

**NATIONAL GENEALOGICAL SOCIETY**

**AUDITED FINANCIAL STATEMENTS**

Year Ended September 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
National Genealogical Society

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of National Genealogical Society (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Genealogical Society as of September 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Genealogical Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Genealogical Society's ability to continue as a going concern for a reasonable period of time.

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

### **Report on Summarized Comparative Information**

We have previously audited National Genealogical Society's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Squire & Company, PC*

Orem, Utah  
August 7, 2025

**NATIONAL GENEALOGICAL SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**

September 30, 2024 with Summarized Comparative Totals for 2023

	2024	2023
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 329,965	\$ 364,449
Investments	2,830,748	2,140,586
Accounts receivable	1,838	2,948
Current portion of contributions receivable	88,137	50,000
Inventories	57,192	24,435
Prepaid expenses	75,708	60,980
Total current assets	3,383,588	2,643,398
<b>Other Assets:</b>		
Contributions receivable, net of current portion	124,358	131,110
Net capital assets	58,082	50,048
Net intangible assets	284,200	-
Operating lease right-of-use assets	35,275	85,633
Total other assets	501,915	266,791
Total assets	<u>\$ 3,885,503</u>	<u>\$ 2,910,189</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 116,846	\$ 116,794
Accrued expenses	28,673	23,775
Current portion of operating lease liabilities	17,328	50,358
Current portion of note payable	116,519	-
Unearned membership dues revenue	481,854	483,019
Total current liabilities	761,220	673,946
<b>Long-Term Liabilities:</b>		
Operating lease liabilities, net of current portion	17,947	35,275
Note payable, net of current portion	155,806	-
Total long-term liabilities	173,753	35,275
Total liabilities	934,973	709,221
<b>Net Assets:</b>		
Without donor restrictions	1,315,606	863,828
With donor restrictions:		
Purpose restrictions	1,574,801	1,277,021
Endowments	60,123	60,119
Total net assets	2,950,530	2,200,968
Total liabilities and net assets	<u>\$ 3,885,503</u>	<u>\$ 2,910,189</u>

The accompanying notes are an integral part of this financial statement.

**NATIONAL GENEALOGICAL SOCIETY**  
**STATEMENT OF ACTIVITIES**

Year Ended September 30, 2024 with Summarized Comparative Totals for 2023

	2024	2023
<b>Net Assets without Donor Restrictions:</b>		
<b>Revenues and Support:</b>		
Membership dues	\$ 612,087	\$ 644,856
Education services	202,553	270,285
Conferences and meetings	578,540	502,412
Product sales, net of cost of goods sold	103,513	87,172
Contributions	499,846	89,705
Publications	11,418	5,930
Investment earnings	436,665	140,641
Other	7,940	2,716
Net assets released from restrictions	149,348	61,107
Total revenues and support	2,601,910	1,804,824
<b>Expenses:</b>		
Program services:		
Conferences/meetings	213,498	478,157
Education	460,570	136,940
Publications	212,470	239,783
Member services	129,190	130,911
Society activities	65,058	62,739
Supporting services:		
Administration	583,035	564,744
Membership development	67,036	26,960
Total expenses	1,730,857	1,640,234
Change in net assets without donor restrictions	871,053	164,590
<b>Net Assets with Donor Restrictions:</b>		
Investment earnings	2	2
Contributions	447,130	196,615
Net assets released from restrictions	(149,348)	(61,107)
Change in net assets with donor restrictions	297,784	135,510
<b>Change in Net Assets</b>	<b>1,168,837</b>	<b>300,100</b>
<b>Net Assets at Beginning of Year</b>	<b>2,200,968</b>	<b>1,900,868</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,369,805</b>	<b>\$ 2,200,968</b>

The accompanying notes are an integral part of this financial statement.

**NATIONAL GENEALOGICAL SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended September 30, 2024 with Summarized Comparative Totals for 2023

