

*G*EOORGIA HISTORICAL SOCIETY



**FINANCIAL REPORT**

**JUNE 30, 2024**

**GEORGIA HISTORICAL SOCIETY**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Curators  
Georgia Historical Society, Inc.  
Savannah, Georgia**

### **Opinion**

We have audited the accompanying financial statements of **Georgia Historical Society, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Historical Society, Inc. as of June 30, 2024 and 2023, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Georgia Historical Society, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Historical Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Georgia Historical Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Historical Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
January 17, 2025

**GEORGIA HISTORICAL SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,069,404	\$ 4,019,707
Unconditional promises to give, net	983,296	2,008,854
Accounts receivable	156,799	225,019
Prepaid expenses	80,228	72,256
Inventory	18,791	16,167
Total current assets	6,308,518	6,342,003
<b>OTHER ASSETS</b>		
Investments - endowment and endowment trust fund	21,512,397	17,334,323
Unconditional promises to give, net	267,114	677,486
Total other assets	21,779,511	18,011,809
PERMANENT COLLECTIONS, See Note 1	-	-
LAND, BUILDINGS AND EQUIPMENT, net of accumulated depreciation	7,473,618	7,673,970
OPERATING RIGHT OF USE ASSET, net of accumulated amortization	71,216	100,894
<b>TOTAL ASSETS</b>	<b>\$ 35,632,863</b>	<b>\$ 32,128,676</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 132,230	\$ 137,550
Operating lease liability	25,984	29,108
Accrued expenses	131,833	117,065
Deferred revenues	1,938,583	1,432,280
Total current liabilities	2,228,630	1,716,003
<b>NONCURRENT LIABILITIES</b>		
Operating lease liability	46,685	72,669
Total noncurrent liabilities	46,685	72,669
<b>TOTAL LIABILITIES</b>	<b>2,275,315</b>	<b>1,788,672</b>
<b>NET ASSETS</b>		
Without donor restrictions:		
Endowment Trust fund	17,084,128	13,327,836
Undesignated	11,166,486	10,632,116
Total without donor restrictions	28,250,614	23,959,952
With donor restrictions:		
Purpose restrictions and time-restricted for future periods	1,653,153	2,951,271
Perpetual in nature	3,453,781	3,428,781
Total with donor restrictions	5,106,934	6,380,052
Total net assets	33,357,548	30,340,004
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 35,632,863</b>	<b>\$ 32,128,676</b>

**See Notes to Financial Statements.**

**GEORGIA HISTORICAL SOCIETY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			
	With donor restrictions			Total
	Without donor restrictions	Purpose restrictions and time-restricted for future periods	Perpetual in nature	
<b>OPERATING ACTIVITIES</b>				
Revenues and other support:				
Contributions and grants	\$ 4,536,337	\$ 95,000	\$ 25,000	\$ 4,656,337
Membership dues	312,091	-	-	312,091
Merchandise sales and usage fees	65,599	-	-	65,599
Record storage income	9,681	-	-	9,681
Registration	13,635	-	-	13,635
Total revenues	<u>4,937,343</u>	<u>95,000</u>	<u>25,000</u>	<u>5,057,343</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>1,977,895</u>	<u>(1,977,895)</u>	-	-
Total revenues and other support	<u>6,915,238</u>	<u>(1,882,895)</u>	<u>25,000</u>	<u>5,057,343</u>
Expenses				
Program services:				
Membership	318,170	-	-	318,170
Publication	245,859	-	-	245,859
Education and outreach	2,321,340	-	-	2,321,340
Research Center	836,239	-	-	836,239
Total program services	<u>3,721,608</u>	<u>-</u>	<u>-</u>	<u>3,721,608</u>
Supporting services:				
Management and general	443,867	-	-	443,867
Development	134,398	-	-	134,398
Total supporting services	<u>578,265</u>	<u>-</u>	<u>-</u>	<u>578,265</u>
Total expenses	<u>4,299,873</u>	<u>-</u>	<u>-</u>	<u>4,299,873</u>
Total operating activities	<u>2,615,365</u>	<u>(1,882,895)</u>	<u>25,000</u>	<u>757,470</u>
<b>NON-OPERATING ACTIVITIES</b>				
Investment income	75,772	-	-	75,772
Investment income from the endowment, net	2,136,426	584,777	-	2,721,203
Change in estimate of uncollectible unconditional promises to give	(500,320)	-	-	(500,320)
Total non-operating activities	<u>1,711,878</u>	<u>584,777</u>	<u>-</u>	<u>2,296,655</u>
Change in net assets before changes related to collection items not capitalized	4,327,243	(1,298,118)	25,000	3,054,125
Change in net assets related to collection items:				
Purchase of collection items	<u>(36,581)</u>	<u>-</u>	<u>-</u>	<u>(36,581)</u>
CHANGE IN NET ASSETS	4,290,662	(1,298,118)	25,000	3,017,544
NET ASSETS, beginning of year	<u>23,959,952</u>	<u>2,951,271</u>	<u>3,428,781</u>	<u>30,340,004</u>
NET ASSETS, end of year	<u>\$ 28,250,614</u>	<u>\$ 1,653,153</u>	<u>\$ 3,453,781</u>	<u>\$ 33,357,548</u>

