

**ATLANTA HISTORICAL SOCIETY, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

**with
INDEPENDENT AUDITORS' REPORT**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3-4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	6-7
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	8-9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11-26



INDEPENDENT AUDITORS' REPORT

**Board of Trustees of
Atlanta Historical Society, Inc.**

Opinion

We have audited the accompanying consolidated financial statements of Atlanta Historical Society, Inc. and Subsidiaries (the "Organization") (a not-for-profit organization), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 can arise from fraud or error and 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 consolidated financial statements.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Smith and Howard

Atlanta, GA
November 28, 2023

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,279,348	\$ 10,784,834
Investments	79,103,896	72,321,720
Pledges receivable, net	3,143,080	1,980,639
Note receivable	15,000,000	15,000,000
Other receivables	281,693	139,516
Merchandise inventory	128,638	167,661
Prepaid expenses	371,380	330,133
Property and equipment, net	49,833,727	51,455,610
Irrevocable charitable remainder trust, net of present value	5,449,486	5,479,649
Irrevocable beneficial interest trusts	<u>8,496,513</u>	<u>8,216,567</u>
 Total Assets	 <u><u>\$ 173,087,761</u></u>	 <u><u>\$ 165,876,329</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 1,405,439	\$ 1,251,711
Deferred membership dues and customer deposits	<u>1,247,964</u>	<u>1,374,064</u>
 Total Liabilities	 <u><u>2,653,403</u></u>	 <u><u>2,625,775</u></u>
 Net assets		
Without donor restrictions	107,673,448	107,153,765
With donor restrictions	<u>62,760,910</u>	<u>56,096,789</u>
 Total Net Assets	 <u><u>170,434,358</u></u>	 <u><u>163,250,554</u></u>
	 <u><u>\$ 173,087,761</u></u>	 <u><u>\$ 165,876,329</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total All Funds</u>
Revenue, gains and other support:			
Contributions	\$ 2,330,249	\$ 3,868,264	\$ 6,198,513
Grants	240,411	1,108,711	1,349,122
Admissions	964,948	-	964,948
Membership dues	265,539	-	265,539
Program service fees	151,357	-	151,357
Merchandise sales	2,421,859	-	2,421,859
Less cost of goods sold	<u>(335,868)</u>	<u>-</u>	<u>(335,868)</u>
Net merchandise sales	2,085,991	-	2,085,991
Rental income	1,695,941	-	1,695,941
Net investment gain	6,435,653	4,189,773	10,625,426
Change in irrevocable charitable remainder trust	-	(30,163)	(30,163)
Changes in irrevocable beneficial interest trusts	-	279,946	279,946
Gain on the sale of property rights	2,221,784	-	2,221,784
Net assets released from restrictions	<u>2,752,410</u>	<u>(2,752,410)</u>	<u>-</u>
Total revenue, gains and other support	<u>19,144,283</u>	<u>6,664,121</u>	<u>25,808,404</u>
Expenses:			
Program services:			
Collections	9,372,613	-	9,372,613
Exhibition	544,447	-	544,447
Programs	1,716,721	-	1,716,721
Education	725,454	-	725,454
Visitor services	967,003	-	967,003
Auxiliary	<u>1,421,354</u>	<u>-</u>	<u>1,421,354</u>
Total program services	<u>14,747,592</u>	<u>-</u>	<u>14,747,592</u>
Support services:			
Management and general	2,009,853	-	2,009,853
Fundraising	1,097,902	-	1,097,902
Marketing	<u>769,253</u>	<u>-</u>	<u>769,253</u>
