

SOUTH CAROLINA HISTORICAL SOCIETY

FINANCIAL REPORT

DECEMBER 31, 2024 and 2023

SOUTH CAROLINA HISTORICAL SOCIETY

FINANCIAL REPORT

DECEMBER 31, 2024 and 2023

	Page No.
CONTENTS	
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-20



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 statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. 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.

We are required to be independent of South Carolina Historical Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

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.

DCLPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina
March 14, 2025

SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents, without donor restriction	\$ 327,341	\$ 191,810
Investments, at market, current	101,553	127,100
Other receivables	125,702	87,163
Prepaid expense	35,358	30,957
Cash and cash equivalents, with donor restriction	598,164	312,301
Property and equipment, net	4,362,622	4,368,142
Investments, at market, long-term	<u>5,620,094</u>	<u>5,049,980</u>
TOTAL ASSETS	\$ <u>11,170,834</u>	\$ <u>10,167,453</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 7,283	\$ 20,555
Accrued liability	<u>52,742</u>	<u>-</u>
Total liabilities	<u>60,025</u>	<u>20,555</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	3,990,285	3,841,353
Designated by the Board for endowment	<u>3,722,147</u>	<u>3,441,675</u>
Total without donor restrictions	<u>7,712,432</u>	<u>7,283,028</u>
With donor restriction	<u>3,398,377</u>	<u>2,863,870</u>
Total net assets	<u>11,110,809</u>	<u>10,146,898</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>11,170,834</u>	\$ <u>10,167,453</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Membership dues	\$ 149,754	\$ -	\$ 149,754
Contributions	227,659	50,000	277,659
Grants	876,170	790,700	1,666,870
Investment income, net of \$39,405 in fees	57,985	30,299	88,284
Program income	52,952	-	52,952
Library income and services	18,551	-	18,551
Museum ticket sales	15,900	-	15,900
Other revenue	52,499	-	52,499
	<u>1,451,470</u>	<u>870,999</u>	<u>2,322,469</u>
Net assets released from restriction	<u>526,788</u>	<u>(526,788)</u>	<u>-</u>
Total support and revenues	1,978,258	344,211	2,322,469
EXPENSES			
Program services	1,596,189	-	1,596,189
Supporting services			
Management and general	185,970	-	185,970
Fundraising	136,438	-	136,438
	<u>1,918,597</u>	<u>-</u>	<u>1,918,597</u>
Total expenses	1,918,597	-	1,918,597
Unrealized and realized gain on investments	369,743	190,296	560,039
	<u>1,548,854</u>	<u>(190,296)</u>	<u>1,358,558</u>
Total expenses and investment gain	1,548,854	(190,296)	1,358,558
CHANGE IN NET ASSETS	429,404	534,507	963,911
NET ASSETS, beginning of year	<u>7,283,028</u>	<u>2,863,870</u>	<u>10,146,898</u>
NET ASSETS, end of year	\$ <u><u>7,712,432</u></u>	\$ <u><u>3,398,377</u></u>	\$ <u><u>11,110,809</u></u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Membership dues	\$ 252,187	\$ -	\$ 252,187
Contributions	224,375	2,476	226,851
Grants	352,553	70,724	423,277
Investment income, net of \$34,463 in fees	54,674	26,168	80,842
Program income	77,481	-	77,481
Library income and services	26,821	-	26,821
Museum ticket sales	30,110	-	30,110
Other revenue	42,715	-	42,715
	<u>1,060,916</u>	<u>99,368</u>	<u>1,160,284</u>
Net assets released from restriction	<u>177,824</u>	<u>(177,824)</u>	<u>-</u>
 Total support and revenues	 1,238,740	 (78,456)	 1,160,284
EXPENSES			
Program services	1,222,593	-	1,222,593
Supporting services			
Management and general	211,762	-	211,762
Fundraising	164,511	-	164,511
	<u>1,598,866</u>	<u>-</u>	<u>1,598,866</u>
Total expenses	1,598,866	-	1,598,866
 Unrealized and realized loss on investments	 <u>521,963</u>	 <u>281,810</u>	 <u>803,773</u>
 Total expenses and investment loss	 1,076,903	 (281,810)	 795,093
 CHANGE IN NET ASSETS	 <u>161,837</u>	 <u>203,354</u>	 <u>365,191</u>
NET ASSETS, beginning of year	<u>7,121,191</u>	<u>2,660,516</u>	<u>9,781,707</u>
NET ASSETS, end of year	\$ <u><u>7,283,028</u></u>	\$ <u><u>2,863,870</u></u>	\$ <u><u>10,146,898</u></u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES				
Salaries	\$ 767,015	\$ 103,926	\$ 32,759	\$ 903,700
Employee benefits	38,855	5,265	1,659	45,779
Payroll taxes	57,245	7,756	2,445	67,446
Retirement	44,187	5,987	1,887	52,061
Total compensation and related expenses	<u>907,302</u>	<u>122,934</u>	<u>38,750</u>	<u>1,068,986</u>
OTHER EXPENSES				
Program	119,606	-	-	119,606
Publications	74,585	-	-	74,585
Insurance	53,097	7,194	2,268	62,559
Building maintenance	50,874	6,893	2,173	59,940
Miscellaneous	38,388	5,201	1,640	45,229
Lobbying	-	-	40,308	40,308
Advertising	-	-	37,506	37,506
Professional fees	26,826	3,635	1,146	31,607
Utilities	16,608	2,250	710	19,568
Library collections	17,222	-	-	17,222
Computer and technology	13,244	1,794	566	15,604
Exhibit expense	9,728	-	-	9,728
Postage	7,356	997	315	8,668
Telephone	6,610	896	282	7,788
Travel and education	5,760	780	246	6,786
Bank fees	5,145	697	220	6,062
Office supplies	2,453	332	105	2,890
Scholarships	2,500	-	-	2,500
TOTAL EXPENSES BEFORE DEPRECIATION	1,357,304	153,603	126,235	1,637,142
Depreciation	<u>238,885</u>	<u>32,367</u>	<u>10,203</u>	<u>281,455</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,596,189</u>	<u>\$ 185,970</u>	<u>\$ 136,438</u>	<u>\$ 1,918,597</u>

