

**GREENWICH HISTORICAL SOCIETY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2019**

**GREENWICH HISTORICAL SOCIETY, INC.**

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**Year Ended June 30, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Greenwich Historical Society, Inc.

We have audited the accompanying financial statements of Greenwich Historical Society, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

**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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

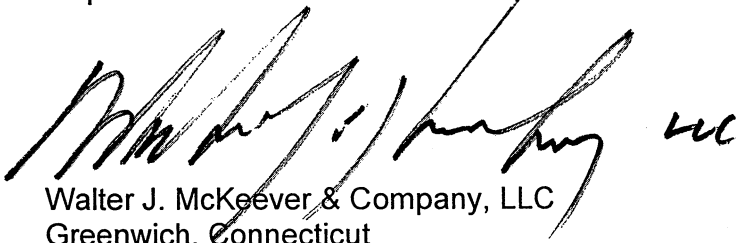
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenwich Historical Society, Inc. as of June 30, 2019, 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 16 - 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A large, stylized handwritten signature in black ink, likely belonging to Walter J. McKeever, is written over the printed name and company information.

Walter J. McKeever & Company, LLC  
Greenwich, Connecticut  
October 16, 2019

**GREENWICH HISTORICAL SOCIETY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2019**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 817,261
Short-term investments (Note 2)	50,938
Pledges receivable	43,443
Inventories	20,046
Prepaid expenses	44,060
Total Current Assets	<u>975,748</u>

**Property, Equipment and Furnishings**

Buildings and land	9,182,469
Equipment and furnishings	2,564,384
Less: accumulated depreciation	(1,593,124)
Net Property, Equipment and Furnishings	<u>10,153,729</u>

**Other Assets**

Investments (Note 2)	5,784,239
Historic land, buildings and furniture	7,161,370
Total Other Assets	<u>12,945,609</u>

Total Assets	<u><u>\$ 24,075,086</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 76,385
Other payable (Note 5)	500,000
Total Liabilities	<u>576,385</u>

**Net Assets**

Without donor restrictions	
Unrestricted	17,532,125
Board designated (Note 8)	651,548
Total Without Donor Restrictions	<u>18,183,673</u>
With donor restrictions	
Time or purpose restricted (Note 9)	955,299
Perpetual endowment (Note 10)	4,359,729
Total With Donor Restrictions	<u>5,315,028</u>
Total Net Assets	<u>23,498,701</u>

Total Liabilities and Net Assets	<u><u>\$ 24,075,086</u></u>
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See accompanying notes to financial statements.

**GREENWICH HISTORICAL SOCIETY, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS		
	UNRESTRICTED	RESERVE	MAINTENANCE BOARD DESIGNATED	TIME OR PURPOSE RESTRICTED	PERPETUAL ENDOWMENT	TOTAL WITH DONOR RESTRICTIONS
<b>Operating Activities</b>						
Revenue, Gains and Other Support						
Contributions	\$ 472,215	\$ -	\$ -	\$ 2,823,867	\$ 187,500	\$ 3,011,367
Memberships	68,620					
Grants	6,482			55,000		55,000
Program service fees	47,381					
Special events revenue	521,644					
less cost of direct benefits to donors	(169,551)					
Museum shop sales, rental income and other	55,114					
Assets released from restrictions:						
Satisfaction of time or purpose restrictions	465,611		(3,980)	(461,631)		(461,631)
Appropriation from donor endowment	233,179			(233,179)		(233,179)
Total Revenue, Gains and Other Support	1,700,696	-	(3,980)	2,184,057	187,500	2,371,557
<b>Expenses</b>						
Program	1,353,418					
Support	98,868					
Development	126,280					
Total Functional Expenses	1,578,566					
Change in Net Assets from Operations	122,130	-	(3,980)	2,184,057	187,500	2,371,557
<b>Non-operating Activities</b>						
Investment return (Note 2)	8,594			39,913		39,913
Fundraising - Capital Campaign	(62,327)					
Depreciation expense	(277,300)					
Assets released from restrictions:						
Satisfaction of purpose restrictions	62,327			(62,327)		(62,327)
Satisfaction of construction restrictions	2,764,054			(2,764,054)		(2,764,054)
Change in Net Assets from Non-operating Activities	2,495,348	-	-	(2,786,466)	-	(291,120)
Change in Net Assets	2,617,478	-	(3,980)	(602,411)	187,500	(414,911)
Net Assets - Beginning of Year, as previously reported	15,534,618	375,000	128,555	1,557,710	4,172,229	5,729,939
Prior period adjustment - change in accounting principle (Note 7)	(619,972)					
Net Assets - Beginning of Year, adjusted	14,914,646	375,000	128,555	1,557,710	4,172,229	5,729,939
Net Assets - End of Year	\$ 17,532,125	\$ 375,000	\$ 124,575	\$ 955,299	\$ 4,359,729	\$ 5,315,028
						\$ 23,498,701