Total support services	<u>3,877,008</u>	<u>-</u>	<u>3,877,008</u>
Total expenses	<u>18,624,600</u>	<u>-</u>	<u>18,624,600</u>
Change in net assets	519,683	6,664,121	7,183,804
Net assets:			
Beginning of year	<u>107,153,765</u>	<u>56,096,789</u>	<u>163,250,554</u>
End of year	<u>\$ 107,673,448</u>	<u>\$ 62,760,910</u>	<u>\$ 170,434,358</u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total All Funds</u>
Revenue, gains and other support:			
Contributions	\$ 2,288,663	\$ 675,126	\$ 2,963,789
Grants	89,038	3,668,175	3,757,213
Admissions	822,488	-	822,488
Membership dues	274,245	-	274,245
Program service fees	84,482	-	84,482
Merchandise sales	1,918,358	-	1,918,358
Less cost of goods sold	<u>(267,684)</u>	<u>-</u>	<u>(267,684)</u>
Net merchandise sales	1,650,674	-	1,650,674
Rental income	1,638,752	-	1,638,752
Net investment loss	(9,560,131)	(5,503,815)	(15,063,946)
Change in irrevocable charitable remainder trust	-	(784,696)	(784,696)
Changes in irrevocable beneficial interest trusts	-	(1,473,704)	(1,473,704)
Gain on the sale of property rights	1,132,500	-	1,132,500
Net assets released from restrictions	<u>2,977,830</u>	<u>(2,977,830)</u>	<u>-</u>
Total revenue, gains and other support	<u>1,398,541</u>	<u>(6,396,744)</u>	<u>(4,998,203)</u>
Expenses:			
Program services:			
Collections	8,494,620	-	8,494,620
Exhibition	260,670	-	260,670
Programs	1,385,102	-	1,385,102
Education	558,444	-	558,444
Visitor services	760,621	-	760,621
Auxiliary	<u>1,041,909</u>	<u>-</u>	<u>1,041,909</u>
Total program services	<u>12,501,366</u>	<u>-</u>	<u>12,501,366</u>
Support services:			
Management and general	1,752,933	-	1,752,933
Fundraising	809,776	-	809,776
Marketing	<u>615,238</u>	<u>-</u>	<u>615,238</u>
Total support services	<u>3,177,947</u>	<u>-</u>	<u>3,177,947</u>
Total expenses	<u>15,679,313</u>	<u>-</u>	<u>15,679,313</u>
Change in net assets	(14,280,772)	(6,396,744)	(20,677,516)
Net assets:			
Beginning of year	<u>121,434,537</u>	<u>62,493,533</u>	<u>183,928,070</u>
End of year	<u>\$ 107,153,765</u>	<u>\$ 56,096,789</u>	<u>\$ 163,250,554</u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services						Total	Management and General	Fundraising	Marketing	Total
	Collections	Exhibitions	Programs	Education	Visitor Services	Auxiliary					
Personnel	\$ 1,971,943	\$ 94,904	\$ 683,610	\$ 521,083	\$ 520,707	\$ 1,184,294	\$ 4,976,541	\$ 1,224,808	\$ 714,716	\$ 324,353	\$ 7,240,418
Occupancy	2,611,935	824	6,297	4,527	241,719	90,954	2,956,256	55,471	6,209	2,818	3,020,754
Exhibitions and collections	850,771	98,377	24,797	-	-	-	973,945	-	-	-	973,945
Advertising	2,039	2,000	6,750	-	-	-	10,789	-	-	100,363	111,152
Professional services	290,504	16,008	218,778	-	40,622	8,742	574,654	254,823	50,500	193,581	1,073,558
Travel	12,958	6,612	-	5,579	8	273	25,430	931	-	-	26,361
Information technology	208,213	23,415	79,759	38,976	69,548	94,519	514,430	114,786	92,432	55,829	777,477
Other program expenses	49,986	271,261	582,592	143,753	34,655	750	1,082,997	24,619	225,105	468	1,333,189
Office expenses	122,010	30,798	114,138	11,536	50,099	41,822	370,403	161,887	6,509	86,441	625,240
Subscriptions and dues	8,196	248	-	-	9,645	-	18,089	18,124	2,431	5,400	44,044
Depreciation	3,244,058	-	-	-	-	-	3,244,058	154,404	-	-	3,398,462
