

*G*EOORGIA HISTORICAL SOCIETY



FINANCIAL REPORT

JUNE 30, 2025

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statements of financial position	3
Statements of activities	4-5
Statements of functional expenses	6-7
Statements of cash flows	8
Notes to financial statements	9-23



Independent Auditor's Report

**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, 2025 and 2024, 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, 2025 and 2024, 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.

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 23, 2026

Georgia Historical Society, Inc.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,521,126	\$ 5,069,404
Unconditional promises to give, net	2,643,371	983,296
Accounts receivable	247,249	156,799
Prepaid expenses	74,296	80,228
Inventory	19,281	18,791
Total current assets	8,505,323	6,308,518
OTHER ASSETS		
Investments - endowment and endowment trust fund	23,967,506	21,512,397
Unconditional promises to give, net, less current portion	1,571,975	267,114
Total other assets	25,539,481	21,779,511
PERMANENT COLLECTIONS , See Note 1	-	-
LAND, BUILDINGS, AND EQUIPMENT , net of accumulated depreciation	7,209,978	7,473,618
OPERATING RIGHT-OF-USE ASSET , net of accumulated amortization	45,091	71,216
TOTAL ASSETS	\$ 41,299,873	\$ 35,632,863
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 258,834	\$ 132,230
Operating lease liability	22,286	25,984
Accrued expenses	139,123	131,833
Deferred revenues	3,270,351	1,938,583
Total current liabilities	3,690,594	2,228,630
NONCURRENT LIABILITIES		
Operating lease liability, less current portion	24,401	46,685
Total noncurrent liabilities	24,401	46,685
TOTAL LIABILITIES	3,714,995	2,275,315
NET ASSETS		
Without donor restrictions:		
Endowment Trust fund	19,172,611	17,084,128
Undesignated	13,202,560	11,166,486
Total without donor restrictions	32,375,171	28,250,614
With donor restrictions:		
Purpose restrictions and time-restricted for future periods	1,755,926	1,653,153
Perpetual in nature	3,453,781	3,453,781
Total with donor restrictions	5,209,707	5,106,934
Total net assets	37,584,878	33,357,548
TOTAL LIABILITIES AND NET ASSETS	\$ 41,299,873	\$ 35,632,863

See Notes to Financial Statements.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total
		Restrictions and Time-Restricted for Future Periods	Perpetual in Nature	
OPERATING ACTIVITIES				
Revenues and other support				
Contributions and grants	\$ 5,817,925	\$ 200,837	\$ -	\$ 6,018,762
Membership dues	295,449	-	-	295,449
Merchandise sales and usage fees	54,523	-	-	54,523
Record storage income	13,804	-	-	13,804
Registration	27,415	-	-	27,415
Total revenues	<u>6,209,116</u>	<u>200,837</u>	<u>-</u>	<u>6,409,953</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	624,736	(624,736)	-	-
Total revenues and other support	<u>6,833,852</u>	<u>(423,899)</u>	<u>-</u>	<u>6,409,953</u>
Expenses				
Program services:				
Membership	320,404	-	-	320,404
Publication	319,265	-	-	319,265
Education and outreach	2,668,639	-	-	2,668,639
Research Center	974,932	-	-	974,932
Total program services	<u>4,283,240</u>	<u>-</u>	<u>-</u>	<u>4,283,240</u>
Supporting services:				
Management and general	547,709	-	-	547,709
Development	114,987	-	-	114,987
Total supporting services	<u>662,696</u>	<u>-</u>	<u>-</u>	<u>662,696</u>
Total expenses	<u>4,945,936</u>	<u>-</u>	<u>-</u>	<u>4,945,936</u>
Total operating activities	<u>1,887,916</u>	<u>(423,899)</u>	<u>-</u>	<u>1,464,017</u>
NON-OPERATING ACTIVITIES				
Investment income	92,594	-	-	92,594
Investment income from the endowment, net	2,295,544	526,672	-	2,822,216
Change in estimate of uncollectible unconditional promises to give	(134,976)	-	-	(134,976)
Total non-operating activities	<u>2,253,162</u>	<u>526,672</u>	<u>-</u>	<u>2,779,834</u>
Change in net assets before changes related to collection items not capitalized	4,141,078	102,773	-	4,243,851
Change in net assets related to collection items:				
Purchase of collection items	(16,521)	-	-	(16,521)
CHANGE IN NET ASSETS	4,124,557	102,773	-	4,227,330
NET ASSETS, beginning of year	28,250,614	1,653,153	3,453,781	33,357,548
NET ASSETS, end of year	<u>\$ 32,375,171</u>	<u>\$ 1,755,926</u>	<u>\$ 3,453,781</u>	<u>\$ 37,584,878</u>

See Notes to Financial Statements.