See accompanying notes.

**SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES				
Salaries	\$ 427,971	\$ 92,095	\$ 21,669	\$ 541,735
Employee benefits	29,981	6,452	1,518	37,951
Payroll taxes	34,501	7,424	1,747	43,672
Retirement	23,440	5,044	1,187	29,671
Total compensation and related expenses	<u>515,893</u>	<u>111,015</u>	<u>26,121</u>	<u>653,029</u>
OTHER EXPENSES				
Program	123,294	-	-	123,294
Professional fees	72,326	15,564	3,662	91,552
Advertising	-	-	74,372	74,372
Publications	51,646	-	-	51,646
Insurance	40,789	8,777	2,066	51,632
Building maintenance	39,335	8,464	1,992	49,791
Library collections	43,131	-	-	43,131
Lobbying	-	-	40,312	40,312
Travel and education	27,085	5,828	1,372	34,285
Utilities	18,398	3,959	931	23,288
Computer and technology	18,194	3,915	922	23,031
Miscellaneous	15,225	3,276	771	19,272
Exhibit expense	18,450	-	-	18,450
Postage	6,612	1,423	334	8,369
Telephone	5,746	1,237	291	7,274
Bank fees	4,957	1,067	251	6,275
Office supplies	3,104	668	157	3,929
Scholarships	2,000	-	-	2,000
TOTAL EXPENSES BEFORE DEPRECIATION	1,006,185	165,193	153,554	1,324,932
Depreciation	<u>216,408</u>	<u>46,569</u>	<u>10,957</u>	<u>273,934</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,222,593</u>	<u>\$ 211,762</u>	<u>\$ 164,511</u>	<u>\$ 1,598,866</u>

See accompanying notes.