**See Notes to Financial Statements.**

2023			
With donor restrictions			
Without donor restrictions	Purpose restrictions and time-restricted for future periods	Perpetual in nature	Total
\$ 3,060,976	\$ 758,333	\$ 156,000	\$ 3,975,309
318,470	-	-	318,470
62,051	-	-	62,051
10,980	-	-	10,980
25,310	-	-	25,310
<u>3,477,787</u>	<u>758,333</u>	<u>156,000</u>	<u>4,392,120</u>
393,841	(393,841)	-	-
<u>3,871,628</u>	<u>364,492</u>	<u>156,000</u>	<u>4,392,120</u>
321,816	-	-	321,816
269,076	-	-	269,076
2,029,209	-	-	2,029,209
747,593	-	-	747,593
<u>3,367,694</u>	<u>-</u>	<u>-</u>	<u>3,367,694</u>
454,810	-	-	454,810
117,551	-	-	117,551
<u>572,361</u>	<u>-</u>	<u>-</u>	<u>572,361</u>
<u>3,940,055</u>	<u>-</u>	<u>-</u>	<u>3,940,055</u>
(68,427)	364,492	156,000	452,065
60,419	-	-	60,419
1,279,026	385,211	-	1,664,237
-	-	-	-
<u>1,339,445</u>	<u>385,211</u>	<u>-</u>	<u>1,724,656</u>
1,271,018	749,703	156,000	2,176,721
(18,954)	-	-	(18,954)
1,252,064	749,703	156,000	2,157,767
<u>22,707,888</u>	<u>2,201,568</u>	<u>3,272,781</u>	<u>28,182,237</u>
<u>\$ 23,959,952</u>	<u>\$ 2,951,271</u>	<u>\$ 3,428,781</u>	<u>\$ 30,340,004</u>



**GEORGIA HISTORICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services					Supporting Services			Total
	Membership	Publication	Education and Outreach	Research Center	Total Program Services	Management and General	Development	Total Supporting Services	
Salaries	\$ 173,516	119,869	1,123,092	390,412	\$ 1,806,889	\$ 265,382	58,138	\$ 323,520	\$ 2,130,409
Employee benefits	33,957	23,470	240,727	82,962	381,116	34,563	15,442	50,005	431,121
Total salaries and related expenses	<u>207,473</u>	<u>143,339</u>	<u>1,363,819</u>	<u>473,374</u>	<u>2,188,005</u>	<u>299,945</u>	<u>73,580</u>	<u>373,525</u>	<u>2,561,530</u>
Accounting fees	-	-	-	-	-	34,729	-	34,729	34,729
Auto expense	1,132	782	7,324	2,546	11,784	1,731	379	2,110	13,894
Bank charges	499	345	3,229	1,122	5,195	682	167	849	6,044
Consultants	12,184	17,448	173,283	162,914	365,829	14,276	43,421	57,697	423,526
Dues and subscriptions	2,559	735	17,508	1,606	22,408	409	90	499	22,907
Food and lodging	20,261	72	20,254	941	41,528	160	90	250	41,778
Legal fees	73	50	5,406	5,295	10,824	111	24	135	10,959
Office equipment	3,693	1,158	15,531	25,862	46,244	2,563	562	3,125	49,369
Office insurance	4,980	2,000	18,740	20,990	46,710	4,428	970	5,398	52,108
Office building/ground	15,411	10,646	105,318	41,035	172,410	23,571	5,164	28,735	201,145
Office space rental	1,415	978	9,161	3,185	14,739	2,165	474	2,639	17,378
Office supplies	3,229	456	12,593	14,785	31,063	1,010	273	1,283	32,346
Outreach	-	-	23,056	-	23,056	-	-	-	23,056
Postage and delivery	2,936	8,380	6,794	5,809	23,919	5,704	-	5,704	29,623
Printing, design and casting	10,938	40,873	158,601	3,024	213,436	1,521	184	1,705	215,141
Recruitment	-	-	14,743	12,552	27,295	5,143	-	5,143	32,438
Rental, space and catering	1,440	-	178,097	-	179,537	3,058	-	3,058	182,595
Restoration/conservation	-	-	-	195	195	-	-	-	195
Telephone	1,429	941	9,627	3,010	15,007	2,046	456	2,502	17,509
Travel	2,960	-	12,828	487	16,275	1,475	-	1,475	17,750
Unemployment	-	-	-	-	-	50	-	50	50
Total expenses before depreciation	<u>292,612</u>	<u>228,203</u>	<u>2,155,912</u>	<u>778,732</u>	<u>3,455,459</u>	<u>404,777</u>	<u>125,834</u>	<u>530,611</u>	<u>3,986,070</u>
Depreciation	25,558	17,656	165,428	57,507	266,149	39,090	8,564	47,654	313,803
Total expenses	<u>\$ 318,170</u>	<u>\$ 245,859</u>	<u>\$ 2,321,340</u>	<u>\$ 836,239</u>	<u>\$ 3,721,608</u>	<u>\$ 443,867</u>	<u>\$ 134,398</u>	<u>\$ 578,265</u>	<u>\$ 4,299,873</u>

