

SOUTH CAROLINA HISTORICAL SOCIETY

FINANCIAL REPORT

DECEMBER 31, 2020 and 2019

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Managers
South Carolina Historical Society
Charleston, South Carolina

We have reviewed the accompanying financial statements of South Carolina Historical Society (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Society's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

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

Accountants' Conclusion

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

Other Matter – Prior Year

The December 31, 2019 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated March 16, 2020. We have not performed any auditing procedures since that date.

DCLPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina
March 12, 2021

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019**

	2020 (Reviewed)	2019 (Audited)
ASSETS		
Cash and cash equivalents, without donor restriction	\$ 303,410	\$ 169,155
Cash and cash equivalents, with donor restriction	537,062	624,223
Investments, at market, current	-	518,000
Contribution receivables, current	133,539	86,039
Prepaid expense	21,502	22,124
Property and equipment, net	5,020,271	5,287,349
Investments, at market, long-term	5,003,447	4,252,846
Contribution receivables, net long-term	1,062	66,127
TOTAL ASSETS	\$ 11,020,293	\$ 11,025,863
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 7,041	\$ 11,223
Contributions to other, current	50,000	50,000
Contributions to other, net long-term	106,559	131,832
Total liabilities	163,600	193,055
NET ASSETS		
Without donor restrictions:		
Undesignated	4,381,623	4,506,805
Designated by the Board for endowment	3,453,766	3,366,663
Total without donor restrictions	7,835,389	7,873,468
With donor restriction	3,021,304	2,959,340
Total net assets	10,856,693	10,832,808
TOTAL LIABILITIES AND NET ASSETS	\$ 11,020,293	\$ 11,025,863

