

Hill-Stead Museum

**Consolidated Financial Statements
and Independent Auditor's Report**

December 31, 2019 and 2018

Hill-Stead Museum

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Independent Auditor's Report

To the Board of Trustees
Hill-Stead Museum

We have audited the accompanying consolidated financial statements of Hill-Stead Museum (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hill-Stead Museum as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Hartford, Connecticut
December 2, 2020

Hill-Stead Museum

**Consolidated Statements of Financial Position
December 31, 2019 and 2018**

| | <u>Assets</u> | |
|---|-----------------------------------|--------------|
| | 2019 | 2018 |
| Current assets | | |
| Cash | \$ 302,184 | \$ 134,398 |
| Accounts receivable | 8,622 | 50,443 |
| Unconditional promises to give, net of allowance for doubtful accounts of \$0 and \$1,530 | 212,762 | 180,078 |
| Inventory | 50,877 | 51,044 |
| Prepaid expenses | 14,741 | 21,416 |
| Total current assets | 589,186 | 437,379 |
| Equipment and building improvements, net | 796,985 | 665,995 |
| Collections (Note 1) | - | - |
| Other assets | | |
| Unconditional promises to give, net, less current portion | 165,166 | 79,250 |
| Investments | 4,715,197 | 4,019,333 |
| Total assets | \$ 6,266,534 | \$ 5,201,957 |
| | <u>Liabilities and Net Assets</u> | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 103,245 | \$ 63,961 |
| Deferred revenue | 38,432 | 36,648 |
| Security deposits | 233 | 1,500 |
| Total current liabilities | 141,910 | 102,109 |
| Noncurrent liabilities | | |
| Line of credit | 50,000 | - |
| Total liabilities | 191,910 | 102,109 |
| Commitments | | |
| Net assets | | |
| Without donor restrictions | | |
| Equipment and building improvements | 796,985 | 665,995 |
| Board-designated | 27,343 | 27,343 |
| Undesignated | 693,999 | 228,548 |
| With donor restrictions | | |
| Purpose | 357,630 | 369,836 |
| Endowment | 4,198,667 | 3,808,126 |
| Total net assets | 6,074,624 | 5,099,848 |
| Total liabilities and net assets | \$ 6,266,534 | \$ 5,201,957 |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

**Consolidated Statement of Activities
Year Ended December 31, 2019**

| | Without donor restrictions | | | With donor restrictions | Total |
|---|----------------------------|-------------------|---------------------|----------------------------|---------------------|
| | Operating | Non-operating | Total | | |
| Revenues | | | | | |
| Government grants | \$ 8,123 | \$ - | \$ 8,123 | \$ - | \$ 8,123 |
| Foundation grants | 74,625 | - | 74,625 | 84,300 | 158,925 |
| Corporate contributions | 27,895 | - | 27,895 | - | 27,895 |
| Individual contributions | 381,204 | - | 381,204 | 517,619 | 898,823 |
| Benefit events, net of expense of \$92,299 | 185,789 | - | 185,789 | - | 185,789 |
| Admission and program fees | 182,821 | - | 182,821 | - | 182,821 |
| Retail sales | 54,266 | - | 54,266 | - | 54,266 |
| Fees - special events | 158,395 | - | 158,395 | - | 158,395 |
| Investment income, net of expense | 88,007 | 266,717 | 354,724 | 514,698 | 869,422 |
| Other income | 3,000 | - | 3,000 | - | 3,000 |
| Distributions in excess of net investment income | 149,157 | - | 149,157 | (149,157) | - |
| Net assets released from restrictions | 574,170 | 14,955 | 589,125 | (589,125) | - |
| Total revenues | 1,887,452 | 281,672 | 2,169,124 | 378,335 | 2,547,459 |
| Expenses | | | | | |
| Program expenses | 1,091,530 | 61,846 | 1,153,376 | - | 1,153,376 |
| Administrative expenses | 218,009 | 34,731 | 252,740 | - | 252,740 |
| Fundraising expenses | 163,410 | 3,157 | 166,567 | - | 166,567 |
| Total expenses | 1,472,949 | 99,734 | 1,572,683 | - | 1,572,683 |
| Other changes | | | | | |
| Transfer to capital repairs and maintenance reserve | - | - | - | - | - |
| Change in net assets | \$ 414,503 | \$ 181,938 | 596,441 | 378,335 | 974,776 |
| Net assets, beginning | | | 921,886 | 4,177,962 | 5,099,848 |
| Net assets, end | | | \$ 1,518,327 | \$ 4,556,297 | \$ 6,074,624 |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

