - ENDOWMENT

Board-designated Endowment

For the years ended December 31, 2022, the Council had designated \$684,134 and \$792,756, respectively, of unrestricted net assets as a general endowment fund to support the mission of the Organization. This amount is classified as “Investments” on the accompanying statements of financial position. Since that amount resulted from an internal designation and is without donor restrictions, it is classified and reported as net assets without donor restrictions under the sub-classification board-designated endowment.

Return Objectives, Risk Parameter and Spending Policy

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

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 5 - ENDOWMENT (CONTINUED)

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

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

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 792,756	\$ 562,204
Endowment investment return:		
Investment income, net of fees	10,883	6,233
Net appreciation (depreciation) in investments	(103,949)	104,566
Contributions	15,404	119,753
Appropriation of endowment assets for expenditure - spending rate	<u>(30,960)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 684,134</u>	<u>\$ 792,756</u>

NOTE 6 - FAIR VALUE MEASUREMENTS

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

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

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

Level 3 are unobservable inputs for the assets or liabilities.

The following investments are considered Level 1 by the Organization:

	<u>2022</u>	<u>2021</u>
Federal Money Market Fund	\$ 328,914	\$ 272,524
FTSE Social Index Fund	355,220	-
Vanguard 500 Index Fund	-	520,232
	<u>\$ 684,134</u>	<u>\$ 792,756</u>

**ORAL HISTORY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 7 – CONTRACT AND IN-KIND REVENUE

The Organization has been party to a contract with Middle Tennessee State University (MTSU), whereby MTSU provided the Organization office space and furnishings, computer equipment and software, necessary office equipment and salaries for graduate assistants. The contract was signed August 17, 2017 and had an initial five-year term from January 1, 2018 through December 31, 2022. Under the contract the Organization paid MTSU quarterly for certain project expenses which are paid on a cost-reimbursable basis as outlined by the contract. The remainder of the costs incurred by MTSU have been considered an in-kind donation by the Organization. For the years ended December 31, 2022 and 2021 the amounts paid by the Organization under the agreements were \$50,014 and \$52,256, respectively. Effective January 1, 2023, the Organization has agreed to a new contract with Baylor University from January 1, 2023 through December 31, 2027 to house the Organization and provide certain support through a cost sharing plan similar to the agreement that expired December 31, 2022.

The fair value of donated salaries and benefits associated with the contract was \$81,422 and \$122,047 and the fair value of donated rent was \$4,505 for each year ended December 31, 2022 and 2021, respectively. The Organization recorded in-kind revenue, salary expense, and rent expense for the years ended December 31, 2022 and 2021 for these amounts.

NOTE 8 - RISKS AND CONCENTRATIONS

The Organization maintains deposits at a local financial institution. Deposits at this institution were within U.S. Federal Deposit Insurance Coverage (FDIC) of \$250,000 at December 31, 2022.

NOTE 9 – FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE 10 - INCOME TAXES

The Organization applies the guidance on accounting for uncertain tax positions in FASB ASC 740 *Income Taxes*. There were no unrecognized tax benefits or related liabilities at December 31, 2022.

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before December 31, 2019 are no longer subject to examination.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 30, 2023, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.