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	(Reviewed)		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Membership dues	\$ 242,824	\$ -	\$ 242,824
Contributions	226,243	122,201	348,444
Investment earnings, net of \$33,890 in fees	387,364	173,923	561,287
Library fees and services	20,832	-	20,832
Program fee income	20,196	-	20,196
Museum ticket sales	15,879	-	15,879
Retail sales, net	1,607	-	1,607
Other revenue	3,089	-	3,089
	<u>918,034</u>	<u>296,124</u>	<u>1,214,158</u>
Net assets released from restriction	<u>234,160</u>	<u>(234,160)</u>	<u>-</u>
Total support and revenues	1,152,194	61,964	1,214,158
EXPENSES			
Program services	890,592	-	890,592
Supporting services			
Management and general	125,939	-	125,939
Fundraising	173,742	-	173,742
	<u>1,190,273</u>	<u>-</u>	<u>1,190,273</u>
CHANGE IN NET ASSETS	(38,079)	61,964	23,885
NET ASSETS, beginning of year	<u>7,873,468</u>	<u>2,959,340</u>	<u>10,832,808</u>
NET ASSETS, end of year	\$ <u><u>7,835,389</u></u>	\$ <u><u>3,021,304</u></u>	\$ <u><u>10,856,693</u></u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Audited)		
	<u>Without Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Membership dues	\$ 238,794	\$ -	\$ 238,794
Contributions	112,758	664,993	777,751
Investment earnings, net of \$39,241 in fees	695,973	297,372	993,345
Program fee income	150,936	-	150,936
Library fees and services	31,236	-	31,236
Museum ticket sales	43,125	-	43,125
Retail sales	8,191	-	8,191
Rental income	5,174	-	5,174
Other revenue	1,901	-	1,901
	<u>1,288,088</u>	<u>962,365</u>	<u>2,250,453</u>
Net assets released from restriction	<u>898,112</u>	<u>(898,112)</u>	<u>-</u>
Total support and revenues	2,186,200	64,253	2,250,453
EXPENSES			
Program services	1,207,195	-	1,207,195
Supporting services			
Management and general	246,542	-	246,542
Fundraising	58,232	-	58,232
	<u>1,511,969</u>	<u>-</u>	<u>1,511,969</u>
Total expenses	1,511,969	-	1,511,969
CHANGE IN NET ASSETS	674,231	64,253	738,484
NET ASSETS, beginning of year	7,199,237	2,845,087	10,044,324
Cumulative effect of correction of error	<u>-</u>	<u>50,000</u>	<u>50,000</u>
NET ASSETS, end of year	<u>\$ 7,873,468</u>	<u>\$ 2,959,340</u>	<u>\$ 10,832,808</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	(Reviewed)			
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES				
Salaries	\$ 387,049	\$ 59,824	\$ 63,139	\$ 510,012
Employee benefits	32,197	4,976	5,252	42,425
Payroll taxes	32,548	5,031	5,310	42,889
Retirement	<u>18,957</u>	<u>2,930</u>	<u>3,093</u>	<u>24,980</u>
Total compensation and related expenses	470,751	72,761	76,794	620,306
OTHER EXPENSES				
Insurance	38,140	5,895	6,222	50,257
Professional fees	36,219	5,598	5,908	47,725
Publications	47,500	-	-	47,500
Advertising	-	-	40,819	40,819
Program	22,737	-	-	22,737
Utilities	14,446	2,233	2,357	19,036
Exhibit expense	8,359	1,292	1,364	11,015
Building maintenance	7,262	1,123	1,185	9,570
Telephone	6,275	970	1,024	8,269
Postage	5,429	839	886	7,154
Travel and education	4,506	696	735	5,937
Computer and technology	4,427	684	722	5,833
Bank fees	4,161	643	679	5,483
Office supplies	4,117	636	672	5,425
Security and fire	3,995	617	652	5,264
Library collections	2,993	-	-	2,993
Scholarships	2,550	-	-	2,550
Miscellaneous	1,920	297	313	2,530
Dues and subscriptions	<u>1,316</u>	<u>203</u>	<u>215</u>	<u>1,734</u>
TOTAL EXPENSES BEFORE DEPRECIATION	687,103	94,487	140,547	922,137
Depreciation	<u>203,489</u>	<u>31,452</u>	<u>33,195</u>	<u>268,136</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 890,592</u>	<u>\$ 125,939</u>	<u>\$ 173,742</u>	<u>\$ 1,190,273</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Audited)			
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
COMPENSATION AND RELATED				
Salaries	\$ 470,548	\$ 126,722	\$ 26,055	\$ 623,325
Employee benefits	32,087	8,641	1,777	42,505
Retirement	27,222	7,331	1,507	36,060
Payroll taxes	<u>39,891</u>	<u>10,743</u>	<u>2,209</u>	<u>52,843</u>
Total compensation and related expenses	569,748	153,437	31,548	754,733
OTHER EXPENSES				
Museum operating	66,227	-	-	66,227
Program	62,871	-	-	62,871
Publications	59,120	-	-	59,120
Interest expense	51,634	-	-	51,634
Advertising	47,643	-	-	47,643
Insurance	34,794	9,370	1,927	46,091
Miscellaneous	30,288	8,157	1,677	40,122
Professional fees	20,488	5,517	1,134	27,139
Occupancy	16,822	4,531	932	22,285
Computer and technology	9,541	2,569	528	12,638
Building maintenance	9,385	2,528	520	12,433
Postage	6,503	1,751	360	8,614
Travel and education	6,089	1,640	337	8,066
Telephone	6,009	1,618	333	7,960
Membership development & fundraising	-	-	7,540	7,540
Library collections	3,382	-	-	3,382
Office supplies	2,417	651	134	3,202
Scholarships	<u>850</u>	<u>-</u>	<u>-</u>	<u>850</u>
TOTAL EXPENSES BEFORE				
DEPRECIATION	1,003,811	191,769	46,970	1,242,550
Depreciation	<u>203,384</u>	<u>54,773</u>	<u>11,262</u>	<u>269,419</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,207,195</u>	<u>\$ 246,542</u>	<u>\$ 58,232</u>	<u>\$ 1,511,969</u>

See accompanying notes.

SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020 (Reviewed)	2019 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 23,885	\$ 738,484
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	268,136	269,419
Loss on disposal of assets	-	132
Decrease (increase) in current assets:		
Contribution receivables	17,565	57,435
Other receivables	-	5,141
Prepaid expenses	622	(1,239)
Increase (decrease) in operating liabilities:		
Accounts payable	(4,182)	(47,071)
Contributions to others	(25,273)	-
Net cash provided by operating activities	<u>280,753</u>	<u>1,022,301</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(1,058)	(6,999)
Net gains on investments	(299,969)	(897,294)
Proceeds from sale of securities	3,259,109	2,365,633
Purchase of securities - net reinvested earnings	(3,191,741)	(548,000)
Net cash provided by (used in) investing activities	<u>(233,659)</u>	<u>913,340</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	-	(1,500,000)
Net cash used in financing activities	<u>-</u>	<u>(1,500,000)</u>
Net change in cash and cash equivalents	47,094	435,641
Cash and cash equivalents as of beginning of year	793,378	357,737
Cash and cash equivalents as of end of year	<u>\$ 840,472</u>	<u>\$ 793,378</u>
Cash and cash equivalents, without donor restrictions	\$ 303,410	\$ 169,155
Cash and cash equivalents, with donor restrictions	537,062	624,223
Total cash and cash equivalents	<u>\$ 840,472</u>	<u>\$ 793,378</u>
Supplemental disclosures:		
Interest paid	<u>\$ -</u>	<u>\$ 51,634</u>