See accompanying notes to financial statements.

**GREENWICH HISTORICAL SOCIETY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2019**

	<u>PROGRAM</u>	<u>SUPPORT</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
Advertising	\$ 8,168	\$ -	\$ 907	\$ 9,075
Bank and investment fees	3,794	-	949	4,743
Collections	2,000	-	-	2,000
Conferences	1,057	-	-	1,057
Consultants	35,365	2,306	769	38,440
Cultivation	1,670	1,949	1,949	5,568
Fabrication	975	-	-	975
Graphic design	16,820	-	1,869	18,689
Health insurance	33,432	2,492	4,206	40,130
Honoraria	8,531	-	-	8,531
Hospitality	20,924	-	6,975	27,899
Insurance	41,880	2,732	910	45,522
Maintenance - building	60,798	3,965	1,322	66,085
Maintenance - equipment	7,477	488	163	8,128
Maintenance - grounds	32,825	2,142	714	35,681
Miscellaneous expense	38,676	-	-	38,676
Museum store and café	30,078	-	-	30,078
Online expense	5,350	-	-	5,350
Outside services	15,038	5,012	-	20,050
Pension contributions	20,185	1,505	2,539	24,229
Photography	2,587	-	287	2,874
Postage and Delivery	9,731	1,216	1,216	12,163
Printing and photocopying	33,855	4,232	4,232	42,319
Professional fees	80,785	8,976	-	89,761
Rentals	10,058	-	-	10,058
Salaries	690,038	51,436	86,804	828,278
Security	4,965	324	108	5,397
Supplies	20,931	2,616	2,616	26,163
Taxes - payroll	51,780	3,860	6,514	62,153
Taxes - real estate taxes	6,727	439	146	7,312
Travel	687	38	38	763
Utilities and telephone	48,172	3,141	1,048	52,361
<hr/>				
Total Functional Expenses	\$ 1,353,418	\$ 98,868	\$ 126,280	\$ 1,578,566
	<u>86%</u>	<u>6%</u>	<u>8%</u>	<u>100%</u>

See accompanying notes to financial statements.

**GREENWICH HISTORICAL SOCIETY, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2019**

Cash flows from operating activities:

Change in net assets	\$ 2,198,588
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Adjustments to reconcile change in net assets to  
net cash provided by operating activities:

Depreciation	277,300
Prior period adjustment	(619,972)
Unrealized loss on investments	375,575
Realized gain on investments	(304,195)
Increase in pledges receivable	(2,482)
Increase in inventories	(10,639)
Increase in prepaid expenses	(13,862)
Decrease in accounts payable	(304,494)

Total adjustments	(602,773)
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Net cash provided by operating activities	1,595,815
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Cash flows from investing activities:

Proceeds from sale/maturity of investments	2,291,364
Purchase of investments	(1,863,426)
Collections - change in accounting principle	619,972
Purchase of equipment	(4,156)
Historic expenditures	(31,056)
Completion of construction	(2,734,332)

Net cash used by investing activities	(1,721,634)
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Cash flows from financing activities:

Proceeds from demand notes	500,000
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Net cash provided by financing activities	500,000
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Net increase in cash and cash equivalents	374,180
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Cash and cash equivalents - beginning of year	443,080
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Cash and cash equivalents - end of year	\$ 817,260
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**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES**

Greenwich Historical Society, Inc. (the "Historical Society") was organized in 1931 as a not-for-profit organization to preserve and interpret Greenwich history to strengthen the community's connection to its past, to each other and to the future.