SOUTH CAROLINA HISTORICAL SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 963,911	\$ 365,191
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	281,455	273,934
Unrealized and realized (gains)/losses	(560,039)	(803,773)
Decrease (increase) in current assets:		
Contribution receivables	-	10,000
Other receivables	(38,539)	(31,944)
Prepaid expenses	(4,401)	3,542
Increase (decrease) in operating liabilities:		
Accounts payable	(13,272)	13,668
Accrued liability	52,742	
Net cash provided (used) by operating activities	<u>681,857</u>	<u>(169,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(275,935)	(59,273)
Proceeds from sale of securities	1,905,455	3,273,868
Purchase of securities - net reinvested earnings	<u>(1,889,984)</u>	<u>(3,289,892)</u>
Net cash used by investing activities	(260,464)	(75,297)
Net change in cash and cash equivalents	421,393	(244,679)
Cash and cash equivalents as of beginning of year	504,112	748,791
Cash and cash equivalents as of end of year	\$ <u>925,505</u>	\$ <u>504,112</u>
Cash and cash equivalents, without donor restrictions	\$ 327,341	\$ 191,810
Cash and cash equivalents, with donor restrictions	598,164	312,302
Total cash and cash equivalents	\$ <u>925,505</u>	\$ <u>504,112</u>

See accompanying notes.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 and Other Receivables

Contributions and other receivable are recognized as revenues in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. The Society uses the current expected credit loss (CECL) allowance method to account for uncollectible promises to give. The allowance is based on management's estimate of the collectability of the promises and historical experience. 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, 2024 AND 2023

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 alternative funds. 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 a 4% to 5% 3-year rolling average of board designated funds.

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, 2024 AND 2023**

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 Managers.

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 the purchase or donation 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. Noncash contributions of collection items are not recorded in the statement of activities. A collection inventory is maintained that lists a description of the item, source, and storage location. If the collection is sold, the proceeds will directly benefit the collections on hand for direct care or for the acquisition of new collection items. The collection contains historically significant items related to the Society's history that are considered priceless. They are held for public exhibition, education or research and are protected, cared for and preserved. See Note 9 - Collections.

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

Liability recorded for estimated unused personal time as of December 31, 2024 and 2023 is \$47,269 and \$0, respectively.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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.

Revenue and Revenue Recognition

The Society recognizes contributions when cash, securities or other assets, or an unconditional promise to give (contribution receivables) is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions are met. The Society recognizes revenue from ticket sales, which are nonrefundable, at the time of sale as most advanced tickets are only valid for 30 days after purchase and used within a week or two. Memberships, which are nonrefundable, are comprised of a contribution element only as the performance obligations are met when control is relinquished of the benefits to the supporter at time of purchase, accordingly the Society recognizes memberships immediately. Retail sales are recognized at the time of purchase.

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 \$37,506 and \$74,372 for the years ended December 31, 2024 and 2023.

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).

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Income Tax Status - Continued

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, 2024 and 2023. 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 2024 presentation without affecting the previously reported net assets.

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, 2024, comprise of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents, without donor restriction	\$ 327,341	\$ 191,810
Cash and cash equivalents, with donor restriction	598,164	312,301
Other receivables	125,702	87,163
Investments	<u>5,721,647</u>	<u>5,177,080</u>
Total financial assets	6,772,854	5,768,354
Less financial assets held to meet donor-imposed restrictions:		
Purpose and time restricted net assets	(3,398,377)	(2,863,870)
Board restricted endowment net assets	<u>(3,722,147)</u>	<u>(3,441,675)</u>
Amount available for general expenditures within one year	<u>\$ (347,670)</u>	<u>\$ (537,191)</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. In addition, the Society will draw from the endowment of \$101,553 during year 2025 to fund operational needs. 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.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 - 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, 2024 and 2023:

	2024		2023	
	FMV	Cost	FMV	Cost
Money market	\$ 281,269	\$ 281,269	\$ 779,697	\$ 779,697
Real estate funds	196,301	198,098	193,316	198,098
Fixed income	1,530,024	1,586,776	1,482,466	1,553,521
Equities	3,714,053	2,836,370	2,721,601	1,741,264
	<u>\$ 5,721,647</u>	<u>\$ 4,902,513</u>	<u>\$ 5,177,080</u>	<u>\$ 4,272,580</u>