See accompanying notes.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

South Carolina Historical Society (the Society) is a nonprofit corporation organized in 1855 to collect and preserve manuscripts, documents, maps, charts, books, genealogies, works of art and other records. They publish materials and promote dissemination and appreciation of the state's history. The archives, as well as research services, are available to members and the public. Support is derived from museum ticket sales, museum retail sales, annual membership dues, contributions, special events, and earnings from endowment. Smaller amounts of revenue are generated from library and research services and book sales.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting and accordingly to generally accepted accounting principles in the United States of America reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash in banks, certificates of deposit and money market funds.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collect in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of the promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contributions revenue.

Prepays and Other Assets

Prepays and other assets are primarily insurance and deposits on upcoming Society events that are paid for in advance of the next year.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets without Donor Restrictions**

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the board limits resulting for the nature of the organizations, the environment in which It operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Society must continue to use the resources in accordance with the donor's instructions.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

- **Net Assets with Donor Restrictions**

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Society, unless the donor provides more specific directions about the period of its use. It is the Society's policy to record restricted contributions received and released in the same year as support without donor restrictions.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Investments

The Society investments consist primarily of assets invested in marketable equities, fixed income, real estate funds, and money-market accounts. The Society accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. Short-term investments comprise of amounts calculated from the prior year spending policy based on 5% of a 3-year rolling average of mostly board designated funds and one donor fund with restrictions.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investment income is recorded net of investment expenses. Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value of Financial Instruments

The estimated fair values of the Society's short-term financial investments, including cash, cash equivalents, contribution receivable, grants receivable and investments arising in the ordinary course of business, approximate their individual carrying value due to their relatively short period of time between their origination and expected realization.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

Endowment and Long-term Investment

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the Society's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to invest for the term specified by the donor. During the term, the donor may either require investment income and appreciation to be reinvested in the fund, or may permit the Society to spend those amounts in accordance with donor's restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Managers for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at the approximate fair value at the date of donation. Expenditures for major additions and improvements, generally in excess of \$1,000, are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities for the respective period. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

Collections

The Society follows the Financial Accounting Standards Board FASB ASC 958-310-50, collection items acquired either through purchase or donations are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with funds without donor restrictions and as decreases in net assets with donor restrictions if purchased with donor restricted funds. Gains from the sale of collection items that are not reinvested in the purchase of new collection items are recorded as increases in net assets without donor restrictions. Contributions of collection items are not recorded in the statement of activities. A collection inventory is maintained that list a description of the item, source, and storage location. The archivist keeps the detail list up to date.

Compensated Absences

Permanent full-time and permanent part-time employees of the Society are entitled to paid vacations, paid sick days and personal days off, depending on job classification and length of service.

<u>Length of Service</u>	<u>Equivalent Weeks</u>
90 days	1
After 90 days	2
1 year	3
2-4 years	4
5-9 years	5
9-13 years	6
14 years	7

No liability was recorded for estimated unused personal time as of December 31, 2020 and 2019, as amounts are considered immaterial.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

In-Kind Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation, except collection items.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Society's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements. No donated professional services were recorded in December 31, 2020 and 2019.

Accounting of Contributions

Contributions, including contributions receivable, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Contributions receivable with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contributions is clearly intended to support activities in the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until as conditions on which they depend are substantially met.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated amount the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Staff costs are allocated to departments based on area worked. Employees that have more than one area of responsibility are allocated based on time spent working in those areas.
- Direct expenses are charged to their specific area of activity.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Advertising

Cost of promotions and advertising are expensed as incurred. Advertising and promotion expense total \$40,819 and \$37,269 for the years ended December 31, 2020 and 2019.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
– Continued

Income Tax Status

The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an association other than a private foundation under Section 509(a)(2).