**BASIS OF PRESENTATION**

The financial statements of the Historical Society have been prepared in accordance with generally accepted accounting principles which require reporting its financial position and activities according to the following asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose at the discretion of the Historical Society's management and Board of Trustees.

Net assets with donor restrictions – net assets subject to restrictions imposed by donors. Some restrictions are temporary in nature which can be met by actions of the Historical Society or by the passage of time. Other donor restrictions are perpetual in nature where the donor has directed that the funds be maintained in perpetuity.

Contributions received are recorded as donor unrestricted or donor restricted, depending on the existence and/or nature of any restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as assets released from restrictions.

**MEASURE OF OPERATIONS**

The statement of activities reports all changes in net assets from operating and non-operating activities. Operating activities are attributable to the Historical Society's ongoing activities. Non-operating activities are limited to resources that generate return from investments, depreciation, and other activities considered to be of a more unusual and nonrecurring nature.

**NEW ACCOUNTING PRONOUNCEMENT**

In 2016, the Financial Accounting Standards Board issued ASU 2016-14 – Presentation of Financial Statements of Not-For-Profit Entities. The update addresses net asset classification, requires disclosure about liquidity and availability of resources and consistency in presenting expenses and investment return. The provisions of the ASU have been applied retrospectively to all periods presented.

**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 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 and expenses during the reporting period. Actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Historical Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES

Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

INVESTMENTS

Investments are recorded at fair market value. See Note 2 for a discussion of fair value measurements. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

COLLECTIONS

Collections, which consist of manuscripts, reference works, art objects and other artifacts of historical significance, are not capitalized in the Historical Society's financial statements and are held for public exhibition, education and research (see Note 7 regarding the change in accounting principle). Proceeds from the sale of any items in the collection are used only for the acquisition of collection items, their direct care and collections management.

HISTORIC LAND, BUILDINGS AND FURNITURE

Historic land, buildings and furniture are of historic importance and therefore, are not subject to depreciation. They are capitalized at cost if purchased and at fair value if received by donation.

PROPERTY, EQUIPMENT, AND FURNISHINGS

Depreciable assets are recorded at cost and depreciation is calculated using the straight line method taken over their useful lives. Building and improvements are depreciated over 27.5 or 39 years and equipment and furnishings are depreciated over 5 to 10 years.

DONATED SERVICES

Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services. However, trustees and volunteers donate significant amounts of their time to the Historical Society.

FUNCTIONAL EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail on the statement of functional expenses. Certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis. Depending on the nature of the expense, allocations are based on time and effort and square footage.

INCOME TAX STATUS

The Historical Society is a "not-for-profit" organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Historical Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; fiscal years ending June 30, 2016 – June 30, 2018 remain open.

(Continued)

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**COMPENSATED ABSENCES**

Employees of the Historical Society are entitled to paid vacation, paid sick days, and personal days off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Historical Society's policy is to recognize the costs of compensated absences when actually paid to employees.

**NOTE 2. INVESTMENTS**

The Historical Society's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Historical Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurements at reporting date using:

<u>June 30, 2019</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Short-term investments:				
Certificates of deposit	<u>\$ 50,938</u>	<u>\$ 50,938</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term investments:				
Exchange-traded funds	\$ 57,635	\$ 57,635	\$ -	\$ -
Fixed income	329,626		329,626	-
Mutual funds	<u>5,396,978</u>	<u>-</u>	<u>-</u>	<u>5,396,978</u>
Total long-term investments	<u>\$ 5,784,239</u>	<u>\$ 57,635</u>	<u>\$ 329,626</u>	<u>\$ 5,396,978</u>

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs reflecting companies' own assumptions about the way assets should be priced and have the lowest priority.