	<u>\$ 9,372,613</u>	<u>\$ 544,447</u>	<u>\$ 1,716,721</u>	<u>\$ 725,454</u>	<u>\$ 967,003</u>	<u>\$ 1,421,354</u>	<u>\$ 14,747,592</u>	<u>\$ 2,009,853</u>	<u>\$ 1,097,902</u>	<u>\$ 769,253</u>	<u>\$ 18,624,600</u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services						Total	Management and General	Fundraising	Marketing	Total
	Collections	Exhibitions	Programs	Education	Visitor Services	Auxiliary					
Personnel	\$ 1,662,540	\$ 28,411	\$ 527,661	\$ 344,097	\$ 270,895	\$ 834,896	\$ 3,668,500	\$ 1,073,524	\$ 650,901	\$ 284,194	\$ 5,677,119
Occupancy	2,319,598	2,811	9,559	2,561	379,137	81,485	2,795,151	47,252	4,945	2,198	2,849,546
Exhibitions and collections	161,252	153,304	24,926	-	-	-	339,482	-	-	-	339,482
Advertising	124,240	250	3,560	-	-	-	128,050	-	-	134,235	262,285
Professional services	188,427	836	10,516	5,650	4,496	23,146	233,071	111,893	9,411	30,772	385,147
Travel	10,260	807	-	7,853	8	431	19,359	1,198	-	-	20,557
Information technology	213,362	2,518	46,763	30,495	63,338	80,178	436,654	146,167	88,199	79,871	750,891
Other program expenses	26,254	40,495	592,569	167,484	7,268	876	834,946	12,497	34,951	12,630	895,024
Office expenses	74,962	30,642	169,548	244	31,479	20,592	327,467	186,915	18,591	66,388	599,361
Subscriptions and dues	8,001	596	-	60	4,000	305	12,962	19,082	2,778	4,950	39,772
Depreciation	3,705,724	-	-	-	-	-	3,705,724	154,405	-	-	3,860,129
	<u>\$ 8,494,620</u>	<u>\$ 260,670</u>	<u>\$ 1,385,102</u>	<u>\$ 558,444</u>	<u>\$ 760,621</u>	<u>\$ 1,041,909</u>	<u>\$ 12,501,366</u>	<u>\$ 1,752,933</u>	<u>\$ 809,776</u>	<u>\$ 615,238</u>	<u>\$ 15,679,313</u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 7,183,804	\$ (20,677,516)
Adjustments to reconcile change in net assets to net cash provided (required) by operating activities		
Depreciation	3,398,462	3,860,129
Capital campaign contributions	(370,000)	(1,000)
Endowment contributions	(3,000,000)	-
Bad debt expense (credit)	(1,065)	3,899
Changes in pledge present value discount	434,965	(42,318)
Net realized and unrealized (gains) losses on investments	(7,773,353)	17,390,373
Change in irrevocable charitable remainder trust	30,163	784,696
Change in irrevocable beneficial interest trusts	(279,946)	1,473,704
Changes in operating assets and liabilities:		
Pledges receivable	403,988	(322,284)
Other receivables	(142,177)	(78,213)
Merchandise inventory	39,023	(18,799)
Prepaid expenses	(41,247)	186,136
Accounts payable and accrued expenses	153,728	(165,905)
Deferred membership dues and customer deposits	(126,100)	(163,041)
	<u>(89,755)</u>	<u>2,229,861</u>
Net cash provided (required) by operating activities		
Cash flows from investing activities:		
Acquisition of property and equipment	(1,776,579)	(1,050,636)
Proceeds from sales of investments	4,050,084	4,096,043
Purchases of investments	(3,058,907)	(3,345,666)
	<u>(785,402)</u>	<u>(300,259)</u>
Net cash required by investing activities		
Cash flows from financing activities:		
Proceeds from capital contributions	869,671	499,045
Proceeds from endowment contributions	500,000	357,000
	<u>1,369,671</u>	<u>856,045</u>
Net cash provided by financing activities		
Change in cash and cash equivalents	494,514	2,785,647
Cash and cash equivalents at beginning of year	<u>10,784,834</u>	<u>7,999,187</u>
Cash and cash equivalents at end of year	<u>\$ 11,279,348</u>	<u>\$ 10,784,834</u>