Management has evaluated the tax positions of the Society and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended December 31, 2020 and 2019. The Society's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

Use of Estimates

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

Reclassifications

Certain amounts from the prior years have been reclassified to conform to the 2020 presentation without affecting the previously reported net assets.

New Accounting Pronouncements

In March of 2019, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2019-03 Not-for-Profit Entities (Topic 958) Updating the Definition of *Collections*. The amendments in this ASU update the definition of the term *Collections* and require that a collection-holding entity disclose its policy for use of the proceeds from when collection items are deaccessioned (removed from a collection). The Society adopted the new standard effective January 1, 2020, the first day of the Society's fiscal year, using the prospective method.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Statement of Financial Position date of December 31, 2020, comprise of the following at December 31, 2020 and 2019:

	2020 <u>(Reviewed)</u>	2019 <u>(Audited)</u>
Financial assets:		
Cash and cash equivalents, without donor restriction	\$ 303,410	\$ 169,155
Cash and cash equivalents, with donor restriction	537,062	624,223
Contribution receivables, net	134,601	152,166
Investments	<u>5,003,447</u>	<u>4,770,846</u>
Total financial assets	5,978,520	5,716,390
Less financial assets held to meet donor-imposed restrictions:		
Purpose and time restricted net assets	(3,021,304)	(2,959,340)
Board restricted endowment net assets	<u>(3,453,766)</u>	<u>(3,366,663)</u>
Amount available for general expenditures within one year	<u>\$ (496,550)</u>	<u>\$ (609,613)</u>

The above table reflects donor-restricted and board restricted endowment funds as unavailable because it is the Society's intention to invest those resources for long-term support of the Society. The accounting for endowment note provides more information about spending policies for the endowment funds.

As part of its liquidity plan, the Society has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Society has implemented a five-year plan to increase the museum revenues resources since the museum renovations and opening of the exhibits in late 2018.

NOTE 3 - CONTRIBUTION RECEIVABLES

Contribution receivables, net of discount to present value (at a rate of 3.25% and 4.50% the federal prime rates for the years ended December 31, 2020 and 2019, respectively) are due as follows as of December 31, 2020 and 2019:

	2020 <u>(Reviewed)</u>	2019 <u>(Audited)</u>
Gross amounts due in:		
One year	\$ 133,539	\$ 86,000
Two to five years	<u>10,000</u>	<u>75,065</u>
	143,539	161,065
Less discount to present value	<u>(8,938)</u>	<u>(8,938)</u>
Total	<u>\$ 134,601</u>	<u>\$ 152,127</u>

The discount will be recognized as contribution income in years 2021 to 2022 as the discount is amortized using an effective yield over the duration of the pledge.

In addition, the Society has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value, that have not been reflected in the accompanying financial statements because they are not unconditional promises.

SOUTH CAROLINA HISTORICAL SOCIETY
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NOTE 4 - INVESTMENTS

Investments held by the Society are in various accounts at a national brokerage firm. Investment fees are netted against gains and losses. Investments are stated at fair market value and consist of the following as of December 31, 2020 and 2019:

	2020 (Reviewed)		2019 (Audited)	
	FMV	Cost	FMV	Cost
Money market	\$ 400,420	\$ 400,420	\$ 481,374	\$ 481,374
Real estate funds	97,320	84,781	72,420	67,701
Alternatives	132,133	132,643	-	-
Fixed income	1,801,724	1,715,959	1,595,976	1,565,000
Equities	2,571,850	1,720,143	2,621,076	2,007,237
	<u>\$ 5,003,447</u>	<u>\$ 4,053,946</u>	<u>\$ 4,770,846</u>	<u>\$ 4,121,312</u>

Investment Maturities

Maturities for the above listed investments as of December 31, 2020 and 2019 are as follows:

	2020 (Reviewed)	2019 (Audited)
Short-term investments	\$ -	\$ 518,000
Long-term investments	<u>5,003,447</u>	<u>4,252,846</u>
	<u>\$ 5,003,447</u>	<u>\$ 4,770,846</u>

NOTE 5 - SUMMARY OF FAIR VALUE EXPOSURE

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 - SUMMARY OF FAIR VALUE EXPOSURE - Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