	Program Services							Supporting Services		Total	
	Conferences/ Meetings	Education	Publications	Member Services	Records Preservation	Society / Org Mgmt	Total	Administration	Membership Development	2024	2023
Salaries and wages	\$ 24,171	\$ 163,495	\$ -	\$ 77,590	\$ -	\$ 49,200	\$ 314,456	\$ 164,349	\$ 23,192	\$ 501,997	\$ 387,438
Conferences and meetings	94,641	170,214	-	6,197	-	7,869	278,921	13,685	-	292,606	364,871
Printing and postage	2	136	83,598	8,836	-	54	92,626	11,342	-	103,968	118,650
Professional fees	47,386	9,555	128,872	4,715	391,027	6,000	587,555	176,792	10,443	774,790	395,286
Information technology	43,125	22,686	-	21,354	3,320	785	91,270	82,883	175	174,328	166,545
Occupancy	-	-	-	-	-	-	-	58,975	-	58,975	55,317
Office	1,332	5,193	-	1,163	650	275	8,613	10,896	-	19,509	20,383
Depreciation	-	73,907	-	-	-	-	73,907	19,109	-	93,016	18,129
Insurance	822	-	-	-	-	-	822	3,198	-	4,020	8,812
Other	25	14,876	-	750	-	875	16,526	31,708	33,226	81,460	92,140
Advertising	1,994	508	-	8,585	24,278	-	35,365	10,098	-	45,463	12,663
Total	<u>\$ 213,498</u>	<u>\$ 460,570</u>	<u>\$ 212,470</u>	<u>\$ 129,190</u>	<u>\$ 419,275</u>	<u>\$ 65,058</u>	<u>\$ 1,500,061</u>	<u>\$ 583,035</u>	<u>\$ 67,036</u>	<u>\$ 2,150,132</u>	<u>\$ 1,640,234</u>

The accompanying notes are an integral part of this financial statement.

**NATIONAL GENEALOGICAL SOCIETY**  
**STATEMENT OF CASH FLOWS**

Year Ended September 30, 2024 with Summarized Comparative Totals for 2023

	2024	2023
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 749,562	\$ 300,100
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	93,016	18,129
Operating lease right-of-use assets	50,358	45,641
Unrealized gains on investments	(67,471)	(92,527)
Changes in operating assets and liabilities:		
Accounts receivable	1,110	(1,564)
Contributions receivable	(31,385)	(181,110)
Inventories	(32,757)	7,306
Prepaid expenses	(14,728)	20,439
Accounts payable	52	3,897
Accrued expenses	4,898	4,858
Operating lease liabilities	(50,358)	(45,641)
Unearned membership dues revenue	(1,165)	(74,035)
Total adjustments	(48,430)	(294,607)
Net cash provided by operating activities	701,132	5,493
<b>Cash Flows from Investing Activities:</b>		
Net purchases of investments	(622,691)	(50,513)
Purchases of capital assets	(30,000)	(3,540)
Net cash used by investing activities	(652,691)	(54,053)
<b>Cash Flows from Financing Activities:</b>		
Repayment of note payable	(82,925)	-
<b>Net Change in Cash</b>	(34,484)	(48,560)
<b>Cash at Beginning of Year</b>	364,449	413,009
<b>Cash at End of Year</b>	\$ 329,965	\$ 364,449

**Supplemental Data:**

The Society paid \$15,192 in interest and no income taxes during the year ended September 30, 2024.

The Society purchased intangible assets totaling \$355,250 through the assumption of a note payable.

The accompanying notes are an integral part of this financial statement.



## **NATIONAL GENEALOGICAL SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of National Genealogical Society (the Society) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### **Organization**

National Genealogical Society was incorporated in 1903 as a nonprofit organization in the State of Virginia for the purpose of serving the genealogical community by providing education and training, fostering increased quality and standards, and promoting access to and preservation of genealogical records.

Effective October 1, 2020, the Society acquired the assets and assumed the liabilities of the Federation of Genealogical Societies (FGS), a nonprofit organization incorporated in the State of Illinois.

#### **Financial Statement Presentation**

The Society reports information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Society's management and board of directors.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

#### **Revenue Recognition**

The Society generates revenue primarily from dues collected and registrant fees from its annual conference. Dues received are recognized ratably over the term of membership (1 to 3 years) with any amounts attributable to future periods recorded as unearned revenue. Registrant fees are recognized when registrants attend the conference. Other revenue sources are recognized when the goods or services are provided to the member.

#### **Tax Status**

The Society is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (except for net income derived from unrelated business activities). The Society is classified as a 501(c)(3) public charity. The Society is also exempt from state income taxes.

## **NATIONAL GENEALOGICAL SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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The Society's unrelated business activities – advertising revenue in its publications has accumulated net operating losses over the years (approximately \$113,000 at September 30, 2024). These losses may be carried forward to offset future taxable income from unrelated business activities. Management does not anticipate generating taxable income sufficient to utilize these losses. Accordingly, the Society does not report any deferred tax asset for these accumulated losses.

#### **Accounts Receivable**

Accounts receivable consist of amounts for advertising in the Society's journal. Management believes all amounts outstanding are fully collectable; therefore no credit loss allowance has been established.

#### **Investments**

Investments in marketable securities are reported at their fair values in the statement of financial position. Investment income in the statement of activities includes realized and unrealized gains and losses, interest, and dividends, net of investment management fees.

#### **Inventory**

Inventory consists of items held for resale valued at the lower of cost or market on a first-in, first-out (FIFO) basis.

#### **Contributions Receivable**

Contributions are recorded when an unconditional promise to give's collection is expected in the near term and is probable. The Society has not established a credit loss allowance for uncollectable contributions at September 30, 2024. The Society believes all amounts are fully collectable.