See Notes to Financial Statements.

**GEORGIA HISTORICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services					Supporting Services			Total
	Membership	Publication	Education and Outreach	Research Center	Total Program Services	Management and General	Development	Total Supporting Services	
Salaries	\$ 169,718	\$ 128,239	\$ 947,484	\$ 377,139	\$ 1,622,580	\$ 259,176	\$ 72,394	\$ 331,570	\$ 1,954,150
Employee benefits	32,372	22,348	208,048	74,579	337,347	31,643	15,523	47,166	384,513
Total salaries and related expenses	<u>202,090</u>	<u>150,587</u>	<u>1,155,532</u>	<u>451,718</u>	<u>1,959,927</u>	<u>290,819</u>	<u>87,917</u>	<u>378,736</u>	<u>2,338,663</u>
Accounting fees	-	-	-	-	-	63,774	-	63,774	63,774
Auto expense	1,540	1,164	8,598	3,422	14,724	2,352	654	3,006	17,730
Bank charges	702	530	3,585	1,562	6,379	1,072	299	1,371	7,750
Consultants	15,563	23,159	125,781	111,771	276,274	10,023	4,887	14,910	291,184
Dues and subscriptions	3,681	1,196	17,270	2,187	24,334	292	1,456	1,748	26,082
Food and lodging	25,497	135	27,251	810	53,693	192	372	564	54,257
Legal fees	49	37	2,277	108	2,471	74	21	95	2,566
Office equipment	4,864	1,728	17,717	-	24,309	3,492	976	4,468	28,777
Office insurance	5,019	2,345	17,325	20,364	45,053	4,739	1,324	6,063	51,116
Office building/ground	13,587	10,266	81,437	35,528	140,818	20,748	5,796	26,544	167,362
Office space rental	1,455	1,100	8,124	3,186	13,865	2,222	621	2,843	16,708
Office supplies	3,165	571	13,767	17,195	34,698	1,154	322	1,476	36,174
Outreach	-	-	15,226	-	15,226	-	-	-	15,226
Postage and delivery	2,560	5,508	6,609	2,432	17,109	508	231	739	17,848
Printing, design and casting	8,054	48,445	185,612	16,893	259,004	2,535	427	2,962	261,966
Recruitment	904	537	5,370	6,777	13,588	1,086	303	1,389	14,977
Rental, space and catering	2,297	-	166,108	-	168,405	2,355	-	2,355	170,760
Telephone	1,572	1,707	7,943	3,043	14,265	2,091	584	2,675	16,940
Travel	2,668	-	15,461	1,133	19,262	724	36	760	20,022
Unemployment	-	-	-	-	-	4,015	-	4,015	4,015
Total expenses before depreciation and renovation expense	<u>295,267</u>	<u>249,015</u>	<u>1,880,993</u>	<u>678,129</u>	<u>3,103,404</u>	<u>414,267</u>	<u>106,226</u>	<u>520,493</u>	<u>3,623,897</u>
Depreciation	26,549	20,061	148,216	58,996	253,822	40,543	11,325	51,868	305,690
Renovation expense	-	-	-	10,468	10,468	-	-	-	10,468
Total expenses	<u>\$ 321,816</u>	<u>\$ 269,076</u>	<u>\$ 2,029,209</u>	<u>\$ 747,593</u>	<u>\$ 3,367,694</u>	<u>\$ 454,810</u>	<u>\$ 117,551</u>	<u>\$ 572,361</u>	<u>\$ 3,940,055</u>