For the years ended December 31, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities have been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value. The fair value of investments is based on quoted market rates.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

	(Reviewed)			
	Level 1	Level 2	Level 3	Total
Money market	\$ 400,420	\$ -	\$ -	\$ 400,420
Real estate funds	97,320	-	-	97,320
Alternatives	132,133	-	-	132,133
Fixed income	1,801,724	-	-	1,801,724
Equities	2,571,850	-	-	2,571,850
	<u>\$ 5,003,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,003,447</u>

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2019:

	(Audited)			
	Level 1	Level 2	Level 3	Total
Money market	\$ 481,374	\$ -	\$ -	\$ 481,374
Real estate funds	72,420	-	-	72,420
Fixed income	1,595,976	-	-	1,595,976
Equities	2,621,076	-	-	2,621,076
	<u>\$ 4,770,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,770,846</u>

The inputs and methodology used for valuing the Society's financial assets and liabilities are not indicators of the risks associated with those instruments.

Management evaluated the significant transfers between levels based upon the nature of the financial instrument and size of the transfer related to investments. For the years ended December 31, 2020 and 2019, there were no significant transfers in or out of levels 1, 2, or 3.

NOTE 6 - ACCOUNTING FOR ENDOWMENTS

For the year end December 31, 2008, South Carolina adopted the State Prudent Management of Institutional Funds Act (SPMIFA). The Board of Managers of the Society has interpreted SPMIFA 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 Society classifies as in perpetuity net assets (a) the original gifts donated to the in perpetuity endowment, (b) subsequent gifts to the in perpetuity endowment, and (c) accumulations to the in perpetuity endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as in perpetuity net assets is classified as net assets with donor restrictions in nature until those amounts are appropriated for expenditure by the organization in a manner

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 - ACCOUNTING FOR ENDOWMENTS - Continued

consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Society 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 Society
- (7) The investment policies of the Society

Return Objectives and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Managers, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index or similar established broad market measures of return on investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Society 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 Society targets a diversified asset allocation that places an emphasis on equity-based investments and bond funds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society has a policy of appropriating for distribution each year not to exceed five percent of its selected endowment fund's moving average fair value over the three years preceding the year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow at an average of five to eight percent annually. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Society's endowments consist of nineteen (19) individual funds established for a variety of purposes. Its endowments include funds in perpetuity, temporary in nature, and funds designated by the Board of Managers to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Managers to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net asset composition by type of fund as of December 31, 2020:

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 - ACCOUNTING FOR ENDOWMENTS - Continued

	(Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 3,453,766	\$ -	\$ 3,453,766
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	1,141,760	1,141,760
Total endowment	<u>\$ 3,453,766</u>	<u>\$ 1,549,681</u>	<u>\$ 5,003,447</u>

Endowment net asset composition by type of fund as of December 31, 2019:

	(Audited)		
	Without Donor Restrictions	With Donor Restricted	Total
Board-designated endowment	\$ 3,366,663	\$ -	\$ 3,366,663
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	996,262	996,262
Total endowment	<u>\$ 3,366,663</u>	<u>\$ 1,404,183</u>	<u>\$ 4,770,846</u>

Change in endowment net assets during 2020:

	(Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,366,663	\$ 1,404,183	\$ 4,770,846
Interest and dividends	69,409	29,779	99,188
Realized gains	136,732	59,218	195,950
Unrealized gains	204,925	95,045	299,970
Management fees	(23,770)	(10,120)	(33,890)
Transfers	35,024	(35,024)	-
Contributions	92,180	10,000	102,180
Withdrawals	(427,397)	(3,400)	(430,797)
Change in endowment net assets	<u>87,103</u>	<u>145,498</u>	<u>232,601</u>
Total investments	<u>\$ 3,453,766</u>	<u>\$ 1,549,681</u>	<u>\$ 5,003,447</u>

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 - ACCOUNTING FOR ENDOWMENTS - Continued

Change in endowment net assets during 2019:

	(Audited)		
	Without Donor Unrestricted	With Donor Restricted	Total
Endowment net assets, beginning of year	\$ 3,929,111	\$ 1,762,074	\$ 5,691,185
Interest and dividends	98,939	36,330	135,269
Realized gains	284,146	84,705	368,851
Unrealized gains	341,408	187,035	528,443
Management fees	(28,543)	(10,698)	(39,241)
Contributions	500,000	48,000	548,000
Withdrawals/distributions	<u>(1,758,398)</u>	<u>(703,263)</u>	<u>(2,461,661)</u>
Change in endowment net assets	<u>(562,448)</u>	<u>(357,891)</u>	<u>(920,339)</u>
Total investments	<u>\$ 3,366,663</u>	<u>\$ 1,404,183</u>	<u>\$ 4,770,846</u>

NOTE 7 - PROPERTY & EQUIPMENT

Property and equipment consist of the following as of December 31, 2020 and 2019:

	2020 (Reviewed)	2019 (Audited)
Depreciable assets:		
Office and library equipment	\$ 199,876	\$ 198,818
Exhibits and equipment	1,381,536	1,381,536
Building improvements	<u>3,357,141</u>	<u>3,357,141</u>
Total property and equipment	4,938,553	4,937,495
Less: accumulated depreciation	<u>(718,282)</u>	<u>(450,146)</u>
	4,220,271	4,487,349
Non depreciable assets:		
Building and land	<u>800,000</u>	<u>800,000</u>
Total property and equipment	<u>\$ 5,020,271</u>	<u>\$ 5,287,349</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$268,136 and \$269,419.

The Fireproof Building that houses the Society has historical significance and has been designated a National Historic Landmark. The County of Charleston, South Carolina conveyed the building and surrounding property to the Society on December 31, 1980 under the condition that the building continue to be used to house and protect historic records. In the event of violation of this condition, the deed reverts back to the County. The building is considered to meet the criteria for a historical treasurer in accordance with FASB No. 958-360-35, *Subsequent Measurement of Depreciation by Not-for-profit Organizations*, an asset that has cultural, aesthetic or historical value that is worth preserving perpetually, therefor no deprecation has been recorded.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

The Society has net assets with donor restrictions for the following purposes and time restrictions as of December 31, 2020 and 2019:

Net Asset Fund	Purpose	2020 (Reviewed)				
		Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Alexander Quattlebaum Fund	Publications	\$ 78,683	\$ 9,970	\$ -	\$ 88,653	\$ -
Anna Wells Rutledge Fund	Internship	25,205	4,461	-	29,666	10,000
B. Allston Moore Fund	Manuscript/Letters	23,164	3,569	-	26,733	5,000
Bunting Scholarship Fund	Staff Scholarships	20,580	2,607	-	23,187	-
Capt. Peter Gaillard Fund	Map and Plat Collection	54,973	18,153	(9,556)	63,570	30,000
Charlotte Willkie Pihl Fund	Collections	197,572	31,371	-	228,943	50,000
Contribution receivable	Capital Campaign	152,062	-	(17,500)	134,562	-
Fire Proof Building	Building	-	-	-	-	800,000
Fireproof Building Fund	Building Improvements	3,854	488	-	4,342	-
Fredrick H. Bunting Fund	SC Historical Magazine	21,678	9,083	-	30,761	50,000
Gignilliant Fund	Scholarships	250,845	37,669	(3,400)	285,114	50,000
Joseph I. Waring Fund	Publications/Carologue	23,229	9,913	-	33,142	55,000
Josephine Pinckney Fund	Archives	5,243	1,045	-	6,288	3,000
Kellogg Fund	Retirement Plan	11,329	-	(11,329)	-	-
Other restricted net assets	Education Fund	14,347	180	(425)	14,102	-
Other restricted net assets	Adopt A Collection	25,577	1,705	(8,375)	18,907	-
Other restricted net assets	Donnelly Digitization	11,169	60,000	(11,000)	60,169	-
Other restricted net assets	WF Education Website	3,000	10,000	(184)	12,816	-
Other restricted net assets	Marketing Campaign	-	3,500	-	3,500	-
Other restricted net assets	Donnelly Staff Training	1,276	-	-	1,276	-
Other restricted net assets	350th Anniversary Celebration	544,089	-	(149,966)	394,123	-
Other restricted net assets	South State Grant	9,778	-	(670)	9,108	-
Other restricted net assets	Wells Fargo Travel Exhibit	14,190	-	(8,389)	5,801	-
Other restricted net assets	Charleston County Billboard	-	9,450	(8,365)	1,085	-
Other restricted net assets	Charleston County Website	797	-	(797)	-	-
Other restricted net assets	Charleston County A-Tax	-	2,500	(1,325)	1,175	-
Other restricted net assets	Exhibit Gallery Six	-	15,000	-	15,000	-
Post and Courier Fund	The Magazine	3,454	438	-	3,892	-
R. Lockwood Tower Fund	Civil War Collection	28,617	7,700	(2,879)	33,438	24,921
Rev. Charles Pinckney Fund	Research/Publications	11,546	4,631	-	16,177	25,000
Westerlund Family Fund	Education	177,021	34,553	-	211,574	-
William Hazard Wigg Fund	Maintain Wigg Rooms	38,141	18,138	-	56,279	105,000
Total Net Assets		\$ 1,751,419	\$ 296,124	\$ (234,160)	\$ 1,813,383	\$ 1,207,921

