

GREENWICH HISTORICAL SOCIETY, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2023

GREENWICH HISTORICAL SOCIETY, INC.

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Year Ended June 30, 2023

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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, 2023, and 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 Greenwich Historical Society, Inc. as of June 30, 2023, 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. 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 Greenwich Historical Society, Inc. 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 these 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 Greenwich Historical Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 in

accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 generally accepted auditing standards, 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 Greenwich Historical Society, Inc.'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 Greenwich Historical Society, Inc.'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 findings, and certain internal control related matters that we identified during the audit.

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 - 18 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.



Walter J. McKeever & Company, LLC
Greenwich, Connecticut
January 19, 2024

GREENWICH HISTORICAL SOCIETY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

Current Assets	
Cash and cash equivalents	\$ 221,522
Short-term investments (Note 2)	271,042
Other receivable	270,717
Inventories	49,930
Prepaid expenses	18,625
Total Current Assets	<u>831,836</u>
Property, Equipment and Furnishings	
Buildings and land	8,929,043
Equipment and furnishings	2,709,072
Less: accumulated depreciation	(3,246,749)
Net Property, Equipment and Furnishings	<u>8,391,366</u>
Other Assets	
Other receivable	40,000
Long-term investments (Note 2)	7,185,036
Historic land, buildings and furniture	7,469,478
Total Other Assets	<u>14,694,514</u>
Total Assets	<u>\$ 23,917,716</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 42,152
Deferred revenue	90,000
Total Liabilities	<u>132,152</u>
Net Assets	
Without donor restrictions	
Unrestricted	16,630,550
Board designated (Note 8)	1,995,575
Total Without Donor Restrictions	<u>18,626,125</u>
With donor restrictions	
Time or purpose restricted (Note 9)	771,960
Perpetual endowment (Note 10)	4,387,479
Total With Donor Restrictions	<u>5,159,439</u>
Total Net Assets	<u>23,785,564</u>
Total Liabilities and Net Assets	<u>\$ 23,917,716</u>

See accompanying notes to financial statements.

GREENWICH HISTORICAL SOCIETY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	WITHOUT DONOR RESTRICTIONS					WITH DONOR RESTRICTIONS				
	UNRESTRICTED	RESERVE	MAINTENANCE	VAN DER STRICHT	VON GOEBEN	CORE	TOTAL WITHOUT DONOR RESTRICTIONS	TIME OR PURPOSE RESTRICTED	PERPETUAL ENDOWMENT	TOTAL WITH DONOR RESTRICTIONS
<u>Operating Activities</u>										
Revenue, Gains and Other Support	\$ 433,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,968	\$ 42,620	\$ -	\$ 42,620
Contributions	108,410						108,410			108,410
Memberships	265,698						265,698	28,542		294,240
Grants	123,056						123,056			123,056
Program service fees	832,958						832,958			832,958
Special events revenue	(88,380)						(88,380)			(88,380)
less cost of direct benefits to donors	(273,409)						(273,409)			(273,409)
less event expenses										
Museum store sales, rental income and other	217,145						217,145			217,145
Employee retention credits (Note 7)	454,831						454,831			454,831
Assets released from restrictions:										
Satisfaction of time or purpose restrictions	115,699						115,699	(115,699)		(115,699)
Appropriation from endowment	219,720						219,720	(219,720)		(219,720)
Total Revenue, Gains and Other Support	2,409,696						2,409,696	(264,258)		2,145,440
<u>Expenses</u>										
Program	2,008,671						2,008,671			2,008,671
Support	233,150			35			233,185			233,185
Development	169,688						169,688			169,688
Total Functional Expenses	2,411,509			35			2,411,544			2,411,544
Change in Net Assets from Operations	(1,813)			(35)			(1,848)	(264,258)		(266,106)
<u>Non-operating Activities</u>										
Investment return (Note 2)	554,552						554,552	73,173		627,724
Depreciation expense	(417,674)						(417,674)			(417,674)
Assets released from restrictions:										
Satisfaction of capital restrictions	57,440			(10,566)			46,874	(46,874)		0
Change in Net Assets from Non-operating Activities	194,318			(10,566)			183,752	26,299		210,051
Change in Net Assets	192,505			(10,601)			181,904	(237,959)		(56,055)
Net Assets - Beginning of Year	16,438,045	375,000	124,575	48,041	473,328	985,232	18,444,221	1,009,919	4,387,479	23,841,619
Transfer of funds										
Net Assets - End of Year	\$ 16,630,550	\$ 375,000	\$ 124,575	\$ 37,440	\$ 473,328	\$ 985,232	\$ 18,626,125	\$ 771,960	\$ 4,387,479	\$ 5,159,439

See accompanying notes to financial statements.