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Atlanta Historical Society, Inc. (the “Society”) mission is to connect people, history, and culture through its collections, facilities, programs, exhibitions, and publications, and research facility.

The Atlanta History Center is a 33-acre in-town experience featuring award-winning exhibitions in the Atlanta History Museum, four historic houses, archives/special libraries in the Kenan Research Center, 22 acres of gardens, interactive activities, museum theatre, Cyclorama and a variety of year-round adult and family programs.

In March 2022, the Society formed Made By Us, LLC (“MBU”) as a collaboration of nonpartisan history and civic organizations to educate youth civic participation.

MMH/AHS, LLC (“MMH”) also operates the Atlanta History Center-Midtown that includes Margaret Mitchell House, which contains the apartment where Margaret Mitchell wrote her Pulitzer Prize-Winning novel *Gone With the Wind*, along with exhibition galleries, a museum shop and commercial row, which contains a temporary exhibition gallery, lecture and event space. Both locations offer author lectures and other programs, summer camps and community activation events.

Admission and program service fees are received for certain of these activities. Auxiliary operations maintained by the Society include a museum shop and facility rentals. Additional sources of revenue include contributions and grants from governmental agencies and private donors and membership dues from Society members.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Society and its wholly owned Subsidiaries. All significant inter-organization accounts and transactions have been eliminated in consolidation. The Society, MMH and MBU are together referred to herein as the “Organization.”

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the resources are classified for accounting and reporting purposes into categories established according to their nature and purpose. The assets, liabilities and net assets of the Organization are reported in two self-balancing categories as follows:

- Net assets without donor restrictions are resources that are not subject to donor-imposed stipulations. The only limits on net assets without donor restrictions are those resulting from the nature of the Organization and its purposes.
- Net assets with donor restrictions are resources that are subject to donor-imposed stipulations. Some donor-imposed stipulations 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 stipulations are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

Endowment Fund

FASB requires the following consolidated financial statement disclosure for the Organization for the years ended June 30, 2023 and 2022.

- Classification of net assets

Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All funds added to investment accounts which do not have any donor restrictions are treated as a quasi-endowment. The quasi-endowment follows the Organization's spending policy and are used to provide operating support.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Interpretation of Relevant Law

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in the State of Georgia as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
 - (2) The purposes of the Organization and the donor-restricted endowment fund.
 - (3) General economic conditions.
 - (4) The possible effect of inflation and deflation.
 - (5) The expected total return from income and the appreciation of investments.
 - (6) Other resources of the Organization.
 - (7) The investment policies of the Organization.
- Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Organization, the endowment assets are invested in a manner to attain an average annual real total return, net of investment management fees, of at least 5% over the long term. The annual real return should equal or exceed the spending rate indicated in the Organization's spending policy described below. Actual returns in any given year may vary from this amount.

- Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Spending Policy

The Organization has a spending policy approved by the Organization's Board of Trustees that is designed to ensure that the real value of both the funds and of the spending stream is maintained over time. To this end, the Organization will target annual spending equal to or less than 5% of the trailing thirty-six-month average market value, calculated per the calculation date of March 31st.

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ 51,847,653	\$ 38,614,815	\$ 90,462,468
Collection of cash contributions	770,834	617,238	1,388,072
Net investment loss	(9,757,390)	(6,002,569)	(15,759,959)
Used in operations	<u>(2,333,397)</u>	<u>(1,435,464)</u>	<u>(3,768,861)</u>
Endowment net assets, June 30, 2022	40,527,700	31,794,020	72,321,720
Collection of cash contributions	20,680	1,117,024	1,137,704
Net investment income	5,957,231	3,737,325	9,694,556
Used in operations	<u>(2,488,746)</u>	<u>(1,561,338)</u>	<u>(4,050,084)</u>
Endowment net assets, June 30, 2023	<u>\$ 44,016,865</u>	<u>\$ 35,087,031</u>	<u>\$ 79,103,896</u>

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. At June 30, 2023, deficiencies of this nature exist in two donors' restricted endowments, which has an original gift value of \$5,704,333, a current fair value of \$5,288,427, and a deficiency of \$415,906, and is reported in net assets with donor restrictions. At June 30, 2022, deficiencies of this nature exist in four donors' restricted endowments, which has an original gift value of \$9,712,697, a current fair value of \$8,665,369, and a deficiency of \$1,047,328, and is reported in net assets with donor restrictions.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments and pledges receivable. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk.

Note Receivable

In November 2020, the Organization sold property to a third party for a total of \$17,000,000. In conjunction with this sale, the Organization issued a note receivable to the third party for \$15,000,000. This note receivable bears interest at 2.00% per annum, with an annual escalation of 0.25% until the interest rate reaches 3.00%, where it will remain until maturity. Unpaid principal and accrued interest are payable in full at the earlier of November 16, 2027 or the date in which the third party commences demolition on the existing property.