**Consolidated Statement of Activities
Year Ended December 31, 2018**

| | Without donor restrictions | | | With donor restrictions | Total |
|---|----------------------------|---------------------|-------------------|----------------------------|---------------------|
| | Operating | Non-operating | Total | | |
| Revenues | | | | | |
| Government grants | \$ 109,727 | \$ - | \$ 109,727 | \$ 11,845 | \$ 121,572 |
| Foundation grants | 40,232 | - | 40,232 | 56,015 | 96,247 |
| Corporate contributions | 39,155 | - | 39,155 | 38,245 | 77,400 |
| Individual contributions | 359,702 | - | 359,702 | 300,809 | 660,511 |
| Benefit events, net of expense of \$107,259 | 240,264 | - | 240,264 | - | 240,264 |
| Admission and program fees | 178,950 | - | 178,950 | - | 178,950 |
| Retail sales | 55,391 | - | 55,391 | - | 55,391 |
| Fees - special events | 115,326 | - | 115,326 | - | 115,326 |
| Investment income, net of expense | 62,412 | (148,686) | (86,274) | (321,721) | (407,995) |
| Distributions in excess of net investment income | 95,189 | (21,725) | 73,464 | (73,464) | - |
| Net assets released from restrictions | 132,988 | 54,636 | 187,624 | (187,624) | - |
| Total revenues | 1,429,336 | (115,775) | 1,313,561 | (175,895) | 1,137,666 |
| Expenses | | | | | |
| Program expenses | 1,086,513 | 103,613 | 1,190,126 | - | 1,190,126 |
| Administrative expenses | 226,075 | 18,206 | 244,281 | - | 244,281 |
| Fundraising expenses | 178,941 | 3,538 | 182,479 | - | 182,479 |
| Total expenses | 1,491,529 | 125,357 | 1,616,886 | - | 1,616,886 |
| Other changes | | | | | |
| Transfer to capital repairs and maintenance reserve | 27,612 | (27,612) | - | - | - |
| Change in net assets | \$ (34,581) | \$ (268,744) | (303,325) | (175,895) | (479,220) |
| Net assets, beginning | | | 1,225,211 | 4,353,857 | 5,579,068 |
| Net assets, end | | | \$ 921,886 | \$ 4,177,962 | \$ 5,099,848 |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

Consolidated Statement of Functional Expenses Year Ended December 31, 2019 (with Comparative Totals for 2018)