Unconditional promises to give will be received over four years and have been discounted to their net present value using the Internal Revenue Service Applicable Federal Rate (4.09 percent) for the anticipated collection period.

#### **Allocation of Costs**

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 (such as facilities costs, depreciation, insurance, office supplies, repairs and maintenance, and telephone) have been allocated to the program or support service proportionate to usage.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, and expenses during the reporting period. Actual results could differ from those estimates.

## **NATIONAL GENEALOGICAL SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **Leases**

The Society has elected to account for leases as short-term leases if the lease has a term of 12 months or less and does not include an option to purchase the underlying asset that the Society is reasonably certain to exercise. Short-term lease expense is recognized on a straight-line basis over the lease term.

#### **Summarized Comparative Information**

The financial statements include certain prior-year comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

#### **Subsequent Events**

The Society has evaluated subsequent events through August 7, 2025, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

#### **NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents the Society's financial assets at September 30, 2024:

Financial assets at year end:	
Cash	\$ 329,965
Investments	2,830,748
Accounts receivable	<u>1,838</u>
Total financial assets	3,162,551
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(1,634,924)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 1,527,627</u></u>

The Society's goal is to maintain financial assets to meet two months of operating expenses (approximately \$350,000). Operating expenses are defined by the Society as total expenses less depreciation. As part of its liquidity plan, the Society invests its excess cash. In addition, the Society has established a \$300,000 line of credit with a bank (see Note 13).

**NATIONAL GENEALOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable are as follows at September 30, 2024:

Receivable within one year	\$ 90,102
Receivable from one to two years	<u>142,602</u>
Total contributions receivable	232,704
Discount contributions to net present value	(20,209)
Allowance for uncollectable contributions	<u>-</u>
Contributions receivable, net	<u><u>\$ 212,495</u></u>

**NOTE 4 – CAPITAL ASSETS**

Capital assets are carried at cost or, if donated, the approximate fair value at the date of donation. Capital assets valued at \$1,000 or more are capitalized and depreciated, using the straight-line method, over the estimated useful lives of the assets. Capital assets are as follows at September 30, 2024:

		<u>Depreciable Lives (Years)</u>
Software	\$ 151,641	5 to 15
Furniture and equipment	<u>5,814</u>	5 to 7
	157,455	
Accumulated depreciation	<u>(99,373)</u>	
Net capital assets	<u><u>\$ 58,082</u></u>	

**NOTE 5 – INTANGIBLE ASSETS**

The Society acquired certain intangible assets of the Genealogical Research Institute of Pittsburgh, LLC (GRIP). These assets are valued at \$355,250 and will be amortized over five years. The agreement calls for additional payment should net revenue from these assets exceed \$120,000 in either of the two years after the note is retired. The Society will pay GRIP 60 percent of the excess amount.

**NOTE 6 – NOTE PAYABLE**

On October 1, 2023, the Society entered into a note payable for the purchase of intangible assets (see Note 5) in the amount of \$355,250. The note payable requires monthly payments of \$10,807 at the rate of 2.5 percent, maturing October 2026.

**NATIONAL GENEALOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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At September 30, 2024, future principal maturities of note payable are as follows:

<u>Year Ending September 31,</u>	
2025	\$ 116,519
2026	123,705
2027	<u>32,101</u>
	<u><u>\$ 272,325</u></u>

**NOTE 7 – LEASES**

The Society has entered into leases for facilities and equipment. Lease maturities were calculated as the initial lease term and all options to extend management estimated to be reasonably certain to exercise at lease commencement. The Society's leases mature in December 2024 and July 2028 with an interest rate of 4 percent. The weighted-average remaining lease term was 1.48 years. Required monthly lease payments are \$4,405.

The Society's lease obligations provide the right to use facilities and equipment for a period of time. Operating lease expense was \$52,867 for the year ended September 30, 2024.

Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	
2025	\$ 18,250
2026	6,711
2027	6,711
2028	<u>5,591</u>
	37,263
Amount representing interest	<u>(1,988)</u>
Present value of minimum lease payments	<u><u>\$ 35,275</u></u>

## **NATIONAL GENEALOGICAL SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **NOTE 8 – NET ASSETS**

Donor-restricted net assets are summarized as follows at September 30, 2024:

Purpose restrictions:	
Society activities fund	\$ 664,721
Records preservation:	
War of 1812 pension	315,395
Bounty-land warrant	490,511
Pennnington gift fund	21,470
Subject to the passage of time	82,704
Endowments	60,123
	<u>\$ 1,634,924</u>

Net assets released from restrictions during the year ended September 30, 2024 were for the following:

Satisfaction of purpose restrictions:	
Records preservation:	
War of 1812 pension	\$ 40,955
Pennnington gift fund	500
Bounty-land warrant	54,514
Society activities	53,379
Total	<u>\$ 149,348</u>

#### **Donor-Restricted Endowments**

The Society's endowments consist of two funds – the 2<sup>nd</sup> Century Endowment Fund and the Stern-Nara Fund.