Maturities for the above listed investments as of December 31, 2024 and 2023 are as follows:

	2024	2023
Short-term investments	\$ 101,553	\$ 127,100
Long-term investments	5,620,094	5,049,980
	<u>\$ 5,721,647</u>	<u>\$ 5,177,080</u>

NOTE 4 - 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, 2024 AND 2023

NOTE 4 - 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, 2024 and 2023, 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, 2024:

	2024			
	Level 1	Level 2	Level 3	Total
Money market	\$ 281,269	\$ -	\$ -	\$ 281,269
Real estate funds	196,301	-	-	196,301
Fixed income	1,530,024	-	-	1,530,024
Equities	3,714,053	-	-	3,714,053
	<u>\$ 5,721,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,721,647</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, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
Money market	\$ 779,697	\$ -	\$ -	\$ 779,697
Real estate funds	193,316	-	-	193,316
Fixed income	1,482,466	-	-	1,482,466
Equities	2,721,601	-	-	2,721,601
	<u>\$ 5,177,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,177,080</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.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 - 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 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 or depreciation (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 a 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.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 - ACCOUNTING FOR ENDOWMENTS – Continued

The Society's 2024 endowments consist of twenty-eight (28) individual funds established for a variety of purposes compared to 2023 when the Society had twenty-seven (27) individual funds. 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, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 3,722,147	\$ -	\$ 3,722,147
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	1,591,579	1,591,579
Total endowment	<u>\$ 3,722,147</u>	<u>\$ 1,999,500</u>	<u>\$ 5,721,647</u>

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 3,441,675	\$ -	\$ 3,441,675
Donor-restricted funds			
Perpetual endowment	-	407,921	407,921
Term endowment	-	1,327,484	1,327,484
Total endowment	<u>\$ 3,441,675</u>	<u>\$ 1,735,405</u>	<u>\$ 5,177,080</u>

Change in endowment net assets during 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,441,675	\$ 1,735,405	\$ 5,177,080
Interest and dividends	83,498	43,841	127,339
Realized gains	423,342	224,986	648,328
Unrealized gains	(53,600)	(34,690)	(88,290)
Management fees	(25,863)	(13,542)	(39,405)
Contributions	34,300	50,000	84,300
Withdrawals	(181,205)	(6,500)	(187,705)
Change in endowment net assets	<u>280,472</u>	<u>264,095</u>	<u>544,567</u>
Total investments	<u>\$ 3,722,147</u>	<u>\$ 1,999,500</u>	<u>\$ 5,721,647</u>

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 - ACCOUNTING FOR ENDOWMENTS - Continued

Change in endowment net assets during 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,936,030	\$ 1,421,252	\$ 4,357,282
Interest and dividends	76,512	37,212	113,724
Realized gains	33,860	16,375	50,235
Unrealized gains	542,766	265,435	808,201
Management fees	(23,210)	(11,252)	(34,462)
Transfers	3,617	(3,617)	-
Contributions	114,000	10,000	124,000
Withdrawals	(241,900)	-	(241,900)
Change in endowment net assets	<u>505,645</u>	<u>314,153</u>	<u>819,798</u>
Total investments	<u>\$ 3,441,675</u>	<u>\$ 1,735,405</u>	<u>\$ 5,177,080</u>

NOTE 6 - PROPERTY & EQUIPMENT

Property and equipment consist of the following as of December 31, 2024 and 2023:

	2024	2023
Depreciable assets:		
Office and library equipment	\$ 239,632	\$ 229,946
Exhibits and equipment	1,575,828	1,309,579
Building improvements	<u>3,551,878</u>	<u>3,551,878</u>
Total property and equipment	5,367,338	5,091,403
Less: accumulated depreciation	<u>(1,804,716)</u>	<u>(1,523,261)</u>
	3,562,622	3,568,142
Non depreciable assets:		
Building and land	<u>800,000</u>	<u>800,000</u>
Total property and equipment	<u>\$ 4,362,622</u>	<u>\$ 4,368,142</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$281,455 and \$273,934, respectively.