*Level 1 Fair Value Measurements:* The fair values of certificates of deposit and exchange-traded funds that are based on quoted market prices from active markets.

*Level 2 Fair Value Measurements:* Corporate bonds have observable inputs to quoted fair values.

*Level 3 Fair Value Measurements:* The mutual funds are not actively traded and significant other observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. Mutual funds are valued by the investment manager who evaluates the funds individually to determine that their net asset values are calculated appropriately and considers whether an adjustment to the net asset value is necessary based upon various factors, including, but not limited to, the attributes of the interest in each individual fund, including the rights and obligations, and any restriction on or illiquidity of such interests, and the fair value of such fund's investment portfolio or other assets and liabilities.

(Continued)

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

**NOTE 2. INVESTMENTS (Continued)**

The following table provides further details of the Level 3 fair value measurements for the year ended June 30, 2019:

Beginning balance	\$ 5,957,610
Total gains or losses (realized and unrealized)	(442,133)
Investment income, net of fees	114,680
Net Transfers	<u>(233,179)</u>
Ending balance	<u><u>\$ 5,396,978</u></u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest	\$ -	\$ -	\$ -
Dividends	15,212	116,350	131,562
Investment fees	-	(11,676)	(11,676)
Realized gain on investments	41,454	262,742	304,196
Unrealized loss on investments	<u>(48,072)</u>	<u>(327,503)</u>	<u>(375,575)</u>
	<u>\$ 8,594</u>	<u>\$ 39,913</u>	<u>\$ 48,507</u>

**NOTE 3. EMPLOYEE BENEFIT PLANS**

The Historical Society has a defined contribution plan (the "Plan") under section 403(b) of the Internal Revenue Code covering all employees with at least one year of service and who have attained the age of 25. The Historical Society makes a contribution to the Plan each year equal to 3% of all participants' compensation. In addition, the Historical Society entered into a tax-deferred annuity plan qualified under Section 403(b). The plan covers certain employees of the Historical Society. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code, if they wish. In 2007, a tax-deferred defined contribution plan qualified under Section 457(b) of the Internal Revenue Code was established for certain qualified employees. Total pension expense for the year ended June 30, 2019 was \$24,229.

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

**NOTE 4. CONCENTRATIONS OF CREDIT RISK**

The Historical Society maintains cash balances and short-term investments at four financial institutions located in Southern Connecticut. Funds at each financial institution are protected up to \$250,000 under Federal Deposit Insurance Coverage (FDIC). As of June 30, 2019, the Historical Society had \$465,704 of funds on deposit in excess of FDIC coverage at one financial institution.

The Historical Society maintains one investment account with The Investment Fund for Foundations ("TIFF") and one with a financial institution. The investment accounts are protected by the Securities Investor Protection Corporation, which provides up to \$500,000 per investor (\$250,000 for cash claims), and internal policies that cover all cash and securities. The Historical Society also maintains one investment account with The Vanguard Group which is protected by the Securities Investor Protection Corporation. As of June 30, 2019, none of the Historical Society's securities were at risk.

**NOTE 5. OTHER PAYABLE**

In January, 2019, a related party advanced \$500,000 to the Historical Society in the form of two demand promissory notes for \$250,000 each. The advance provides temporary funding pending the scheduled payment of outstanding pledges and grants related to the Capital Campaign. The notes, which do not call for interest, are expected to be repaid prior to June 30, 2020.

**NOTE 6. REIMAGINE THE CAMPUS CAMPAIGN**

In 2015, the Historical Society embarked on a program to transform its campus which included the restoration of Toby's Tavern, the construction of a two-story archives and exhibition building, and the expansion of parking and improved access to the site. The total cost of the project was \$13.7 million, including \$1.7 million for the Program Enrichment Fund, which is being provided by a combination of public grants and private contributions. An anonymous donor is matching contributions dollar-for-dollar up to \$6.75 million. As of June 30, 2019, the construction project was completed and the reimagined campus was opened to the public in October, 2018.