| | Educational and visitor services | Collections and conservation | Poetry programs | Total program | Administrative | Fundraising | 2019 Total | 2018 Total |
|--|--|------------------------------------|--------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| Salaries and benefits | \$ 371,932 | \$ 144,087 | \$ 47,111 | \$ 563,130 | \$ 130,517 | \$ 107,167 | \$ 800,814 | \$ 820,085 |
| Contract - technical, artistic and educators | 69,087 | 18,128 | 59,129 | 146,344 | 37,091 | 26,699 | 210,134 | 206,551 |
| Maintenance contracts and repairs | - | 97,943 | - | 97,943 | - | - | 97,943 | 95,494 |
| Utilities | 7,926 | 40,855 | 1,329 | 50,110 | 13,167 | 2,558 | 65,835 | 61,170 |
| Professional fees | 33,622 | 9,005 | 1,919 | 44,546 | 5,564 | 9,056 | 59,166 | 47,104 |
| Insurance | 8,532 | 18,953 | 1,422 | 28,907 | 16,109 | 3,368 | 48,384 | 48,955 |
| Technology | 19,555 | 8,404 | 2,030 | 29,989 | 4,871 | 7,711 | 42,571 | 41,481 |
| Advertising | 12,554 | - | 11,906 | 24,460 | 120 | - | 24,580 | 34,409 |
| Merchandise | 21,556 | - | 2,098 | 23,654 | - | - | 23,654 | 28,937 |
| Printing | 15,665 | 72 | 3,624 | 19,361 | 121 | 121 | 19,603 | 24,228 |
| Professional development and travel | 8,981 | 709 | 5,774 | 15,464 | 2,923 | 938 | 19,325 | 17,561 |
| Contract - catering | 11,010 | 142 | 4,173 | 15,325 | 1,663 | 1,052 | 18,040 | 13,807 |
| Supplies | 7,772 | 825 | 289 | 8,886 | 2,503 | 1,137 | 12,526 | 12,640 |
| Equipment rental | 4,317 | 1,116 | 3,402 | 8,835 | 894 | 1,415 | 11,144 | 12,668 |
| HVAC - maintenance and repairs | - | 8,031 | - | 8,031 | - | - | 8,031 | 12,109 |
| Dues and memberships | 1,747 | 1,120 | - | 2,867 | 1,085 | 1,344 | 5,296 | 7,954 |
| Postage | 3,448 | 102 | 128 | 3,678 | 661 | 844 | 5,183 | 5,966 |
| Interest | - | - | - | - | 720 | - | 720 | 410 |
| Total operating expenses | 597,704 | 349,492 | 144,334 | 1,091,530 | 218,009 | 163,410 | 1,472,949 | 1,491,529 |
| Non-operating | - | - | - | - | 18,480 | - | 18,480 | 34,337 |
| Depreciation expense | 9,782 | 50,424 | 1,640 | 61,846 | 16,251 | 3,157 | 81,254 | 91,020 |
| Total functional expenses | \$ 607,486 | \$ 399,916 | \$ 145,974 | \$ 1,153,376 | \$ 252,740 | \$ 166,567 | \$ 1,572,683 | \$ 1,616,886 |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

Consolidated Statement of Functional Expenses Year Ended December 31, 2018

| | Educational and visitor services | Collections and conservation | Poetry programs | Total program | Administrative | Fundraising | 2018 Total |
|--|--|------------------------------------|--------------------|---------------------|-------------------|-------------------|---------------------|
| Salaries and benefits | \$ 348,536 | \$ 146,840 | \$ 54,220 | \$ 549,596 | \$ 143,416 | \$ 127,073 | \$ 820,085 |
| Contract - technical, artistic and educators | 64,068 | 28,841 | 59,525 | 152,434 | 30,908 | 23,209 | 206,551 |
| Maintenance contracts and repairs | - | 95,494 | - | 95,494 | - | - | 95,494 |
| Utilities | 7,362 | 37,961 | 1,234 | 46,557 | 12,235 | 2,378 | 61,170 |
| Professional fees | 23,865 | 8,415 | 1,738 | 34,018 | 4,395 | 8,691 | 47,104 |
| Insurance | 8,808 | 19,584 | 1,468 | 29,860 | 16,648 | 2,447 | 48,955 |
| Technology | 19,312 | 7,981 | 1,970 | 29,263 | 4,729 | 7,489 | 41,481 |
| Advertising | 26,240 | - | 8,129 | 34,369 | 40 | - | 34,409 |
| Merchandise | 27,214 | - | 1,723 | 28,937 | - | - | 28,937 |
| Printing | 17,818 | 1,528 | 4,671 | 24,017 | - | 211 | 24,228 |
| Professional development and travel | 5,698 | 1,642 | 4,038 | 11,378 | 5,732 | 451 | 17,561 |
| Contract - catering | 9,223 | 199 | 2,161 | 11,583 | 1,598 | 626 | 13,807 |
| Supplies | 7,327 | 2,316 | 252 | 9,895 | 1,986 | 759 | 12,640 |
| Equipment rental | 6,047 | 1,785 | 2,196 | 10,028 | 1,022 | 1,618 | 12,668 |
| HVAC - maintenance and repairs | - | 12,109 | - | 12,109 | - | - | 12,109 |
| Dues and memberships | 1,850 | 118 | - | 1,968 | 2,416 | 3,570 | 7,954 |
| Postage | 4,887 | 14 | 106 | 5,007 | 540 | 419 | 5,966 |
| Interest | - | - | - | - | 410 | - | 410 |
| Total operating expenses | 578,255 | 364,827 | 143,431 | 1,086,513 | 226,075 | 178,941 | 1,491,529 |
| Non-operating | - | 34,337 | - | 34,337 | - | - | 34,337 |
| Depreciation expense | 10,955 | 56,485 | 1,836 | 69,276 | 18,205 | 3,538 | 91,020 |
| Total functional expenses | \$ 589,210 | \$ 455,649 | \$ 145,267 | \$ 1,190,126 | \$ 244,280 | \$ 182,479 | \$ 1,616,886 |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

**Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

| | 2019 | 2018 |
|--|-------------|--------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 974,776 | \$ (479,220) |
| Adjustments to reconcile change in net assets to net cash used in operating activities | | |
| Depreciation | 81,254 | 91,020 |
| Unrealized and realized (gain) loss on investments | (781,415) | 470,407 |
| Restricted capital contributions and endowments | (601,919) | (406,914) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 41,821 | 5,121 |
| Unconditional promises to give | (118,600) | (197,328) |
| Inventory | 167 | (1,434) |
| Prepaid expenses | 6,675 | (1,653) |
| Accounts payable and accrued expenses | (17,184) | 14,734 |
| Deferred revenue | 1,784 | (1,301) |
| Security deposits | (1,267) | (2,000) |
| | (413,908) | (508,568) |
| Net cash used in operating activities | | |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | 2,565,233 | 444,106 |
| Purchases of investments | (2,479,682) | (348,917) |
| Purchase of equipment and building improvements | (155,776) | (37,315) |
| | (70,225) | 57,874 |
| Net cash (used in) provided by investing activities | | |
| Cash flows from financing activities | | |
| Proceeds on line of credit | 50,000 | - |
| Restricted capital contributions and endowments | 601,919 | 406,914 |
| | 651,919 | 406,914 |
| Net cash provided by financing activities | | |
| Net increase (decrease) in cash | 167,786 | (43,780) |
| Cash, beginning | 134,398 | 178,178 |
| Cash, end | \$ 302,184 | \$ 134,398 |
| Supplemental disclosures of cash flow data | | |
| Interest paid | \$ 720 | \$ 410 |
| Noncash investing and operating activities: | | |
| Purchase of property, equipment and improvements | \$ 212,244 | \$ 37,315 |
| Assets acquired through accounts payable | (56,468) | - |
| | \$ 155,776 | \$ 37,315 |
| Purchases with cash | | |

See Notes to Consolidated Financial Statements.

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 1 - Organization and summary of significant accounting policies

Organization

Hill-Stead Museum was established in 1946 as an educational and charitable trust in accordance with a bequest made under Theodate Pope Riddle's Last Will and Testament (the "Will"). The accompanying consolidated financial statements include the accounts of the Hill-Stead Museum and its affiliate, the Hill-Stead Museum Board of Governors, Inc. (collectively the "Museum"). All intercompany transactions and accounts have been eliminated in consolidation.

The Museum's collection in Farmington, Connecticut, includes a 152-acre estate, gardens, a 1901 Colonial Revival-style country house with attached servants' quarters and theater as well as eight other historic buildings. Housed within these buildings are holdings such as French Impressionist paintings, prints, sculptures, ceramics, furnishings, intact domestic interiors and archives. The Will deemed that these items were integral to the Museum's purpose and be safeguarded in perpetuity.

Hill-Stead Museum Board of Governors, Inc. was created to expand the governance of Hill-Stead Museum and to be the repository to hold certain endowment funds and other collection items.

Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Museum reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. They are described as follows:

Net assets without donor restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.

Net assets with donor restrictions - Net assets with donor restrictions may be subject to explicit donor-imposed stipulations are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Museum collections

In keeping with standard museum practice, the Museum's collection of real estate, architecture and art are not recognized as assets in the accompanying consolidated statements of financial position as these are held by the Museum as a collection for preservation and public enrichment. The Museum is precluded from selling or replacing items within the collection. Museum policy limits the use of proceeds from insurance solely for the acquisition of other collection items.