2024			
With Donor Restrictions			
Without Donor Restrictions	Purpose Restrictions and Time-Restricted for Future Periods	Perpetual in Nature	Total
\$ 4,536,337	\$ 95,000	\$ 25,000	\$ 4,656,337
312,091	-	-	312,091
65,599	-	-	65,599
9,681	-	-	9,681
13,635	-	-	13,635
<u>4,937,343</u>	<u>95,000</u>	<u>25,000</u>	<u>5,057,343</u>
1,977,895	(1,977,895)	-	-
<u>6,915,238</u>	<u>(1,882,895)</u>	<u>25,000</u>	<u>5,057,343</u>
318,170	-	-	318,170
245,859	-	-	245,859
2,321,340	-	-	2,321,340
836,239	-	-	836,239
<u>3,721,608</u>	<u>-</u>	<u>-</u>	<u>3,721,608</u>
443,867	-	-	443,867
134,398	-	-	134,398
<u>578,265</u>	<u>-</u>	<u>-</u>	<u>578,265</u>
4,299,873	-	-	4,299,873
<u>2,615,365</u>	<u>(1,882,895)</u>	<u>25,000</u>	<u>757,470</u>
75,772	-	-	75,772
2,136,426	584,777	-	2,721,203
(500,320)	-	-	(500,320)
<u>2,212,198</u>	<u>584,777</u>	<u>-</u>	<u>2,296,655</u>
4,327,243	(1,298,118)	25,000	3,054,125
(36,581)	-	-	(36,581)
4,290,662	(1,298,118)	25,000	3,017,544
<u>23,959,952</u>	<u>2,951,271</u>	<u>3,428,781</u>	<u>30,340,004</u>
<u>\$ 28,250,614</u>	<u>\$ 1,653,153</u>	<u>\$ 3,453,781</u>	<u>\$ 33,357,548</u>

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services					Supporting Services			Total
	Membership	Publication	Education and Outreach	Research Center	Total Program Services	Management and General	Development	Total Supporting Services	
Salaries	\$ 159,614	105,965	1,094,346	408,547	\$ 1,768,472	\$ 340,603	39,408	\$ 380,011	\$ 2,148,483
Employee benefits	32,943	20,813	260,050	92,379	406,185	45,091	12,056	57,147	463,332
Total salaries and related expenses	192,557	126,778	1,354,396	500,926	2,174,657	385,694	51,464	437,158	2,611,815
Accounting fees	-	-	-	-	-	29,696	-	29,696	29,696
Auto expense	1,012	672	6,938	2,590	11,212	2,159	250	2,409	13,621
Bank charges	526	349	3,608	1,347	5,830	1,123	130	1,253	7,083
Consultants	29,421	19,612	231,015	93,036	373,084	15,102	50,557	65,659	438,743
Dues and subscriptions	2,552	815	17,654	3,342	24,363	453	52	505	24,868
Food and lodging	17,367	97	42,273	2,286	62,023	63	7	70	62,093
Legal fees	98	65	10,209	4,379	14,751	209	24	233	14,984
Office equipment	3,734	1,324	22,441	31,051	58,550	3,977	504	4,481	63,031
Office insurance	5,151	1,966	20,300	22,204	49,621	6,318	731	7,049	56,670
Office building/ground	20,138	13,369	144,719	55,081	233,307	42,973	4,972	47,945	281,252
Office space rental	1,249	829	8,563	3,197	13,838	2,665	308	2,973	16,811
Office supplies	2,388	459	11,435	11,876	26,158	1,475	171	1,646	27,804
Outreach	2,500	-	122,083	-	124,583	-	-	-	124,583
Postage and delivery	3,187	15,056	10,287	4,758	33,288	746	-	746	34,034
Printing, design, and casting	11,465	122,539	269,080	8,000	411,084	1,075	177	1,252	412,336
Recruitment	2,033	188	19,883	7,305	29,409	604	70	674	30,083
Rental, space, and catering	678	-	199,168	1,164	201,010	4,614	-	4,614	205,624
Library restoration	-	-	-	157,363	157,363	-	-	-	157,363
Telephone	1,299	862	10,207	3,325	15,693	2,772	321	3,093	18,786
Travel	1,789	171	18,621	3,842	24,423	525	-	525	24,948
Unemployment	-	-	-	-	-	100	-	100	100
Total expenses before depreciation	299,144	305,151	2,522,880	917,072	4,044,247	502,343	109,738	612,081	4,656,328
Depreciation	21,260	14,114	145,759	57,860	238,993	45,366	5,249	50,615	289,608
Total expenses	\$ 320,404	\$ 319,265	\$ 2,668,639	\$ 974,932	\$ 4,283,240	\$ 547,709	\$ 114,987	\$ 662,696	\$ 4,945,936