In addition, an Endowment component with a goal of \$5 million has been added to the Campaign. As of June 30, 2019, unpaid pledges and grants total \$675,000.

**NOTE 7. CHANGE IN ACCOUNTING PRINCIPLE FOR COLLECTIONS**

Effective July 1, 2018, the Historical Society changed its accounting policy for its historic collections and will not recognize them as assets. Prior to July 1, 2018, accessions were capitalized at cost and at fair value if donated. It is not practicable to report collections as assets in the statement of financial position. Accordingly, \$619,972, the amount carried for collections, will be written off resulting in a restatement (reduction) in unrestricted net assets as of July 1, 2018 in this amount.

**NOTE 8. BOARD DESIGNATED NET ASSETS**

As of June 30, 2019, funds set aside by the Board of Trustees of the Historical Society as part of net assets without donor restrictions are as follows:

Major Maintenance – future major repairs	\$ 124,575
van der Stricht – preservation mission	151,973
General Reserve	<u>375,000</u>
	<u>\$ 651,548</u>

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

Donor restricted net assets as of June 30, 2019 are as follows:

Subject to expenditures for a specific purpose:

Art Acquisitions Fund – for purchases for permanent collections	\$ 15,000
Book Award – for high school teachers to award juniors with a book award	3,326
Capital Campaign Fund – for the project “reimagining the Campus”	(659,847)
Collections Fund – for the care and acquisition of collections	9,500
Constance Hinman Getz Fund – for support of the archives	8,500
Education Fund – for support of educational programs	3,978
Finch Fund – for general use pertaining to the archives	2,724
French Farm Fund – for support of programs and initiatives jointly with the Friends of French Farm	128,334
Greenwich Garden Club Fund - for the Tavern garden	5,086
Historic Markers Fund – for signs in Greenwich Town's Historic Districts	1,590
Hortulus Fund – for the project to restore the gardens and grape arbor	40,715
Online History/JHT Online Fund – for projects utilizing digital technology	(5,705)
Landmarks Fund – for subsidizing the cost of landmark plaques	1,121
Program Enrichment Fund – for enhancements of educational programs, exhibitions, collections initiatives and expanded communications	547,123
Strackbein Catalog Fund – for library cataloging	8,686
Thomas Cooke Collection Fund – for offsite collection storage and processing costs	3,037
Twachtman Exhibition Fund – for exhibition and catalog in 2020	5,000
Williams Acquisitions Fund – for acquisitions to collections	25,828
	<u>143,996</u>

Subject to the Historical Society's spending policy:

Endowment Return Fund	693,025
Strackbein Archives Endowment Return Fund	11,402
Wierdsma Endowment Return Fund	106,876
	<u>811,303</u>

Restricted in perpetuity:

General Endowment Fund	2,233,930
Denning Title 1 School Endowment Fund	250,000
Strackbein Archives Endowment Fund	112,071
Barbara and Ray Dalio Title 1 Fund	150,000
Wierdsma Endowment Fund	1,613,728
	<u>4,359,729</u>

**Total Net Assets with Donor Restrictions** **\$ 5,315,028**

The composition of assets released from restrictions during the year ended June 30, 2019 is as follows:

Subject to expenditure for specific purpose:

Capital Campaign	\$ 2,813,707
Finch	399
French Farm (net addition of \$53,507)	(5,507)
Greenwich Garden Club	9,914
Historic Markers	1,342
Hortulus	19,810
Online History/JHT Online Fund	4,200
Program Enrichment	429,985
Strackbein Archives Clearing Fund	5,164
Strackbein Catalog	6,314
Thomas Cooke Collection	684
Williams Acquisitions	2,000
<u>Subject to Historical Society spending policy</u>	<u>233,179</u>
	<u><b>\$ 3,521,191</b></u>

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

**NOTE 10. NET ASSETS RESTRICTED IN PERPETUITY BY DONORS (ENDOWMENT)**

At June 30, 2019, the net assets with donor restrictions for perpetual endowment comprises original principal (contribution) amounts totaling \$4,359,729. According to Connecticut state law, any income, realized gains/losses, and unrealized gains/losses from net assets with donor restrictions for perpetual endowment are to be included with net assets with donor restrictions for time and purpose restrictions. The individual fund balances are presented in Note 9, Net Assets with Donor Restrictions.