Tax-exempt status

Hill-Stead Museum and the Hill-Stead Museum Board of Governors, Inc. are organized as nonprofit entities under Section 501(c)(3) of the Internal Revenue Code and, as such, are not subject to federal or state corporate income taxes.

The Museum has no unrecognized tax benefits at December 31, 2019 and 2018. The Museum's federal and state information returns prior to fiscal year 2016 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

If the Museum had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated statements of financial position.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and highly liquid short-term investments with an original maturity of three months or less when acquired. At December 31, 2019 and 2018, the Museum had no cash equivalents.

Accounts receivable

All receivables are recorded when billed and represent claims due from third parties that will be settled in cash. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and an allowance is established accordingly. Past-due receivable balances are written off when the Museum's internal collection efforts have been unsuccessful in collecting the amount due. The allowance was \$0 and \$1,530 as of December 31, 2019 and 2018, respectively.

Promises to give, contributions and grants

The Museum reports unconditional promises to give as revenue and amounts are recorded at fair value when the promise is received. Conditional promises to give are recognized as revenue when conditions on which they depend are substantially met.

Grants may be considered an exchange transaction or a conditional/unconditional promise to give. The Museum recognizes grants deemed to be an exchange transaction when earned. Grants considered to be unconditional promises to give are recognized when awarded. Grants considered to be conditional promises to give are recognized when the condition is met.

Promises to give, contributions and grants when recognized as revenue are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Promises to give received over future periods are presented at the present value of estimated future cash flows using a historical discount rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

Equipment and building improvements

Equipment and building improvements are recorded at cost less accumulated depreciation. Expenditures for major additions and improvements are capitalized while major maintenance activities are expensed as incurred. Depreciation is provided over the estimated useful lives of these assets using the straight-line method. No salvage value is assumed for depreciable property and equipment.

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

The estimated useful lives for significant equipment and building improvements categories are as follows:

| <u>Asset</u> | <u>Estimated lives</u> |
|------------------------|------------------------|
| Building improvements | 5 - 15 years |
| Equipment | 3 - 5 years |
| Furniture and fixtures | 5 - 15 years |

Impairment of long-lived assets

The Museum reviews its long-lived assets for impairment whenever events or circumstances indicate the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the Museum recognizes a loss on the basis of whether these amounts are fully recoverable from projected discounted cash flows of the related asset. There were no impairment indicators or impairment losses for the years ended December 31, 2019 and 2018.

Inventory

Inventory is stated at the lower of cost or market as determined by the first-in, first-out method. The inventory consists of gift shop memorabilia.

Investments

The Museum carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Endowment and spending policy

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Governors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

To satisfy its long-term rate of return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Museum has a policy of appropriating for distribution each year 4%-6% of its endowment fund's average fair value over the prior 20 quarters through the year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Museum considered the long-term expected return on its endowment. Accordingly, over the long term, the Museum expects the current spending policy to allow its endowment to grow at an average of 4% annually.

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

This is consistent with the Museum's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Appropriations made in accordance with this policy were \$162,343 and \$98,669 for the years ended December 31, 2019 and 2018, respectively.

Revenue recognition

Admission and program fees consist of admission and educational program fees to the Museum, facility rental fees and fees related to collection items. Revenue is recognized when the services are provided. Fees received in advance are deferred until the service is provided. Retail sales are recorded when products are sold.

Donated property and equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Museum reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Museum reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Museum recognizes donated services at their estimated fair value if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the consolidated financial statements. There were no such donated services for the years ended December 31, 2019 and 2018.

Fundraising expenses

The Museum is currently involved in several fundraising activities, including the Annual Fund, Planned Giving and other ongoing initiatives. Expenses related to these fundraising campaigns are included in fundraising expenses.

Functional expense allocation

The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are occupancy and depreciation, which are allocated based on a square footage basis.