GREENWICH HISTORICAL SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>PROGRAM</u>	<u>SUPPORT</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
Advertising	\$ 3,290	\$ 1,247	\$ -	\$ 4,537
Bank and investment fees	16,230	-	4,057	20,287
Conferences	1,148	338	40	1,526
Consultants	49,337	3,219	1,073	53,627
Cultivation	1,253	1,462	1,462	4,179
Dues and subscriptions	30,543	-	-	30,543
Exhibition design	22,550	-	-	22,550
Exhibition fabrication	124,513	-	-	124,513
Graphic design	14,306	-	350	14,656
Health insurance	45,037	7,799	2,253	55,090
Honoraria	22,765	-	1,000	23,765
Hospitality	39,747	-	13,249	52,996
Insurance	74,796	4,878	1,626	81,299
Maintenance - building	86,676	5,653	1,884	94,213
Maintenance - equipment	17,666	1,152	384	19,202
Maintenance - grounds	43,729	2,852	951	47,533
Miscellaneous expense	397	8,793	4	9,194
Museum store and café	83,996	-	-	83,996
Online expense	5,837	-	-	5,837
Outside services	80,334	73,729	12,523	166,586
Pension contributions	22,961	3,142	3,142	29,245
Photography	4,262	750	3,100	8,112
Postage and delivery	9,616	-	2,404	12,020
Printing and photocopying	35,196	4,400	4,400	43,995
Professional fees	46,688	52,590	810	100,088
Rentals	20,737	-	-	20,737
Salaries	897,562	46,329	100,076	1,043,967
Security	9,356	610	203	10,170
Supplies	28,663	3,583	3,583	35,830
Taxes - payroll	74,288	4,419	8,808	87,515
Taxes - real estate taxes	1,777	116	39	1,932
Travel	1,608	137	271	2,016
Utilities and telephone	91,807	5,987	1,996	99,790
Total Functional Expenses	\$ 2,008,671	\$ 233,185	\$ 169,688	\$ 2,411,544
	<u>83%</u>	<u>10%</u>	<u>7%</u>	<u>100%</u>

See accompanying notes to financial statements.

GREENWICH HISTORICAL SOCIETY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Cash flows from operating activities:	
Change in net assets	<u>\$ (56,055)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	417,674
Unrealized gain on investments	(281,493)
Realized loss on investments	139,401
Decrease in pledges receivable	12,000
Increase in other receivable	(254,560)
Increase in inventories	(10,378)
Decrease in prepaid expenses	60,549
Decrease in accounts payable	(3,482)
Decrease in deferred revenue	<u>(15,000)</u>
Total adjustments	<u>64,711</u>
Net cash provided by operating activities	<u>8,657</u>
Cash flows from investing activities:	
Proceeds from sale/maturity of investments	1,444,024
Purchase of investments	(1,596,369)
Purchase of equipment	(13,892)
Improvements to buildings and land	(239,041)
Historic expenditures	<u>(1,141)</u>
Net cash used by investing activities	<u>(406,419)</u>
Cash flows from financing activities:	
Repayment of note payable	<u>(300,000)</u>
Net cash used by financing activities	<u>(300,000)</u>
Net decrease in cash and cash equivalents	(697,762)
Cash and cash equivalents - beginning of year	<u>919,284</u>
Cash and cash equivalents - end of year	<u><u>\$ 221,522</u></u>

See accompanying notes to financial statements.

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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.

In 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14 – Presentation of Financial Statements of Not-For-Profit Entities. It 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.

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.

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.

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.

(Continued)

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COLLECTION

Items in the collection which were acquired through purchases and contributions since the Historical Society's inception are not recognized as assets on the statement of financial position. These consist of manuscripts, reference works, art objects and other artifacts of historical significance that are held for public exhibition, education and research. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as decreases in net assets with donor restrictions if the assets used to purchase the items were restricted by donors. Proceeds from the sale of any items in the collection or insurance recoveries are reflected as increases in the appropriate net asset classes and are used exclusively for reinvestment in the collection, the direct care and collection 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.

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.

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, 2020 through June 30, 2022 remain open.

New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842) which supersedes the leasing guidance in ASC 840, *Leases*. Under ASU 2016-02 leases with terms longer than 12 months are required to recognize the rights and obligations of new and existing lease arrangements as assets and liabilities on the statement of financial position. Leases will be classified as either finance or operating, with classification determining the pattern of expense recognition on the statement of activities. Topic 842 was effective for the Organization on July 1, 2022. Adoption of the standard at this time had no impact on the financial statements due to the immaterial nature of the equipment operating lease.