**See Notes to Financial Statements.**

**GEORGIA HISTORICAL SOCIETY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,017,544	\$ 2,157,767
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	313,803	305,690
Unrealized and realized gains on investments	(2,415,030)	(1,477,282)
Contributions designated for collection items	36,581	18,954
Contributions restricted for long-term investments	(25,000)	(156,000)
Change in estimate of uncollectible unconditional promises to give	500,320	-
Changes in assets and liabilities:		
(Increase) decrease in unconditional promises to give	935,610	(567,154)
(Increase) decrease in accounts receivable	68,220	(72,049)
(Increase) decrease in prepaid expenses	(7,972)	(12,344)
(Increase) in inventory	(2,624)	(161)
(Increase) in operating right-of-use asset	29,678	(100,894)
Increase (decrease) in accounts payable	(5,320)	30,642
Increase in accrued expenses	14,768	16,746
Increase in operating lease liability	(29,108)	101,777
Increase (decrease) in deferred revenues	506,303	444,548
Net cash provided by operating activities	<u>2,937,773</u>	<u>690,240</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of collection items	(36,581)	(18,954)
Purchase of land, building and equipment	(113,451)	(92,754)
Purchase of investments	(2,610,464)	(939,000)
Proceeds from sale of investments	847,420	881,061
Net cash (used in) investing activities	<u>(1,913,076)</u>	<u>(169,647)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in endowment	25,000	156,000
Net cash provided by financing activities	<u>25,000</u>	<u>156,000</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,049,697</b>	<b>676,593</b>
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,019,707</u>	<u>3,343,114</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,069,404</u>	<u>\$ 4,019,707</u>

**See Notes to Financial Statements.**

# GEORGIA HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

The Georgia Historical Society, Inc. (GHS) is a not-for-profit corporation organized under the laws of the State of Georgia that is the premier independent statewide institution responsible for collecting, examining, and teaching Georgia history. GHS houses the oldest and most distinguished collection of materials related exclusively to Georgia history in the nation.

Founded in 1839, GHS is the oldest continuously operated historical society in the South. As an educational and research institution, GHS teaches Georgia history through a variety of educational programs, scholarly publications, and research services.

#### Significant Accounting Policies

##### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of GHS.

GHS presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance. Under this guidance, GHS is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of GHS. The principal sources of funds generated for net assets without donor restrictions are contributions and program revenues. Board-designated net assets are without donor restriction but are designated by the Board to be spent for specific purposes.

Net assets with donor restrictions consists of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

##### Use of Estimates

GHS prepares its financial statements in accordance with generally accepted accounting principles which require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant Accounting Policies (Continued)

##### Fair Value of Financial Instruments

As defined in the FASB issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, GHS uses various methods including market, income and cost approaches. Based on these approaches, GHS often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs.

GHS utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, GHS is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

*Level 3* – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions.

Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although GHS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the fiscal years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant Accounting Policies (Continued)

##### Contributions, Promises to Give, and Donated Services

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a restriction expires, or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as support without donor restrictions. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support.

Unconditional promises to give are recorded when received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the contributions are to be received. When considered necessary, an allowance is recorded based on management estimate of uncollectibility including such factors as prior collection history, type of contribution, and the nature of the fund-raising activity.

Contributed and discounted services are recorded by GHS when these services create or enhance financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

##### Membership Dues, Merchandise Sales, Registration Fees, and Other

Membership dues from GHS's members are recognized on the accrual basis. Membership dues are good for one year from the date of purchase.