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, therefore no depreciation has been recorded.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The Society has net assets with donor restrictions for the following purposes and time restrictions as of December 31, 2024 and 2023:

Net Asset Fund	Purpose	2024				
		Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Alexander Quattlebaum Fund	Publications	\$ 98,226	\$ 12,321	\$ -	\$ 110,547	\$ -
Anna Wells Rutledge Fund	Internship	33,948	5,513	-	39,461	10,000
B. Allston Moore Fund	Manuscript/Letters	30,162	4,410	-	34,572	5,000
Bunting Scholarship Fund	Staff Scholarships	25,691	3,223	-	28,914	-
Capt. Peter Gaillard Fund	Map and Plat Collection	71,178	12,691	-	83,869	30,000
Charlotte Willkie Pihl Fund	Collections	259,064	38,768	-	297,832	50,000
Fire Proof Building	Building	-	-	-	-	800,000
Fireproof Building Fund	Building Improvements	4,812	604	-	5,416	-
Fredrick H. Bunting Fund	SC Historical Magazine	39,481	11,224	-	50,705	50,000
Gignilliant Fund	Scholarships	366,365	45,702	(56,500)	355,567	50,000
Joseph I. Waring Fund	Publications/Carologue	42,659	12,250	-	54,909	55,000
Josephine Pinckney Fund	Archives	7,291	1,291	-	8,582	3,000
Other restricted net assets	Education Fund	14,102	-	-	14,102	-
Other restricted net assets	Adopt A Collection	23,207	-	(11,226)	11,981	-
Other restricted net assets	Heroes of History	-	225,000	-	225,000	-
Other restricted net assets	Donnelly Digitization	-	77,484	(2,484)	75,000	-
Other restricted net assets	WF Education Website	10,874	-	(313)	10,561	-
Other restricted net assets	350th Anniversary Celebration	155,345	235,582	(375,455)	15,472	-
Other restricted net assets	South State Grant	9,108	-	-	9,108	-
Other restricted net assets	Wells Fargo Travel Exhibit	3,634	-	-	3,634	-
Other restricted net assets	City of Chas A. Tax Grant	5,000	7,500	(7,369)	5,131	-
Other restricted net assets	Advertising	-	8,674	-	8,674	-
Other restricted net assets	Exhibit Gallery Six	15,000	-	-	15,000	-
Other restricted net assets	Digitizing Slave Records	2,989	-	-	2,989	-
Other restricted net assets	Prgrms & Hist.Literacy-Sanders	17,672	-	(6,755)	10,917	-
Other restricted net assets	Sanders Family	21,533	50,000	(66,687)	4,846	-
Other restricted net assets	Comm. Traveling Exhibition	-	186,460	-	186,460	-
Post and Courier Fund	The Magazine	4,312	541	-	4,853	-
R. Lockwood Tower Fund	Civil War Collection	32,937	7,257	-	40,194	24,921
Rev. Charles Pinckney Fund	Research/Publications	20,623	5,723	-	26,346	25,000
Westerlund Family Fund	Education	267,044	86,663	-	353,707	-
William Hazard Wigg Fund	Maintain Wigg Rooms	73,692	22,415	-	96,107	105,000
Total Net Assets		\$ 1,655,949	\$ 1,061,296	\$ (526,789)	\$ 2,190,456	\$ 1,207,921