The 2<sup>nd</sup> Century Endowment Fund was established to ensure the future viability of the Society. At September 30, 2024 the endowment's balance was \$24,680. The 2<sup>nd</sup> Century Endowment Fund hopes to raise \$1,000,000 and no amounts can be spent until the fund reaches \$150,000 at which time 80 percent of the investment earnings can be spent on activities approved by the Board. When the \$1,000,000 is raised 100 percent of the investment earnings can be spent on activities approved by the board. No amounts were contributed or appropriated for expenditure during the year.

The Stern-NARA Fund was established by the Federation of Genealogical Societies to fund the preservation and imaging of research materials held by the National Archives and Records Administration. At September 30, 2024, the endowment's balance was \$35,443. The endowment's spending policy is determined by an oversight committee who make recommendations to the Board. Contributions to the fund were \$0 during the year with no amounts appropriated for expenditure.

The Society's Board of Directors has interpreted the Commonwealth of Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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

## **NATIONAL GENEALOGICAL SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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to the contrary. As a result of this interpretation, the Society classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Society's investment policies.

The Society's endowments consisted of the following net asset composition at September 30, 2024:

	<u>With Donor Restrictions</u>
Donor-restricted endowments	\$ 59,257
Accumulated investment return	<u>866</u>
Total	<u><u>\$ 60,123</u></u>

Changes to the Society endowed net assets are as follows for the year ended September 30, 2024:

	<u>With Donor Restrictions</u>
Balance at September 30, 2023	\$ 60,121
Accumulated investment return	<u>2</u>
Total	<u><u>\$ 60,123</u></u>

#### **NOTE 9 – CONCENTRATION OF RISK**

At September 30, 2024, the carrying amount of cash deposits was \$329,965 and the bank balance was \$328,742, of which \$244,561 was covered by federal depository or security investor insurance.

#### **NOTE 10 – RETIREMENT PLAN**

The Society has a defined contribution plan covering all eligible employees. The Society matches 50 percent of employee contributions up to 6 percent of an employee's eligible earnings, for a maximum matching contribution of 3 percent. The Society contributed \$9,204 to the plan during the year ended September 30, 2024.

# NATIONAL GENEALOGICAL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 11 – FAIR VALUE MEASUREMENTS

The Society reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair market hierarchy is based on the lowest level of input that is significant to the measurement.

The three levels of inputs used to measure fair value are as follows:

*Level 1* – Quoted prices for identical assets or liabilities in active markets to which the Society has access at the measurement date.

*Level 2* – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets in markets that are not active.

*Level 3* – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value if observable inputs are not available.

The primary uses of fair value measures in the Society's financial statements are initial measurement of noncash gifts and recurring measurement of investments.

*U.S. Treasury Bonds* – Valued at amortized cost, which approximates fair value.

*Mutual Funds* – Valued at the daily closing price as reported by the fund. Mutual funds held by the Company are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Company are deemed to be actively traded.

Fair value of assets measured on a recurring basis at September 30, 2024 is as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury bond	\$ 20,736	\$ 20,736	\$ -	\$ -
Mutual funds	<u>2,810,012</u>	<u>2,810,012</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,830,748</u>	<u>\$ 2,830,748</u>	<u>\$ -</u>	<u>\$ -</u>

### NOTE 12 – COMMITMENTS

The Society has contracts with hotels and convention centers for future meetings and conferences. These contracts contain cancellation clauses that would require the Society to pay certain liquidating damages. The Society also risks forfeiture of any deposits paid should an event be cancelled. The Society has insurance to mitigate the potential impact of event cancellation.



**NATIONAL GENEALOGICAL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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During 2023, the Society committed to provide \$2,000,000 to fund the digitization of the Bounty-Land Warrant Application records maintained by the National Archives and Records Administration conditioned upon the Society raising such funds. These digitized records will then be made available to the general public free of charge. The Society will pay \$125,000 quarterly beginning in January 2024 to fund this project so long as adequate funds have been raised.

The Society's commitment, should adequate funds be raised, will be paid as follows:

<u>Year Ending</u> <u>September 30,</u>	
2025	\$ 500,000
2026	500,000
2027	500,000
2028	<u>125,000</u>
Total	<u><u>\$ 1,625,000</u></u>

**NOTE 13 – LINE OF CREDIT**

The Society maintains a line of credit with a financial institution with a limit of \$300,000. The line of credit carries a variable interest rate of the Lender's prime rate. The Society had no outstanding balance on the line at September 30, 2024. The line of credit is renewable on February 1, 2026.