Investments

Investments are carried at fair value. The investment return of the Organization includes interest and dividends and realized and unrealized gains and losses. Investment income (interest and dividends) and gains and losses on investments carried at fair value are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted for purpose or restricted by explicit donor stipulations or by law. Income is recognized from interest and dividends as earned. The Organization maintains master investment accounts for its endowment net assets. Investment income and gains and losses are allocated annually to the individual net assets based on the relationship of the fair value of each fund to the total fair value of the master investment accounts, as adjusted for additions to or deductions from the individual net assets.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis

The FASB issued a pronouncement on fair value measurement defining fair value, establishing a framework for measuring fair value and expanding disclosures about fair value measurements.

FASB establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Basis of Fair Value Measurement

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Fair Value Measurement (Continued)

The table below represents fair value measurement hierarchy of the Organization's assets at fair value as of June 30:

	<u>Fair Value</u>	<u>Level 1</u>	<u>2023</u>			<u>NAV (*)</u>
			<u>Level 2</u>	<u>Level 3</u>		
Temporary cash	\$ 570,034	\$ 570,034	\$ -	\$ -	\$ -	-
Common stocks - domestic	49,926,667	49,926,667	-	-	-	-
Fixed income mutual fund	15,339,124	15,339,124	-	-	-	-
Mutual fund	1,979,124	1,979,124	-	-	-	-
Alternative investments	11,288,947	-	-	-	-	11,288,947
Total investments	79,103,896	67,814,949	-	-	-	11,288,947
Irrevocable beneficial interest trusts	8,496,513	-	-	8,496,513	-	-
Irrevocable charitable remainder trust	5,449,486	-	-	5,449,486	-	-
	\$ 93,049,895	\$ 67,814,949	\$ -	\$ 13,945,999	\$ -	\$ 11,288,947

	<u>Fair Value</u>	<u>Level 1</u>	<u>2022</u>			<u>NAV (*)</u>
			<u>Level 2</u>	<u>Level 3</u>		
Temporary cash	\$ 392,205	\$ 392,205	\$ -	\$ -	\$ -	-
Common stocks - domestic	44,811,523	44,811,523	-	-	-	-
Fixed income mutual fund	14,928,777	14,928,777	-	-	-	-
Mutual fund	2,111,377	2,111,377	-	-	-	-
Alternative investments	10,077,838	-	-	-	-	10,077,838
Total investments	72,321,720	62,243,882	-	-	-	10,077,838
Irrevocable beneficial interest trusts	8,216,567	-	-	8,216,567	-	-
Irrevocable charitable remainder trust	5,479,649	-	-	5,479,649	-	-
	\$ 86,017,936	\$ 62,243,882	\$ -	\$ 13,696,216	\$ -	\$ 10,077,838

Fair values for investments are determined by reference to quoted market prices, market transactions and other relevant information.

(*) Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Fair Value Measurement (Continued)

Level 3 Measurements

Beneficial Interest in Perpetual Trusts and Charitable Remainder Trust

Fair value for the irrevocable beneficial interests in perpetual trusts and irrevocable charitable remainder trust are measured using the fair value of the assets held in the trust as reported by the respective trustees as of June 30, 2023 and 2022. The Organization considers the measurement of its beneficial interest in these trusts to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustees, the Organization does not have the ability to direct the trustees to value or redeem them.

Investments Measured at NAV per Share or Equivalent

The significant unobservable inputs used in the fair value measurement of the Organization's alternative investments are subject to market risks resulting from changes in the market value of its investments. Investments measured at NAV per share or equivalent may be sold at amounts different than the NAV per share due to various restriction and redemptive requirements as described below.

<u>Category</u>		Fair Value at June 30, 2023	Fair Value at June 30, 2022	Redemption Frequency (if currently eligible)	Redemption Notice Period
Emerging markets	(a)	\$ 2,088,451	\$ 2,184,600	Monthly	None
International equities	(b)	<u>9,200,496</u>	<u>7,893,238</u>	Monthly	None
		<u>\$ 11,288,947</u>	<u>\$ 10,077,838</u>		

(a) This class of investments consists of one fund where the investment strategy is to achieve long-term capital appreciation from investing in a portfolio of equity securities issued by companies listed in or whose primary business operations are located in emerging markets.