The annual total return of the funds (comprised of interest, dividends and realized and unrealized gains and losses) will be distributed each fiscal year in an amount up to 5% of the average fair market value as of June 30th of the three preceding fiscal years, provided that no distribution may be made which would reduce the principal of the funds to less their original amount. Sixty percent of the David R. A. Wierdsma Fund distribution will be spent by the Historical Society on programs jointly sponsored by the Society and Friends of French Farm, a nonprofit organization established by David Wierdsma and others for the preservation of historical landscapes and gardens and the development of educational and cultural programs. For the year ended June 30, 2019, the amount of the distribution was \$89,179.

The current policy with respect to the General Endowment Fund is to transfer annually to the unrestricted fund an amount equal to 5% of the average year-end market value of the funds restricted in perpetuity for the preceding three years. For the year ended June 30, 2019, \$144,000 was transferred to the unrestricted fund.

Components of donor-restricted funds as of June 30, 2019 are as follows:

Original donor-restricted gift amounts required to be maintained in perpetuity by donors	\$ 4,359,729
Accumulated investment gains	<u>811,303</u>
	<u>\$ 5,171,032</u>
<u>Changes during the year:</u>	
Balance at July 1, 2018	\$ 5,176,798
Contributions	187,500
Investment return, net	39,913
Appropriation for expenditure	<u>(233,179)</u>
Balance at June 30, 2019	<u>\$ 5,171,032</u>

**NOTE 11. AVAILABILITY AND LIQUIDITY**

The following represents the Historical Society's financial assets at June 30, 2019 available to meet general expenditures. Amounts not available include board designated funds that could be drawn upon if the Board of Trustees approves such action.

Cash and cash equivalents	\$ 817,261
Short-term investments	50,938
Pledges receivable	43,443
Investments	<u>5,784,239</u>
Total Financial Assets	<u>6,695,881</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	5,315,028
Less net assets with purpose restrictions to be met in less than a year	( 770,794)
Board designated funds	<u>651,548</u>
	<u>5,195,782</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,500,099</u>

(Continued)

**GREENWICH HISTORICAL SOCIETY, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**  
**(Continued)**

NOTE 11. AVAILABILITY AND LIQUIDITY (Continued)

The Historical Society is supported primarily by unrestricted contributions supplemented by donor funds restricted as to purpose, including an annual draw from accumulated returns of the Endowment Funds (see Note 9).

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated all activity through October 16, 2019 (the report date of the financial statements as well as the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

On October 1, 2019, the Organization sold the 42 Strickland Road property.



## **SUPPLEMENTARY INFORMATION**

**GREENWICH HISTORICAL SOCIETY, INC.**  
**SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS - TIME OR PURPOSE RESTRICTED**  
**For the Year Ended June 30, 2019**