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net Asset Fund	Purpose	2023				
		Beginning With Donor Restrictions	Contributions/ Investment Income(Loss)	Distributions For Purpose	Ending With Donor Restrictions	In Perpetuity Restrictions
Alexander Quattlebaum Fund	Publications	\$ 80,786	\$ 17,440	\$ -	\$ 98,226	\$ -
Anna Wells Rutledge Fund	Internship	26,145	7,803	-	33,948	10,000
B. Allston Moore Fund	Manuscript/Letters	23,916	6,246	-	30,162	5,000
Bunting Scholarship Fund	Staff Scholarships	21,130	4,561	-	25,691	-
Capt. Peter Gaillard Fund	Map and Plat Collection	53,852	18,102	(776)	71,178	30,000
Charlotte Willkie Pihl Fund	Collections	204,190	54,874	-	259,064	50,000
Contribution receivable	Capital Campaign	10,000	-	(10,000)	-	-
Fire Proof Building	Building	-	-	-	-	800,000
Fireproof Building Fund	Building Improvements	3,958	854	-	4,812	-
Fredrick H. Bunting Fund	SC Historical Magazine	23,594	15,887	-	39,481	50,000
Gignilliant Fund	Scholarships	301,318	65,047	-	366,365	50,000
Joseph I. Waring Fund	Publications/Carologue	25,320	17,339	-	42,659	55,000
Josephine Pinckney Fund	Archives	5,464	1,827	-	7,291	3,000
Other restricted net assets	Education Fund	14,102	-	-	14,102	-
Other restricted net assets	Adopt A Collection	56,588	2,475	(35,856)	23,207	-
Other restricted net assets	Donnelly Digitization	40,283	724	(41,007)	-	-
Other restricted net assets	WF Education Website	11,140	-	(266)	10,874	-
Other restricted net assets	Donnelly Staff Training	258	-	(258)	-	-
Other restricted net assets	350th Anniversary Celebration	169,084	208	(13,947)	155,345	-
Other restricted net assets	South State Grant	9,108	-	-	9,108	-
Other restricted net assets	Wells Fargo Travel Exhibit	4,275	-	(641)	3,634	-
Other restricted net assets	City of Chas A. Tax Grant	5,000	10,000	(10,000)	5,000	-
Other restricted net assets	Charleston County A-Tax	6,756	-	(6,756)	-	-
Other restricted net assets	Exhibit Gallery Six	15,000	-	-	15,000	-
Other restricted net assets	Digitizing Slave Records	12,000	-	(9,011)	2,989	-
Other restricted net assets	Francois Courege Release	1,500	-	(1,500)	-	-
Other restricted net assets	Humanities Council Grant	116	-	(116)	-	-
Other restricted net assets	Prgrms & Hist.Literacy-Sanders	27,116	-	(9,444)	17,672	-
Other restricted net assets	Sanders Fdn	6,189	1	(6,190)	-	-
Other restricted net assets	Sue Parks Keitt	750	-	(750)	-	-
Other restricted net assets	Sanders Family	-	50,000	(28,467)	21,533	-
Post and Courier Fund	The Magazine	3,546	766	-	4,312	-
R. Lockwood Tower Fund	Civil War Collection	24,999	10,777	(2,839)	32,937	24,921
Rev. Charles Pinckney Fund	Research/Publications	12,523	8,100	-	20,623	25,000
Westerlund Family Fund	Education	210,621	56,423	-	267,044	-
William Hazard Wigg Fund	Maintain Wigg Rooms	41,968	31,724	-	73,692	105,000
Total Net Assets		\$ 1,452,595	\$ 381,178	\$ (177,824)	\$ 1,655,949	\$ 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 2024 and 2023.

SOUTH CAROLINA HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 - 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. The Society received 61 and 39 donated collections during the year ended December 31, 2024 and 2023. A majority of the collection resides at the College of Charleston. There were no purchases of collection items during the years ended December 31, 2024 and 2023. There were no sales of collection items for the years ended December 31, 2024 and 2023.

NOTE 9 - 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, 2024 and 2023. The Society's uninsured cash balances as of December 31, 2024 and 2023 are \$635,317 and \$75,167, 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 10 - 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. 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, 2024 and 2023 was \$52,061 and \$29,671 respectively.

NOTE 11 - RELATED PARTIES

During the years ended December 31, 2024 and 2023, various board members contributed funds and made payments on pledges for the building, marketing and archives campaign funds.

NOTE 12 - 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, 2024 and 2023.

NOTE 13 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Society evaluated subsequent events through the report date, the date the financials were available to be issued, 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.