(b) This class of investments consists of an investment in a fund of funds which invests in a diversified portfolio of international equities.

Merchandise Inventory

Merchandise inventory represents inventory in the museum store; such inventory is valued at the lower of cost or market, with cost determined using the specific identification method.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment acquired or constructed with donor restricted net assets are transferred to net assets without donor restrictions in the year the assets are placed in service. Purchased property and equipment is carried at cost. Costs associated with constructed property, primarily construction costs and related labor costs, are included in construction in process until the property is placed in service. Donated property and equipment are recorded at estimated fair value as of the date received.

Costs associated with permanent exhibitions, including design, development, procurement and construction costs, are capitalized. Such costs do not include additions to collections. The Organization expenses the costs associated with nonpermanent exhibits the first time the exhibit is shown on public display. Nonpermanent exhibit costs incurred prior to public display are included in other assets.

Property and equipment are depreciated over their estimated useful lives using the straight-line method.

Impairment

Long-lived assets, such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of impairment are present, the Organization evaluates the carrying amount of such assets in relation to the operating performance and future estimated undiscounted net cash flows expected to be generated by the assets or underlying operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. In the opinion of management, no long-lived assets were impaired as of June 30, 2023 and 2022.

Historical Collections

The Organization's historical buildings and collections are essential in enabling the Organization to fulfill its mission and purpose. The Organization's collections are made up of artifacts of historical significance and art objects that are held for educational, research and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are regularly performed.

The Organization carries its historical buildings and collections at no value. The cost of purchased historical buildings or collections is reported as an expense. Contributed historical buildings or collections are not valued. During 2023 and 2022, approximately \$601,000 and \$131,000 respectively, was charged to the Organization for the purchase of historical collections.

Betterments and improvements to historical buildings are capitalized and carried at cost. Except for betterments and improvements to historical buildings, expenditures for restoration, stabilization and reconstruction are charged to expense when incurred.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Revenue

Contributions and grants - Contributions and grants (including unconditional promises to give, i.e., pledges) are recognized as revenue in the year they are received or pledged, with allowances provided by pledges estimated to be uncollectible. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts on unconditional pledges is included in contributions in the accompanying consolidated statement of activities and changes in net assets. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. If release of the restrictions occurs at the same time as meeting conditional grants, the Organization records the contribution as without donor restriction.

The Organization recognizes contributions and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying consolidated statement of activities and changes in net assets as net assets released from restrictions.

The Organization recognizes contributions of property and equipment as without donor restricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-term assets with explicit restrictions that specify how the assets are to be used and contributions of cash and other assets that must be used to acquire long-term assets are recognized as with donor restricted support. In the absence of explicit donor stipulations about how long those long-term assets must be maintained, the Organization reports expirations of donor-imposed restrictions when the donated or acquired long-term assets are placed in service.

Admissions - Admissions revenue is associated with tickets sold for entry to the Organization. Admissions revenue ticket price is based upon established levels for individuals and groups. The Organization primarily recognizes revenue for admissions at point of sale.

Membership dues – Membership dues pertaining to all membership categories are recognized as revenue ratably over the term of the membership period, up to 12 months. Amounts not yet earned by the end of fiscal year are reported as deferred dues.

Merchandise sales - Revenue related to merchandise sales activities is primarily recognized at point of sale as the merchandise has been provided in full by the Organization.

Rental income and program service fees – These revenues are generated from venue rental, educational classes, and other items. The revenue from these activities are recognized at a point in time once performance obligations are satisfied. Amounts not earned by the end of the fiscal year are reported as customer deposits.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split Interest Agreements

The Organization is the beneficiary of certain irrevocable beneficial interest trusts held and administered by third parties. When the trusts were established, the Organization recorded an asset and contribution revenue in the appropriate class of net assets at either fair value of the trusts, if known, or the present value of the estimated future cash receipts from the trusts. The carrying value of the assets is adjusted annually for changes in fair value of the trusts or changes in the estimates of future receipts. Distributions associated with such trusts are recognized as investment income when earned.