See Notes to Financial Statements.

**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	207,473	143,339	1,363,819	473,374	2,188,005	299,945	73,580	373,525	2,561,530
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 and renovation expense	292,612	228,203	2,155,912	778,732	3,455,459	404,777	125,834	530,611	3,986,070
Depreciation	25,558	17,656	165,428	57,507	266,149	39,090	8,564	47,654	313,803
Total expenses	\$ 318,170	\$ 245,859	\$ 2,321,340	\$ 836,239	\$ 3,721,608	\$ 443,867	\$ 134,398	\$ 578,265	\$ 4,299,873

See Notes to Financial Statements.

Georgia Historical Society, Inc.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,227,330	\$ 3,017,544
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	289,608	313,803
Unrealized and realized gains on investments	(2,328,496)	(2,415,030)
Contributions designated for collection items	16,521	36,581
Contributions restricted for long-term investments	-	(25,000)
Change in estimate of uncollectible unconditional promises to give	134,976	500,320
Changes in assets and liabilities:		
(Increase) decrease in unconditional promises to give	(3,099,912)	935,610
(Increase) decrease in accounts receivable	(90,450)	68,220
Decrease (increase) in prepaid expenses	5,932	(7,972)
(Increase) in inventory	(490)	(2,624)
Decrease in operating right-of-use asset	26,125	29,678
Increase (decrease) in accounts payable	126,604	(5,320)
Increase in accrued expenses	7,290	14,768
(Decrease) in operating lease liability	(25,982)	(29,108)
Increase in deferred revenues	1,331,768	506,303
Net cash provided by operating activities	<u>620,824</u>	<u>2,937,773</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of collection items	(16,521)	(36,581)
Purchase of land, building and equipment	(25,968)	(113,451)
Purchase of investments	(992,216)	(2,610,464)
Proceeds from sale of investments	865,603	847,420
Net cash (used in) investing activities	<u>(169,102)</u>	<u>(1,913,076)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in endowment	-	25,000
Net cash provided by financing activities	<u>-</u>	<u>25,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	451,722	1,049,697
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,069,404</u>	<u>4,019,707</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,521,126</u>	<u>\$ 5,069,404</u>

See Notes to Financial Statements.

Notes To Financial Statements

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.

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, 2025 and 2024, 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.

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 fundraising 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.

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 2025 and 2024 for the following fiscal years. The majority of accounts receivable is made up of future membership dues that have been pledged by current members.

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.

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, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,521,126	\$ 5,069,404
Unconditional promises to give, net	2,228,558	304,630
Accounts receivable	247,249	156,799
Endowment spending rate distributions and appropriations	<u>930,479</u>	<u>849,082</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 8,927,412</u>	<u>\$ 6,379,915</u>

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, 2025 and 2024, the endowment trust fund of \$19,172,611 and \$17,084,128, 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.