Advertising

Advertising costs, other than for direct response advertising, are expensed as incurred and amounted to \$24,580 and \$34,409 for the years ended December 31, 2019 and 2018, respectively. Costs related to direct response advertising are capitalized as incurred and amortized over the benefit period. There were no direct response advertising costs for the years ended December 31, 2019 and 2018.

Use of estimates

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

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

New accounting pronouncement

In June 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2020-05 ("ASU 2020-05"), *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which provides for elective deferrals of the effective dates of Topic 606 and Topic 842 for certain entities.

The Museum has elected to apply the deferral provided by ASU 2020-05 and, therefore, expects to adopt Topic 606 for annual reporting periods beginning after December 15, 2019 on a modified retrospective basis and adopt Topic 842 for fiscal years beginning after December 15, 2021 on a modified retrospective basis. The Museum is currently evaluating the potential impact of adopting Topic 606 and 842 on its financial statements.

The Museum adopted FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluation whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Museum adopted the provisions of ASU 2018-08 on January 1, 2019, applicable to both contributions received and to contributions made in the accompanying consolidated financial statements under a modified prospective basis. There is no effect on net assets in connection with the implementation of ASU 2018-08.

Subsequent events

The Museum has evaluated subsequent events through December 2, 2020, which is the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity

The Museum regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of December 31, 2019 and 2018, the Museum has the following financial assets available to meet annual operating needs for the subsequent fiscal years as follows:

| | 2019 | 2018 |
|--------------------------|-------------------|-------------------|
| Cash | \$ 302,184 | \$ 134,398 |
| Accounts receivable, net | 8,622 | 50,443 |
| | <u>\$ 310,806</u> | <u>\$ 184,841</u> |

These financial assets are not subject to any donor or contractual restrictions.

The Museum's Investment Policy Statement requires the investment portfolio to maintain liquid instruments within its portfolio to ensure assets are available to meet general expenditures, liabilities and other obligations as they come due. The Museum's investment committee meets regularly to review investment performance and consider near-term liquidity needs.

In addition to financial assets available to meet general expenditures within one year, amounts reported as board-designated could be made available, as needed, by board action.

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 3 - Concentrations and other risks and uncertainties

Financial instruments which potentially subject the Museum to concentrations of credit risk consist primarily of cash, investments and receivables. The Museum maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally-insured limits. At December 31, 2019 and 2018, there were no amounts in excess of federally-insured limits.

Concentrations of credit risk with respect to grants receivable are limited to contractual agreements with various state organizations. Promises to give receivables are limited to promises to give from various foundations, businesses and individuals with no major receivables from any one group. Concentrations of credit risk with respect to accounts receivable consist of amounts due for program fees and other services.

The Museum invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the consolidated statements of financial position. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

Note 4 - Investments

Investments are carried at their aggregate fair value. The following summarizes the relationship between the cost and fair values as presented in the consolidated financial statements as of December 31, 2019 and 2018:

| | 2019 | | |
|-----------------------------|---------------------|---------------------|------------------------|
| | Cost | Fair value | Unrealized gain (loss) |
| Money market | \$ 197,936 | \$ 197,936 | \$ - |
| Equities | 1,349,726 | 1,528,770 | 179,044 |
| Fixed income | 186,598 | 191,850 | 5,252 |
| Mutual funds - balanced | 41,525 | 41,777 | 252 |
| Mutual funds - commodities | 261,183 | 210,687 | (50,496) |
| Mutual funds - fixed income | 119,101 | 119,121 | 20 |
| Mutual funds - equity | 879,583 | 936,241 | 56,658 |
| Hedge funds | 94,104 | 93,631 | (473) |
| Collective funds - fixed | 176,408 | 183,220 | 6,812 |
| Collective funds - equity | 911,225 | 1,211,964 | 300,739 |
| Total | <u>\$ 4,217,389</u> | <u>\$ 4,715,197</u> | <u>\$ 497,808</u> |