The Organization is also the beneficiary of an irrevocable charitable remainder trust. The agreement has been established by a donor whereby the Organization will receive the fair value of trust assets upon the termination of the trusts. Trust assets are maintained by third-party trustees. At June 30, 2023 and 2022, the trust is recorded at the present value of the estimated future benefit to be received, which totaled \$5,449,486 and \$5,479,649, respectively. The trust is reported in net assets with donor restrictions on the accompanying consolidated statement of financial position. Significant assumptions used in valuing these trusts are the discount rate of 6% and life expectancy of donors under IRS Publication 1457.

Donated Goods and Services

Donated goods, such as materials, equipment or other assets, are reported as contributions at their estimated fair values at the date of donation. Donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recorded as contributions at their estimated fair values in the period the services are performed. These services were not material to the consolidated financial statements for the years ended June 30, 2023 or 2022.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation which are allocated on a square footage basis, as well as certain salaries and wages, benefits, payroll taxes, office expenses, information technology, and occupancy which are allocated on the basis of estimates of time and effort.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled approximately \$111,000 and \$262,000 for the years ended June 30, 2023 and 2022, respectively.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations

During 2023 and 2022, 40% and 25%, respectively, of the Organization's net contributions and grants were received from one donor. At June 30, 2023 and 2022, 83% and 68% of the Organization's net pledges receivable were due from two donors, respectively. In general, the Organization does not find itself dependent upon any one donor.

Income Tax Status

The Subsidiaries are treated as a partnership for federal and state income tax purposes. Since the Society is the sole member of the Subsidiaries, all income, losses and tax credits from the Subsidiaries' activities are reported on the Society's income tax returns.

The Society qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501 (c) (3). Income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. In the opinion of management, the Society had no significant taxable unrelated business income during 2023 or 2022. Additionally, in the opinion of management, the activities of the Subsidiaries are not subject to unrelated business taxable income. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying consolidated financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before June 30, 2020.

Use of Estimates

The Organization prepares its consolidated financial statements in accordance with GAAP. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 - INVESTMENTS

The components of investment income for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Investment income, including income from beneficial interest trusts	\$ 2,852,073	\$ 2,326,427
Net realized and unrealized gains (losses) on investments	<u>7,773,353</u>	<u>(17,390,373)</u>
	<u>\$ 10,625,426</u>	<u>\$ (15,063,946)</u>

The investment income for fiscal years 2023 and 2022 is included in net assets without donor restrictions and net assets with donor restrictions in the accompanying consolidated statement of activities and changes in net assets. Such investment income also includes interest income, primarily associated with cash and cash equivalents.

NOTE 3 - PLEDGES RECEIVABLE

At June 30, pledges receivable were as follows:

	<u>2023</u>	<u>2022</u>
Capital improvements	\$ 931,565	\$ 1,668,596
Endowment	2,500,000	-
Other	<u>191,257</u>	<u>356,820</u>
	3,622,822	2,025,416
Less allowance for doubtful accounts	(1,750)	(1,750)
Less discount for present value	<u>(477,992)</u>	<u>(43,027)</u>
	<u>\$ 3,143,080</u>	<u>\$ 1,980,639</u>

The estimated future cash flows are as follows for years ending June 30:

2024	\$ 1,622,822
2025	500,000
2026	500,000
2027	500,000
2028	<u>500,000</u>
	<u>\$ 3,622,822</u>

At June 30, 2023 and 2022, pledges receivable were discounted to their present values using an interest rate of 7.25% and 3%, respectively.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	Life (in Years)	2023	2022
Land		\$ 3,130,565	\$ 3,130,565
Buildings and improvements	15 – 40	59,684,006	59,084,894
Grounds improvements	15	6,564,891	5,519,392
Furnishings and fixtures	10	1,248,486	1,238,867
Office furniture and equipment	7	187,969	187,969
Computers and equipment	5 – 10	1,883,931	1,731,561
Other equipment	5 – 10	1,590,375	1,575,175
Permanent exhibitions	5 – 10	18,689,215	18,689,215
Construction in progress		<u>495,964</u>	<u>541,188</u>
		93,475,402	91,698,826
Less accumulated depreciation		<u>(43,641,675)</u>	<u>(40,243,216)</u>
		<u>\$ 49,833,727</u>	<u>\$ 51,455,610</u>

NOTE 5 - FINANCING AGREEMENTS

The Organization has two line of credit agreements with a financial institution in the amounts of \$800,000 and \$500,000. The agreements carry interest at the Prime Rate minus 1.25%, (an effective rate of 7.25% at June 30, 2023) and are secured by certain investments of the Organization. The agreements expire on June 22, 2024. There were no outstanding borrowings at June 30, 2023 and 2022.