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net Asset Fund	Purpose	2019 (Audited)				
		Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Gignilliant Fund	Scholarships	\$ 204,169	\$ 47,809	\$ (1,133)	\$ 250,845	\$ 50,000
Bunting Scholarship Fund	Staff Scholarships	17,322	3,258	-	20,580	-
Anna Wells Rutledge Fund	Internship	19,631	5,574	-	25,205	10,000
Westerlund Family Fund	Education	121,181	60,840	(5,000)	177,021	-
Other restricted net assets	Education Fund	3,350	10,997	-	14,347	-
Capt. Peter Gaillard Fund	Map and Plat Collection	48,356	15,395	(8,778)	54,973	30,000
R. Lockwood Tower Fund	Civil War Collection	20,924	8,781	(1,088)	28,617	24,921
Charlotte Willkie Pihl Fund	Collections	158,376	39,196	-	197,572	50,000
Other restricted net assets	Adopt A Collection	31,237	-	(5,660)	25,577	-
Josephine Pinckney Fund	Archives	3,938	1,305	-	5,243	3,000
B. Allston Moore Fund	Manuscript/Letters	18,705	4,459	-	23,164	5,000
Rev. Charles Pinckney Fund	Research/Publications	5,760	5,786	-	11,546	25,000
Alexander Quattlebaum Fund	Publications	66,226	12,457	-	78,683	-
Joseph I. Waring Fund	Publications/Carologue	10,844	12,385	-	23,229	55,000
Fredrick H. Bunting Fund	SC Historical Magazine	10,330	11,348	-	21,678	50,000
Post and Courier Fund	The Magazine	2,907	547	-	3,454	-
William Hazard Wigg Fund	Maintain Wigg Rooms	15,479	22,662	-	38,141	105,000
Capital Campaign Fund	Moving collection/renovation	127,006	22,371	(149,377)	-	-
Other restricted net assets	Donnelly Digitization	75,000	-	(63,831)	11,169	-
Fireproof Building Fund	Building Improvements	3,244	610	-	3,854	-
Fireproof Renovation Fund	Building Improvements	493,636	65,378	(559,014)	-	-
Restricted cash	Building Improvements	6,124	-	(6,124)	-	-
Contribution receivable	Capital Campaign	209,562	-	(57,500)	152,062	-
Fire Proof Building	Building	-	-	-	-	800,000
Other restricted net assets	WF Education Website	3,000	-	-	3,000	-
Other restricted net assets	Marketing Campaign	(1,409)	1,409	-	-	-
Kellogg Fund	Retirement Plan	6,119	40,944	(35,734)	11,329	-
Other restricted net assets	Humanities Council	659	-	(659)	-	-
Other restricted net assets	Donnelly Staff Training	1,276	-	-	1,276	-
Other restricted net assets	350th Anniversary Celebration	-	544,089	-	544,089	-
Other restricted net assets	South State Grant	-	9,778	-	9,778	-
Other restricted net assets	Wells Fargo Travel Exhibit	-	14,190	-	14,190	-
Other restricted net assets	Charleston County Website	-	797	-	797	-
Other restricted net assets	Charleston County A-Tax	4,214	-	(4,214)	-	-
Total Net Assets		\$ 1,687,166	\$ 962,365	\$ (898,112)	\$ 1,751,419	\$ 1,207,921

The investment income related to the funds in perpetuity are accounted for within donor restricted investment earnings on the statements of activities. No additional contributions were added to the funds in perpetuity during 2020 and 2019.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 - COLLECTIONS

Collection items are not capitalized. The Society does not consider the collection a financial asset, but rather an irreplaceable treasure of South Carolina culture. Donors continue to contribute to the collection each year. A majority of the collection resides at the College of Charleston. There were no purchases or sales of collection items for the years ended December 31, 2020 and 2019.