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

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>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>
<u>Short-term investments:</u>				
CD and Sweep Cash	\$ 271,042	\$ 271,042	\$ -	\$ -
<u>Long-term investments:</u>				
Exchange-traded funds	\$ 1,029,612	\$ 1,029,612	\$ -	\$ -
Fixed income	1,474,903		1,474,903	
Insured deposits	88,744	88,744		
Mutual funds	4,591,777	-	-	4,591,777
Total Long-term investments	\$ 7,185,036	\$ 1,118,356	\$ 1,474,903	\$ 4,591,777

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, short-term sweep cash investment, insured deposits and exchange-traded funds 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.

The following table provides further details of the Level 3 fair value investments for the year ended June 30, 2023:

(Continued)

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 2. INVESTMENTS (Continued)

Beginning balance	\$ 4,858,723
Total gains or losses (realized and unrealized)	(85,464)
Investment income, net of fees	28,238
Net Transfers	<u>(209,720)</u>
Ending balance	<u>\$ 4,591,777</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2023:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Interest	\$ 33,291	\$ 3,343	\$ 36,634
Dividends	447,247	11,950	459,197
Investment fees	-	(10,198)	(10,198)
Realized loss on investments	(48,939)	(90,462)	(139,401)
Unrealized gain on investments	<u>122,953</u>	<u>158,540</u>	<u>281,493</u>
	<u>\$ 554,552</u>	<u>\$ 73,173</u>	<u>\$ 627,725</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, 2023 was \$29,245.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

The Historical Society maintains cash balances and short-term investments at two financial institutions. Funds at each financial institution are protected up to \$250,000 under Federal Deposit Insurance Coverage (FDIC). As of June 30, 2023, the Historical Society had \$2 of funds on deposit in excess of FDIC coverage at one financial institution. The checking account also has a sweep feature to invest excess funds over the FDIC coverage into short-term investment that is protected.

The Historical Society maintains one investment account with The Investment Fund for Foundations ("TIFF") and two with The First Republic Bank. 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, 2023, none of the Historical Society's investment securities were at risk.

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 5. 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 was a combination of public grants and private contributions. An anonymous donor matched contributions dollar-for-dollar up to \$6.75 million. The construction project was completed as of June 30, 2019 and the reimaged campus was opened to the public in October, 2018. In addition, an Endowment component with a goal of \$5 million was added to the Campaign.

NOTE 6. PROPERTY DAMAGE DISPUTE

During the fiscal year ended June 30, 2022, the Historical Society sustained significant water damage to the new archives and exhibition building (see Note 5 above) from two major storms. As a result of the damage, scheduled exhibitions were postponed and collections were moved off-site for storage while repairs were being made. The Archives and other activities scheduled to take place in the building were adversely affected as well during the fiscal year ended June 30, 2022 and part of fiscal year ended June 30, 2023. A dispute arose between the architect, the construction contractor of the new building improvements and the Historical Society with respect to financial responsibility for the off-site storage costs, recovery costs, and repairs, a portion of which has been covered by the Historical Society's insurer. The parties entered into mediation to resolve the dispute and a settlement was reached in Spring 2023.

NOTE 7. EMPLOYEE RETENTION CREDITS

The Consolidated Appropriations Act of 2021 expanded the Employee Retention Tax Credit (ERTC) to businesses that received PPP loans. The ERTC under the CARES Act encouraged businesses who have been financially impacted by COVID-19 to keep employees on their payroll and apply for refundable tax credits. The tax credit can be claimed up to 50% of qualified wages paid, up to \$10,000 per employee annually for wages paid between March 13, 2020 – December 31, 2020 and 70% qualified wages paid, up to \$10,000 per employee for the first two quarters of 2021. The American Rescue Plan Act of 2021 extended eligibility through the third quarter of 2021. In June 2023, the Historical Society received six payments from US Treasury for the second quarter 2020 - third quarter 2021 which totaled \$454,831. A fee of 15% of what was received was paid for assistance with filing these claims for the tax credits.