GHS recognizes membership dues, merchandise sales and usage fees, record storage income, and registration fees in accordance with ASC Topic 606. Merchandise sales and usage fees, record storage income, and registration fee revenues are recognized at the time the transaction is executed, as that is the point in time GHS fulfills the members and/or customer's request. Membership dues revenue are earned over the course of the membership period, representing the period over which GHS satisfies the performance obligation.

##### Inventory

Inventories are stated at the lower of cost or market and determined by the first-in, first-out method. Inventories consist of reproductions of maps and prints, educational books, other items for sale, and office supplies used in general and administrative operations.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant Accounting Policies (Continued)

##### Investments – Endowment and Endowment Trust Fund

Investments in debt and equity securities that have readily determinable market values are accounted for and reported at fair value. Investments received by gift are initially recorded at fair market value at the date of acquisition, and adjusted for changes in fair value. GHS classifies its debt and equity securities as trading securities. Trading securities are bought and held principally for the purpose of generating operating income. Proceeds from the sale of trading securities appropriated for expenditure by the Board are reported as operating activities in the statement of cash flows.

Dividend, interest, and other investment income are reported in the period earned as increases in without donor restrictions net assets, unless the use of the assets is limited by donor-imposed restrictions, in which case they are reported as increases in with donor restrictions net assets. Realized and unrealized gains and losses on investments are reported as increases or decreases in without donor restrictions net assets unless their use is with donor restriction by explicit donor stipulation or law.

##### Permanent Collections

GHS's collections are primarily related to the library and archives collection. In conformity with industry practice, artifacts and records and documents purchased or donated are not recorded as assets in the accompanying statements of financial position. Even though not reflected in the financial statements, GHS's collections represent one of its most valuable assets. GHS receives numerous donations of research materials and artifacts annually to add to its collection. Purchases of collection items are reported as decreases in net assets without donor restrictions or as decreases in net assets with donor restrictions if the assets used to purchase the items were restricted by donors.

Any proceeds from sales of artifacts or collection items or insurance recoveries are reflected as increases in the appropriate class of net assets.

Permanent collection items are numbered and catalogued in a continuous inventory and are maintained for its inherent historical, cultural, and educational value.

##### Land, Buildings, and Equipment

Expenditures for the acquisition of land, buildings, and equipment are capitalized at cost when the cost exceeds \$1,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Planned major maintenance activities which significantly extend the useful life of the asset are capitalized.

##### Deferred Revenue and Accounts Receivable

GHS defers grant advance payments until the agreed upon services are performed. Also, GHS defers conditional contributions that have been pledged or paid in advance until the agreed upon conditions have been performed. In addition, GHS defers membership dues pledged or received during 2024 and 2023 for the following fiscal years. The majority of accounts receivable is made up of future membership dues that have been pledged by current members.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant Accounting Policies (Continued)

##### Income Tax Status

GHS is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been made in these financial statements.

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by GHS in its federal exempt organization tax returns are more likely-than-not to be sustained upon examination.

GHS files Form 990 in the U.S. federal jurisdiction and the state of Georgia.

##### Functional Allocation of Expenses

GHS reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, employee benefits, auto expense, bank charges, consultants, dues and subscriptions, food and lodging, legal fees, office equipment, office insurance, office building/ground, office space rental, office supplies, telephone, and depreciation are allocated on the basis of estimates of time and effort.

##### Recent Accounting Pronouncements

On July 1, 2023, GHS adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* and all related subsequent amendments thereto (Accounting Standards Codification (ASC) 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. GHS requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable held-to forecasts and generally applies to financial assets measured at amortized cost, including maturity debt securities and accounts receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. GHS adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and any off-balance sheet credit exposures. Results from report periods beginning after July 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. There was no material impact to the estimate of credit losses.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. LIQUIDITY AND AVAILABILITY

GHS manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of GHS are expected to be met on a monthly basis from the program service revenues generated and contributions. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date of June 30, 2024 and 2023, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 5,069,404	\$ 4,019,707
Unconditional promises to give, net	304,630	360,007
Accounts receivable	156,799	225,019
Endowment spending rate distributions and appropriations	849,082	729,880
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 6,379,915	\$ 5,334,613

Endowment funds consist of donor-restricted endowments and funds designated by the Board as the endowment trust fund (quasi-endowments). Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As of June 30, 2024 and 2023, the endowment trust fund of \$17,084,128 and \$13,327,836, respectively, is subject to an annual spending rate generally not to exceed 5% as described in Note 8. Although GHS does not intend to spend from this endowment trust fund (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2024 and 2023, unconditional promises to give consisted of the following:

	<b>2024</b>	2023
Without donor restrictions	<b>\$ 719,666</b>	\$ 587,913
With donor restrictions (purpose and time)	<b>678,666</b>	2,326,333
Unconditional promises to give before discount and allowance for uncollectible pledges	<b>1,398,332</b>	2,914,246
Less unamortized discount	<b>82,862</b>	162,846
Subtotal	<b>1,315,470</b>	2,751,400
Less allowance for uncollectible pledges	<b>65,060</b>	65,060
	<b>\$ 1,250,410</b>	\$ 2,686,340
	<b>2024</b>	2023
Amount due in:		
Less than one year	<b>\$ 1,048,356</b>	\$ 2,073,914
One to five years	<b>349,976</b>	840,332
Total	<b>\$ 1,398,332</b>	\$ 2,914,246

Discount rate used was 5.48% and 5.43%, respectively, as a risk-free interest rate (approximately reflects the 90 day U.S. treasury bill-rate) at June 30, 2024 and 2023.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. INVESTMENTS - ENDOWMENT

The following table sets forth by level, within the fair value hierarchy, GHS's investments - endowment at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,258,840	\$ -	\$ -	\$ 1,258,840
Equity securities	16,590,510	-	-	16,590,510
Fixed income securities	3,663,047	-	-	3,663,047
Total investments at fair value	\$ 21,512,397	\$ -	\$ -	\$ 21,512,397

The following table sets forth by level, within the fair value hierarchy, GHS's investments - endowment at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 604,167	\$ -	\$ -	\$ 604,167
Equity securities	13,923,118	-	-	13,923,118
Fixed income securities	2,807,038	-	-	2,807,038
Total investments at fair value	\$ 17,334,323	\$ -	\$ -	\$ 17,334,323

For the years ended June 30, 2024 and 2023, investment fees related to investment-endowment and endowment trust fund fees totaled \$151,645 and \$151,181, respectively.

### NOTE 5. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30, 2024 and 2023, consisted of the following:

	Life	2024	2023
Land	-	\$ 855,000	\$ 855,000
Buildings and building improvements	5-50	9,374,197	9,284,245
Furniture, fixtures, and equipment	3-10	971,868	975,450
Research Center acquisitions	3-10	25,524	25,524
		11,226,589	11,140,219
Less accumulated depreciation		(3,752,971)	(3,466,249)
		\$ 7,473,618	\$ 7,673,970

Depreciation expense totaled \$313,803 and \$305,690 for the years ended June 30, 2024 and 2023, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024 and 2023:

	<b>2024</b>	2023
Subject to expenditure for specified purpose or time-restricted for future periods:		
Education and Outreach	\$ 11,890	\$ 8,498
Endowed Position (“Director of Programs”)	105,612	3,979
Research Center	475,378	363,229
Vincent J. Dooley Distinguished Fellow program	378,099	221,196
Restricted by time – multi-year promises to give	678,666	2,326,333
Marker program	3,508	28,036
Total subject to expenditure for specified purpose or time-restricted for future periods:	<b>1,653,153</b>	2,951,271
Perpetual in nature:		
Education and Outreach	25,000	25,000
Endowed Position (“Director of Programs”)	1,000,000	1,000,000
Research Center	1,075,000	1,050,000
Vincent J. Dooley Distinguished Fellow program	1,328,763	1,328,763
Marker program	25,018	25,018
Total perpetual in nature:	<b>3,453,781</b>	3,428,781
Total net assets with donor restrictions:	<b>\$ 5,106,934</b>	\$ 6,380,052
	<b>2024</b>	2023
Subject to expenditure for specified purpose:		
Unconditional promises to give, net	\$ 678,666	\$ 2,326,333
Investments - endowment	974,487	624,938
Total subject to expenditure for specified purpose:	<b>1,653,153</b>	2,951,271
Perpetual in nature:		
Investments - endowment	3,453,781	3,428,781
Total perpetual in nature:	<b>3,453,781</b>	3,428,781
Total net assets with donor restrictions:	<b>\$ 5,106,934</b>	\$ 6,380,052

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2024 and 2023 by incurring expenses satisfying the restricted purpose specified by donees as follows:

**Purpose restrictions accomplished:**

	2024	2023
Education and Outreach	\$ 1,491	\$ 1,470
Endowed Position (“Director of Programs”)	44,700	44,054
Research Center	91,803	46,565
Vincent J. Dooley Distinguished Fellows program	69,008	66,752
Marker program	28,226	-
Restricted by time – multi-year promises to give	1,742,667	235,000
	\$ 1,977,895	\$ 393,841

### NOTE 8. ENDOWMENT

**Interpretation of Relevant Law**

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Curators of GHS, as authorized by the UPMIFA, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of GHS and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, GHS classifies net assets with donor restrictions perpetual in nature at the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions perpetual in nature is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. ENDOWMENT (Continued)

#### **Funds with Deficiencies**

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024 and 2023, GHS did not have any deficiencies in the endowment.

#### **Return Objectives and Risk Parameters**

GHS 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 historic dollar value of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Endowment Trust, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar assets classes while assuming a moderate level of investment risk.

#### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, GHS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). GHS targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

GHS's Endowment Trust determines the method to be used to appropriate endowment funds for expenditure. GHS has a spending policy whereby 5% of its endowment fund's prior 3 year rolling fair value average may be distributed for purposes of supporting without and with donor restriction activities.

GHS's Endowment Trust reviews spending policies annually and approves distributions they deem to be prudent.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. ENDOWMENT (Continued)

The endowment net asset composition by type of fund for the year ended June 30, 2024 are:

	<b>Endowment Net Asset Composition by Type of Fund as of June 30, 2024</b>			
	<b>Endowment Trust Fund (Without Donor Restrictions)</b>	<b>Endowment (With Donor Restrictions)</b>		
		Accumulated investment gains	Original donor- restricted gift amount and amounts required to be maintained in perpetuity by donor	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 974,488	\$ 3,453,781	\$ 4,428,269
Endowment trust fund	<u>17,084,128</u>	<u>-</u>	<u>-</u>	<u>17,084,128</u>
	<u>\$ 17,084,128</u>	<u>\$ 974,488</u>	<u>\$ 3,453,781</u>	<u>\$ 21,512,397</u>

The changes in endowment net asset for the year ended June 30, 2024 are:

	<b>Changes in Endowment Net Asset for the Fiscal Year Ended June 30, 2024</b>			
	<b>Endowment Trust Fund (Without Donor Restrictions)</b>	<b>Endowment (With Donor Restrictions)</b>		
		Accumulated investment gains	Original donor- restricted gift amount and amounts required to be maintained in perpetuity by donor	<b>Total</b>
Endowment net assets, beginning of year	\$ 13,327,836	\$ 577,707	\$ 3,428,781	\$ 17,334,324
Investment return:				
Investment income, net of investment fees	182,808	51,890	-	234,698
Net appreciation (realized and unrealized)	<u>1,882,144</u>	<u>532,886</u>	<u>-</u>	<u>2,415,030</u>
Total investment return	2,064,952	584,776	-	2,649,728
Contributions	2,350,766	-	25,000	2,375,766
Distributions	(36,020)	(25,549)	-	(61,569)
Appropriation of endowment assets for expenditure	<u>(623,406)</u>	<u>(162,446)</u>	<u>-</u>	<u>(785,852)</u>
Endowment net assets, end of year	<u>\$ 17,084,128</u>	<u>\$ 974,488</u>	<u>\$ 3,453,781</u>	<u>\$ 21,512,397</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. ENDOWMENT (Continued)

The endowment net asset composition by type of fund for the year ended June 30, 2023 are:

<b>Endowment Net Asset Composition by Type of Fund as of June 30, 2023</b>				
<b>Endowment (With Donor Restrictions)</b>				
	<b>Endowment Trust Fund (Without Donor Restrictions)</b>	<b>Accumulated investment gains</b>	<b>Original donor- restricted gift amount and amounts required to be maintained in perpetuity by donor</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 577,707	\$ 3,428,781	\$ 4,006,488
Endowment trust fund	13,327,836	-	-	13,327,836
	<u>\$ 13,327,836</u>	<u>\$ 577,707</u>	<u>\$ 3,428,781</u>	<u>\$ 17,334,324</u>

The changes in endowment net asset for the year ended June 30, 2023 are:

<b>Changes in Endowment Net Asset for the Fiscal Year Ended June 30, 2023</b>				
<b>Endowment (With Donor Restrictions)</b>				
	<b>Endowment Trust Fund (Without Donor Restrictions)</b>	<b>Accumulated investment gains</b>	<b>Original donor- restricted gift amount and amounts required to be maintained in perpetuity by donor</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 12,127,755	\$ 398,568	\$ 3,272,781	\$ 15,799,104
Investment return:				
Investment income, net of investment fees	139,766	42,309	-	182,075
Net depreciation (realized and unrealized)	1,134,381	342,901	-	1,477,282
Total investment (loss)	1,274,147	385,210	-	1,659,357
Contributions	532,500	-	156,000	688,500
Distributions	(35,526)	(47,231)	-	(82,757)
Appropriation of endowment assets for expenditure	(571,040)	(158,840)	-	(729,880)
Endowment net assets, end of year	<u>\$ 13,327,836</u>	<u>\$ 577,707</u>	<u>\$ 3,428,781</u>	<u>\$ 17,334,324</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. GRANTS AND CONTRACT REVENUES

GHS received grant and contract revenues for the years ended June 30, 2024 and 2023 as follows:

	2024	2023
GA Department of Economic Development	<b>\$ 312,812</b>	\$ 335,000
	<b>\$ 312,812</b>	\$ 335,000

### NOTE 10. RETIREMENT PLAN

GHS sponsors a defined contribution plan and employees are eligible to participate upon beginning employment with GHS. The plan qualifies as tax exempt under Section 403(b) of the Internal Revenue Code. In addition, GHS sponsors an Executive 457(b) retirement plan. Under this plan, a select group of management employees can defer compensation on a pre-tax basis. Retirement plan expense totaled \$81,807 and \$79,960 for the years ended June 30, 2024 and 2023, respectively.

### NOTE 11. LEASE COMMITMENTS

In 2019, GHS leased office equipment, a vehicle, and office space under non-cancelable operating leases with varying terms through December 2027. In 2020, GHS leased an office copier under non-cancelable operating leases with terms through August 2026. GHS has elected to use the implied rate as the discount rate for all leases.

GHS elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right-of-use assets. GHS has also elected to apply the short-term lease exception practical expedient to all leases with a term of one year or less.

The following summarizes the weighted-average remaining lease term and discount rate for operating leases as of June 30, 2024 and 2023:

	2024	2023
Weighted-average remaining lease term	<b>3.01 years</b>	3.80 years
Weighted-average discount rate	<b>1.94 %</b>	2.05 %

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. LEASE COMMITMENTS (Continued)

The following is a schedule by years of minimum future rentals on the operating lease and the amortization of the net present value (NPV) of the lease liability as of:

Year Ending June 30:	Minimum annual lease payments	Amortization of NPV of operating lease liability
2025	\$ 27,042	\$ 25,984
2026	22,758	22,286
2027	16,663	16,469
2028	7,951	7,930
	\$ 74,414	\$ 72,669

The carrying value of the related operating right-of-use assets as of June 30, 2024 and 2023 were:

	2024	2023
Accumulated basis	\$ 125,254	\$ 125,254
Less – accumulated amortization	(54,038)	(24,360)
	\$ 71,216	\$ 100,894

The total rental expense for the years ended June 30, 2024 and 2023 was \$31,385 and \$25,947, respectively.

### NOTE 12. RELATED-PARTY TRANSACTIONS

The Georgia Historical Society's Endowment Trust Fund was established in 1973 and is administered by GHS's Endowment Trust and is considered a related party due to some common board members. The fund was originated as a means of providing financial security for GHS. A portion of the investment income generated by this fund is transferred to the operating fund to assist in paying current expenditures.

### NOTE 13. EMPLOYEE RETENTION TAX CREDIT

GHS qualified to participate in the Employee Retention Tax Credit (ERTC) program, which was originally created out of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The program was designed to lessen the disruptive impact caused by the COVID-19 pandemic and allows an eligible employer to receive a refundable tax credit against qualified wages and certain health insurance costs. As prescribed under FASB's Not-for-Profit presentation and disclosure guidance, GHS considers the receipt of funds to be when the conditions have been met. Therefore, for the year ended June 30, 2024, GHS recognized contribution and grant revenues of \$296,794 in the accompanying statement of activities.

### NOTE 14. SUBSEQUENT EVENTS

GHS has evaluated subsequent events occurring through January 17, 2025, the date on which the financial statements were available to be issued.