NOTE 10 - CONTRIBUTIONS TO OTHERS

The Society made a restricted contribution to others for the modifications made to the Addlestone Library to accommodate the housing of the Society's collection, exhibit of the collection and other cost associated with managing the Society's collection. The total pledge of \$500,000 is to be paid in annual payments of \$50,000 for 10 years, which were originally to begin December 31, 2013 and were extended to beginning December 31, 2014 which is after the collection was moved. The obligation has been discounted using the Federal prime rate of 3.25% and 4.50% for the years ended December 31, 2020 and 2019, respectively. Future pledge payments as of December 31, 2020 and 2019 are as follows:

	2020 (Reviewed)	2019 (Audited)
Gross amounts payable in:		
One year	\$ 50,000	\$ 50,000
Two to five years	<u>150,000</u>	<u>200,000</u>
	200,000	250,000
Less discount to present value	<u>(43,441)</u>	<u>(68,168)</u>
Total	<u>\$ 156,559</u>	<u>\$ 181,832</u>

NOTE 11 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Society to concentrations of credit risk consist of cash in banks; investments managed by brokerage firms and promise to give. The Society places its cash and investments with reputable financial institutions and limits the amount of credit exposure for cash to any one financial institution. Accounts held by banking institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2020 and 2019. The Society's uninsured cash balances as of December 31, 2020 and 2019 are \$347,992 and \$372,905, respectively.

Contributions are derived from donors throughout the state of South Carolina, most of whom are in the Charleston area.

The Society has credit risk in the investment funds managed by a trust department. The trust department holds these funds in a fiduciary capacity and they are not held as collateral for the trustee's creditors. Credit risk is managed by investment policies.

NOTE 12 - RETIREMENT PLAN

The Society sponsors a qualified retirement plan under IRS Code 403(b). Effective July 1, 2017, the plan was amended to allow the Society to match up to 7% of the employees' compensation. During the year ended December 31, 2016 and first six months of 2017, the Society matched up to 5% of the employees' compensation. Employees must be age 21, work sixty days and work 20 hours per week to be eligible to receive the match. Effective January 1, 2019, the plan was restated to include part-time employees in the match program. The Society's retirement expense for the years ended December 31, 2020 and 2019 was \$29,490 and \$36,060, respectively.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 - RELATED PARTIES

During the years ended December 31, 2020 and 2019, various board members contributed funds and made payments on pledges for the building, marketing and archives campaign funds. During the year ended December 31, 2019, the Society held an event called the National Builder Tour; various board members paid a total of \$20,000 to take this tour.

NOTE 14 - CHARITABLE REMAINDER TRUST

The Society is the beneficiary of several charitable remainder trusts. The Society does not receive any regular annual distributions; nor is there adequate information to estimate their value or future cash flow streams. No amounts have been recorded as of December 31, 2020 and 2019.

NOTE 15 - RISKS AND UNCERTAINTIES

The impact on the accompanying financial statements of the COVID-19 outbreak cannot be readily determined. Financial markets, distribution networks and the ultimate impact of this outbreak on the financial operations of the Society are difficult to assess and predict. The Society is taking steps to mitigate the impact of the outbreak, but the ultimate success of this endeavor cannot be predicted at this time.

NOTE 16 - PRIOR PERIOD ADJUSTMENT

The Society restated its previously issued Statement of Financial Position and Statement of Activities for the year ended December 31, 2018 to correct an error in its presentation of contributions receivable and contribution income.

The following table summarizes the corrections on each of the affected financial statement line items for each period presented:

	<u>As previously reported</u>	<u>Restatement adjustment</u>	<u>As restated</u>
For the year end December 31, 2018			
Contributions receivable	\$ 159,562	\$ 50,000	\$ 209,562
Contribution income	248,235	50,000	298,235
Cumulative effect on January 1, 2019			
net assets with donor restrictions	\$ 2,845,087	\$ 50,000	\$ 2,895,087

NOTE 17 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Society evaluated subsequent events through the report date and has concluded no significant subsequent events meet the criteria of the professional accounting standards to be recognized or not recognized, but disclosed, in these financial statements.