The Organization has a non-revolving borrowing loan with a financial institution in the amount of \$3,200,000. The loan matures on August 26, 2024 and accrues interest at SOFR plus 1.30%. The loan is secured by certain investments of the Organization. There were no outstanding borrowings at June 30, 2023 and 2022.

The Organization is subject to certain financial and non-financial covenants on all of its agreements. The Organization was in compliance with these covenants for the years ended June 30, 2023 and 2022.

NOTE 6 - CONTRACT LIABILITIES

The following table provides details of the Organization's contract liabilities at June 30:

	2023	2022
Contract Liabilities - Unearned Income:		
Customer deposits	\$ 1,084,199	\$ 1,216,437
Deferred membership dues	<u>163,765</u>	<u>157,627</u>
	<u>\$ 1,247,964</u>	<u>\$ 1,374,064</u>

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Capital improvements	\$ 8,014,692	\$ 6,653,137
Exhibits, research projects and special program	<u>3,676,739</u>	<u>3,953,416</u>
	<u>11,691,431</u>	<u>10,606,553</u>
Subject to the passage of time:		
Irrevocable charitable remainder trust	<u>5,449,486</u>	<u>5,479,649</u>
Subject to spending policy and appropriation:		
Endowment pledge receivable, which the corpus has been restricted by the donor for capital improvements	2,036,449	-
Investment in perpetuity (including accumulated amounts above original gift amount of \$20,361,734 and \$19,861,734 in 2023 and 2022, respectively, which once appropriated, is expendable to support):		
General operating purposes	11,460,831	10,941,095
Capital improvements	<u>23,626,200</u>	<u>20,852,925</u>
	<u>37,123,480</u>	<u>31,794,020</u>
Not subject to spending policy or appropriation:		
Irrevocable beneficial interest trust	<u>8,496,513</u>	<u>8,216,567</u>
Total net assets with donor restrictions	<u>\$ 62,760,910</u>	<u>\$ 56,096,789</u>

Net assets were released from donor restrictions during fiscal 2023 and 2022 by incurring expenses satisfying the purpose specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Capital improvements	\$ 453,093	\$ 144,311
Exhibits, research projects and special programs	<u>2,299,317</u>	<u>2,833,519</u>
	<u>\$ 2,752,410</u>	<u>\$ 2,977,830</u>

NOTE 8 - RETIREMENT PLANS

The Organization has a contributory defined contribution retirement plan covering all full-time employees. The Organization contributes to the plan a sum equivalent to 2% of each eligible employee's salary. All such contributions are fully vested in each participant's account when made. During 2023 and 2022, employer contributions totaled approximately \$77,000 and \$62,000, respectively.

ATLANTA HISTORICAL SOCIETY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 - RENTAL INCOME

The Organization has four agreements to lease commercial space. The lease agreement terms range from 5 to 10 years with various monthly rental rates which escalate annually. Future minimum rental income under the operating leases for years ending June 30 is as follows:

2024	\$	263,463
2025		217,757
2026		112,510
2027		<u>30,000</u>
	<u>\$</u>	<u>623,730</u>

NOTE 10 - LIQUIDITY

Financial assets available for general expenditure, that is without donor or other restrictions limited their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,279,348	\$ 10,784,834
Investments	79,103,896	72,321,720
Pledges	3,143,080	1,980,639
Other receivables	<u>281,693</u>	<u>139,516</u>
	93,808,017	85,226,709
Less endowment distributions not appropriated for the following year	(75,148,812)	(68,647,859)
Less other restricted funds	<u>(13,727,880)</u>	<u>(10,606,553)</u>
	<u>\$ 4,931,325</u>	<u>\$ 5,972,297</u>

As part of the Organization's liquidity management, it has implemented a practice to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has committed lines of credit, as mentioned in Note 5. Additionally, the Organization has a quasi-endowment of approximately \$44,300,000, which is the portion of the endowment without donor restrictions. Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as permitted under the Organization's spending policy as described in Note 1, amounts from its quasi-endowment could be made available if necessary.