	Finch Archives	Book Award	Greenwich Garden Club	Education	Constance Human, Gatz	French Farm	JHT Online / History	Landmarks Acquisitions	Williams Acquisitions	Capital Campaign	Program Enrichment	Catalog	Strackbein ARC Fund	Thomas Cooke Collection	Historic Markers	Art Acquisitions	Twachtman Exhibition	Allocation from Net Assets With			Total
																		Donor Restrictions -	Perpetual Endowment	PRF Return	
																		Strackbein		D.W. Fund	Subtotal*
Operating Activities:																					
Revenues, Gains and Other Support																					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,727,367	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 5,000	\$ 2,500	\$ -	\$ -	\$ 2,823,867
Grants																					55,000
Special events revenue																					-
less: costs of direct benefits to donors																					-
Other income																					-
Investments return																					-
Assets released from restrictions:																					-
Satisfaction of time or purpose restriction	(399)					5,507	(4,200)	(2,000)	(2,000)	(17,050.01)	(429,985)	(6,314)	(5,164)	(684)	(1,343)	-	-	-	-	-	(461,631)
Appropriation from donor endowment																					(233,179)
Change in Net Assets from Operations	(399)	40,000	15,000	-	-	5,507	(4,200)	(2,000)	(2,000)	2,710,317	(355,985)	(6,314)	(5,164)	(684)	(1,343)	15,000	5,000	2,500	-	(89,179)	2,184,057
Non-operating Activities:																					
Investment return																					
Assets released from restrictions:																					
Satisfaction of purpose restrictions										(62,327)											63,844
Satisfaction of construction restrictions										(2,734,330)											(2,764,054)
Change in Net Assets from Non-operating Activities	-	(19,810)	(9,914)	-	-	-	-	-	-	(2,796,657)	-	-	-	-	-	-	-	11,402	(35,333)	63,844	(2,766,469)
Change in Net Assets	(399)	20,190	5,086	-	-	5,507	(4,200)	(2,000)	(2,000)	(86,340)	(355,985)	(6,314)	(5,164)	(684)	(1,343)	15,000	5,000	2,500	11,402	(124,512)	(802,411)
Net Assets at July 1, 2018	3,123	20,525	3,326	-	3,978	8,500	122,827	1,121	27,828	(673,507)	903,108	15,000	5,164	3,721	2,932	-	-	7,000	-	231,388	1,557,710
Net Assets at June 30, 2019	\$ 2,724	\$ 40,715	\$ 3,326	\$ 5,086	\$ 3,978	\$ 8,500	\$ 128,334	\$ 1,121	\$ 25,828	\$ (659,847)	\$ 547,123	\$ 8,688	\$ (0)	\$ 3,037	\$ 1,590	\$ 15,000	\$ 5,000	\$ 9,500	\$ 11,402	\$ 106,876	\$ 693,025
																					\$ 655,299

\* See page 17 for details.

GREENWICH HISTORICAL SOCIETY, INC.  
SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL ENDOWMENT  
For the Year Ended June 30, 2019

	Roberta & Steven Denning Title I School	Claire & Hugh Vanderbilt	Deborah & Russell Reynolds	Isabel & Peter Malkin	Blumenthal Family	General	RT Vanderbilt	Antell Family	William Crooks	Barbara & Ray Dallo Title I	Subtotal	Strackbein Archives	David R.A. Weirsdma Fund	Grand Total
Operating Activities:														
Revenues, Gains and Other Support														
Contributions	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ 150,000	\$ 187,500	\$ -	\$ -	\$ 187,500
Change in Net Assets	-	-	25,000	-	-	12,500	-	-	-	150,000	187,500	-	-	187,500
Net Assets at July 1, 2018	250,000	1,144,210	402,297	250,000	25,000	272,208	30,425	20,890	51,400	-	2,448,430	112,071	1,613,728	4,172,229
Net Assets at June 30, 2019	\$ 250,000	\$ 1,144,210	\$ 427,297	\$ 250,000	\$ 25,000	\$ 284,708	\$ 30,425	\$ 20,890	\$ 51,400	\$ 150,000	\$ 2,633,930	\$ 112,071	\$ 1,613,728	\$ 4,359,729
Market value at June 30, 2019														
Contributions	\$ 250,000	\$ 1,144,210	\$ 427,297	\$ 250,000	\$ 25,000	\$ 284,708	\$ 30,425	\$ 20,890	\$ 51,400	\$ 150,000	\$ 2,633,930	\$ 112,071	\$ 1,613,728	\$ 4,359,729
Allocation of Investment Returns	65,779	301,057	112,428	65,779	6,578	74,911	8,005	5,496	13,523	39,467	693,025	11,402	106,876	811,303
	\$ 315,779	\$ 1,445,267	\$ 539,725	\$ 315,779	\$ 31,578	\$ 359,619	\$ 38,430	\$ 26,386	\$ 64,923	\$ 189,467	\$ 3,326,955	\$ 123,473	\$ 1,720,604	\$ 5,171,032