NOTE 3. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2025 and 2024, unconditional promises to give consisted of the following:

	<u>2025</u>	<u>2024</u>
Without donor restrictions	\$ 4,161,118	\$ 719,666
With donor restrictions (purpose and time)	<u>414,813</u>	<u>678,666</u>
Unconditional promises to give before discount and allowance for uncollectible pledges	4,575,931	1,398,332
Less unamortized discount	<u>295,525</u>	<u>82,862</u>
Subtotal	<u>4,280,406</u>	<u>1,315,470</u>
Less allowance for uncollectible pledges	<u>65,060</u>	<u>65,060</u>
	<u>\$ 4,215,346</u>	<u>\$ 1,250,410</u>
	<u>2025</u>	<u>2024</u>
Amount due in:		
Less than one year	\$ 2,708,431	\$ 1,048,356
One to five years	<u>1,867,500</u>	<u>349,976</u>
Total	<u>\$ 4,575,931</u>	<u>\$ 1,398,332</u>

Discount rate used was 4.45% and 5.48%, respectively, as a risk-free interest rate (approximately reflects the 90 day U.S. Treasury bill-rate) at June 30, 2025 and 2024.

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, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 872,431	\$ -	\$ -	\$ 872,431
Equity securities	18,468,329	-	-	18,468,329
Fixed income securities	<u>4,626,746</u>	<u>-</u>	<u>-</u>	<u>4,626,746</u>
Total investments at fair value	<u>\$ 23,967,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,967,506</u>

NOTE 4. INVESTMENTS – ENDOWMENT (CONTINUED)

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

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

For the years ended June 30, 2025 and 2024, investment fees related to investment - endowment and endowment trust fund fees totaled \$200,370 and \$151,645, respectively.

NOTE 5. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30, 2025 and 2024, consisted of the following:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Land	-	\$ 855,000	\$ 855,000
Buildings and building improvements	5-50	9,391,346	9,374,197
Furniture, fixtures, and equipment	3-10	980,688	971,868
Research Center acquisitions	3-10	<u>25,524</u>	<u>25,524</u>
		11,252,558	11,226,589
Less accumulated depreciation		<u>(4,042,580)</u>	<u>(3,752,971)</u>
		<u>\$ 7,209,978</u>	<u>\$ 7,473,618</u>

Depreciation expense totaled \$289,608 and \$313,803 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose or time-restricted for future periods:		
Education and outreach	\$ 14,802	\$ 11,890
Endowed position (“Director of Programs”)	192,896	105,612
Research center	6,944	475,378
Vincent J. Dooley Distinguished Fellow program	613,620	378,099
Restricted by time – multi-year promises to give	512,851	678,666
Marker program	414,813	3,508
Total subject to expenditure for specified purpose or time-restricted for future periods	<u>1,755,926</u>	<u>1,653,153</u>
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	1,075,000
Vincent J. Dooley Distinguished Fellow program	1,328,763	1,328,763
Marker program	25,018	25,018
Total perpetual in nature	<u>3,453,781</u>	<u>3,453,781</u>
Total net assets with donor restrictions	<u>\$ 5,209,707</u>	<u>\$ 5,106,934</u>
	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Unconditional promises to give, net	\$ 414,813	\$ 678,666
Investments - endowment	1,341,113	974,487
Total subject to expenditure for specified purpose:	<u>1,755,926</u>	<u>1,653,153</u>
Perpetual in nature:		
Investments - endowment	3,453,781	3,453,781
Total perpetual in nature	<u>3,453,781</u>	<u>3,453,781</u>
Total net assets with donor restrictions	<u>\$ 5,209,707</u>	<u>\$ 5,106,934</u>

NOTE 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2025 and 2024 by incurring expenses satisfying the restricted purpose specified by donees as follows:

Purpose Restrictions Accomplished

	<u>2025</u>	<u>2024</u>
Education and outreach	\$ 1,469	\$ 1,491
Endowed position ("Director of Programs")	44,039	44,700
Research center	46,550	91,803
Vincent J. Dooley Distinguished Fellows program	67,988	69,008
Marker program	-	28,226
Restricted by time – multi-year promises to give	464,690	1,742,667
	<u>\$ 624,736</u>	<u>\$ 1,977,895</u>

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.

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, 2025 and 2024, GHS did not have any deficiencies in the endowment.

NOTE 8. ENDOWMENT (CONTINUED)

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.