NOTE 8. BOARD DESIGNATED NET ASSETS

As of June 30, 2023, 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	37,440
von Goeben – created from a bequest of a lifetime member	473,328
Core Fund – for enhancements of educational programs, exhibitions, collections initiatives and expanded communications	985,232
General Reserve	<u>375,000</u>
	<u>\$ 1,995,575</u>

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets as of June 30, 2023 are as follows:

Subject to expenditures for a specific purpose:

Book Award Fund – for high school teachers to award juniors with a book award	\$ 3,326
Collections Fund – for the care and acquisition of collections	12,000
Constance Hinman Getz Fund – for support of the archives	6,298
Dalio Family Fund – to support development and presentation of education programs For Title I Schools in Greenwich	246,750
Docent Fund – to provide additional hours for docent and research function	19,760
D.R.A.W. Fund – to support art, history, landscape and preservation programs	161,617
Education Fund – for support of educational programs	4,548
Finch Fund – for general use pertaining to the archives	1,919
Finch Burial Fund – for research and/or protection of historic burial grounds in Greenwich	14,345
Flood Fund – for repairs incurred due to Hurricane Ida in September 2021	22,687
Greenwich Garden Club Fund - for the Tavern garden	5,586
Historic Markers Fund – for signs in Greenwich Town’s Historic Districts	1,590
Online History/JHT Online Fund – for online catalog of art works by J. H. Twachtman	41,038
Landmarks Fund – for subsidizing the cost of landmark plaques	1,121
Selleck Mill Fund – for Friends of Selleck Mill’s use in preservation of Selleck Mill	3,640
Strackbein Archives Support – for support of archives activity	22,113
Strackbein Library Catalog Fund – for library cataloging	10,558
Suffrage Online Fund -for online exhibits related to women’s suffrage movement	269
Thomas Cooke Collection Fund – for offsite collection storage and processing costs	3,037
Williams Acquisitions Fund – for acquisitions to collections	23,879
	<u>606,081</u>

Subject to the Historical Society’s spending policy:

Endowment Return Fund	91,928
Strackbein Archives Endowment Return Fund	29,590
Wierdsma Endowment Return Fund	44,361
	<u>165,879</u>

Restricted in perpetuity:

General Endowment Fund	2,261,680
Denning Title 1 School Endowment Fund	250,000
Strackbein Archives Endowment Fund	112,071
Barbara and Ray Dalio Title 1 Endowment Fund	150,000
Wierdsma Endowment Fund	1,613,728
	<u>4,387,479</u>

Total Net Assets with Donor Restrictions \$ 5,397,398

(Continued)

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Assets released from restrictions during the year ended June 30, 2023 are as follows:

<u>Funds subject to expenditure for specific purpose:</u>	
Constance Hinman Getz	\$ 2,202
D.R.A.W.	(15,941)
Flood Fund	1,383
Greenwich Garden Club	1,500
IMLS Project	54,546
Online History/JHT Online	150
Selleck Mill Fund	4,410
Sports Exhibition	595
Strackbein Archives Support	32,500
Strackbein Library Catalog	2,214
Twachtman Exhibition	79,014
<u>Funds subject to Historical Society spending policy</u>	<u>219,720</u>
	<u>\$ 382,293</u>

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

At June 30, 2023, the net assets with donor restrictions for perpetual endowment comprises original contributions totaling \$4,387,479. 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 than their original amount. For the year ended June 30, 2023, \$174,000 was transferred to the unrestricted fund. Sixty percent of the David R. A. Wierdsma (D.R.A.W.) Fund distribution will be used to support art, history, landscape and preservation programs of the Historical Society and forty percent will support general operations. For the year ended June 30, 2023, the amount of the distribution was \$45,720.

Components of donor-restricted funds as of June 30, 2023 are as follows:

Original donor-restricted gift amounts required to be maintained in perpetuity by donors	\$ 4,387,479
Accumulated investment return	<u>165,879</u>
	<u>\$ 4,553,358</u>
<u>Changes during the year:</u>	
Balance at July 1, 2022	\$ 4,699,905
Contributions	0
Investment return, net	73,173
Appropriation for expenditure	<u>(219,720)</u>
Balance at June 30, 2023	<u>\$ 4,553,358</u>

GREENWICH HISTORICAL SOCIETY, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2023
(Continued)

NOTE 11. AVAILABILITY AND LIQUIDITY

The following represents the Historical Society's financial assets at June 30, 2023 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	\$	221,522
Short-term investments		271,042
Other receivable		270,717
Investments		<u>7,469,478</u>
Total Financial Assets		<u>8,231,859</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		5,159,439
Less net assets with purpose restrictions to be met in less than a year		(418,742)
Board designated funds		<u>1,995,575</u>
		<u>6,736,272</u>
Financial assets available to meet general expenditures over the next twelve months		<u>\$ 1,495,587</u>

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 Notes 9 and 10).

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated all activity through January 19, 2024 (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.

The Historical Society was awarded \$418,000 by the State of Connecticut Department of Economic & Community Development (DECD) through the Good to Great grant program which makes bond funds available for capital projects. The funds will be used to complete environmental improvements in the Bush-Holley House including restoration of a back stairway.

SUPPLEMENTARY INFORMATION