The endowment net asset composition by type of fund for the year ended June 30, 2025 are:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025			
	Endowment (With Donor Restrictions)			
	Endowment Trust Fund (Without Donor Restrictions)	Accumulated Investment Gains	Original Donor- Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	Total
Donor-restricted endowment funds	\$ -	\$ 1,341,113	\$ 3,453,781	\$ 4,794,894
Endowment trust fund	19,172,611	-	-	19,172,611
	<u>\$ 19,172,611</u>	<u>\$ 1,341,113</u>	<u>\$ 3,453,781</u>	<u>\$ 23,967,505</u>

NOTE 8. ENDOWMENT (CONTINUED)

The changes in endowment net asset for the year ended June 30, 2025 are:

	Changes in Endowment Net Asset for the Fiscal Year Ended June 30, 2025			
	Endowment Trust Fund (Without Donor Restrictions)	Endowment (With Donor Restrictions) Accumulated Investment Gains	Original Donor- Restricted Gift Amount and Amounts Required To Be Maintained in Perpetuity by Donor	Total
Endowment net assets, beginning of year	\$ 17,084,128	\$ 974,487	\$ 3,453,781	\$ 21,512,397
Investment return:				
Investment income, net of investment fees	215,733	54,683	-	270,416
Net appreciation (realized and unrealized)	1,856,508	471,989	-	2,328,497
Total investment return	2,072,241	526,672	-	2,598,913
Contributions	721,798	-	-	721,798
Distributions	(16,521)	-	-	(16,521)
Appropriation of endowment assets for expenditure	(689,035)	(160,046)	-	(849,081)
Endowment net assets, end of year	<u>\$ 19,172,611</u>	<u>\$ 1,341,113</u>	<u>\$ 3,453,781</u>	<u>\$ 23,967,505</u>

NOTE 8. ENDOWMENT (CONTINUED)

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

	Endowment Net Asset Composition by Type of Fund as of June 30, 2024			
	Endowment (With Donor Restrictions)			
	Endowment Trust Fund (Without Donor Restrictions)	Accumulated Investment Gains	Original Donor- Restricted Gift Amount and Amounts Required To Be Maintained in Perpetuity by Donor	Total
Donor-restricted endowment funds	\$ -	\$ 974,487	\$ 3,453,781	\$ 4,428,268
Endowment trust fund	17,084,128	-	-	17,084,128
	<u>\$ 17,084,128</u>	<u>\$ 974,487</u>	<u>\$ 3,453,781</u>	<u>\$ 21,512,396</u>

NOTE 8. ENDOWMENT (CONTINUED)

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

	Changes in Endowment Net Asset for the Fiscal Year Ended June 30, 2024			
	Endowment Trust Fund (Without Donor Restrictions)	Accumulated Investment Gains	Endowment (With Donor Restrictions) Original Donor- Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	Total
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 depreciation (realized and unrealized)	1,882,144	532,886	-	2,415,030
Total investment (loss)	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	(623,406)	(162,446)	-	(785,852)
Endowment net assets, end of year	<u>\$ 17,084,128</u>	<u>\$ 974,487</u>	<u>\$ 3,453,781</u>	<u>\$ 21,512,396</u>

NOTE 9. GRANTS AND CONTRACT REVENUES

GHS received grant and contract revenues for the years ended June 30, 2025 and 2024 as follows:

	2025	2024
GA Department of Economic Development	\$ 425,001	\$ 312,812
National Historical Publications and Records Commission	70,333	-
	<u>\$ 495,334</u>	<u>\$ 312,812</u>

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 \$112,482 and \$81,807 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term	2.21 years	3.01 years
Weighted-average discount rate	1.66 %	1.94 %

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:

<u>Year Ending June 30:</u>	<u>Minimum Annual Lease Payments</u>	<u>Amortization of NPV of Operating Lease Liability</u>
2026	\$ 22,758	\$ 22,286
2027	16,663	16,469
2028	7,951	7,932
	<u>\$ 47,372</u>	<u>\$ 46,687</u>

The carrying value of the related operating right-of-use assets as of June 30, 2025 and 2024 were:

	<u>2025</u>	<u>2024</u>
Accumulated basis	\$ 125,254	\$ 125,254
Less – accumulated amortization	(80,163)	(54,038)
	<u>\$ 45,091</u>	<u>\$ 71,216</u>

The total rental expense for the years ended June 30, 2025 and 2024 was \$27,185 and \$31,385, 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. SUBSEQUENT EVENTS

GHS has evaluated subsequent events occurring through January 23, 2026, the date on which the financial statements were available to be issued.