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**Notes to Consolidated Financial Statements
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| | 2018 | | |
|-----------------------------|--------------|--------------|---------------------------|
| | Cost | Fair value | Unrealized gain (loss) |
| Money market | \$ 125,967 | \$ 125,967 | \$ - |
| Equities | 1,331,794 | 1,203,756 | (128,038) |
| Fixed income | 128,007 | 124,720 | (3,287) |
| Mutual funds - balanced | 131,693 | 126,830 | (4,863) |
| Mutual funds - commodities | 261,449 | 193,571 | (67,878) |
| Mutual funds - fixed income | 320,498 | 304,876 | (15,622) |
| Mutual funds - equity | 719,620 | 635,214 | (84,406) |
| Collective funds - fixed | 190,695 | 186,965 | (3,730) |
| Collective funds - equity | 1,049,691 | 1,117,434 | 67,743 |
| Total | \$ 4,259,414 | \$ 4,019,333 | \$ (240,081) |

Investment income is comprised of the following:

| | 2019 | 2018 |
|------------------------|------------|--------------|
| Interest and dividends | \$ 116,736 | \$ 91,611 |
| Realized gain | 43,526 | 444,107 |
| Unrealized gain (loss) | 737,889 | (914,514) |
| Investment/bank fees | (28,729) | (29,199) |
| Total | \$ 869,422 | \$ (407,995) |

Investment returns are classified in the consolidated statements of activities based on the purpose of the fund. Investment returns on donor-restricted funds are classified as donor-restricted until the restriction criterion is met. Investment income included in operating revenues reflects interest and dividends earned on unrestricted investments.

Note 5 - Fair value measurements

The Museum values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs which are used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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Notes to Consolidated Financial Statements December 31, 2019 and 2018

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Museum utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The Museum's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers in or out of the respective levels during the years ended December 31, 2019 and 2018.

Financial assets carried at fair value at December 31, 2019 are classified in the table below in one of the three categories described above:

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Money market | \$ 197,936 | \$ - | \$ - | \$ 197,936 |
| Equities | 1,528,770 | - | - | 1,528,770 |
| Fixed income | 191,850 | - | - | 191,850 |
| Mutual funds - balanced | 41,777 | - | - | 41,777 |
| Mutual funds - commodities | 210,687 | - | - | 210,687 |
| Mutual funds - fixed income | 119,121 | - | - | 119,121 |
| Mutual funds - equity | 936,241 | - | - | 936,241 |
| Hedge funds | 93,631 | - | - | 93,631 |
| Total investments in the fair value hierarchy | \$ 3,320,013 | \$ - | \$ - | 3,320,013 |
| Collective funds - fixed | | | | 183,220 |
| Collective funds - equity | | | | 1,211,964 |
| Total investments measured at net asset value (a) | | | | 1,395,184 |
| Total investments at fair value | | | | \$ 4,715,197 |

- In accordance with ASU 2015-07, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

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Notes to Consolidated Financial Statements December 31, 2019 and 2018

Financial assets carried at fair value at December 31, 2018 are classified in the table below in one of the three categories described above:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|-------------|-------------|----------------------------|
| Money market | \$ 125,967 | \$ - | \$ - | \$ 125,967 |
| Equities | 1,203,756 | - | - | 1,203,756 |
| Fixed income | 124,720 | - | - | 124,720 |
| Mutual funds - balanced | 126,830 | - | - | 126,830 |
| Mutual funds - commodities | 193,571 | - | - | 193,571 |
| Mutual funds - fixed income | 304,876 | - | - | 304,876 |
| Mutual funds - equity | 635,214 | - | - | 635,214 |
| | | | | |
| Total investments in the fair value hierarchy | <u>\$ 2,714,934</u> | <u>\$ -</u> | <u>\$ -</u> | <u>2,714,934</u> |
| | | | | |
| Collective funds - fixed | | | | 186,965 |
| Collective funds - equity | | | | <u>1,117,434</u> |
| | | | | |
| Total investments measured at net asset value (a) | | | | <u>1,304,399</u> |
| | | | | |
| Total investments at fair value | | | | <u><u>\$ 4,019,333</u></u> |

- (a) In accordance with ASU 2015-07, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Money market, equities, fixed income, hedge funds and mutual funds are designated as Level 1 instruments and are valued using readily-available pricing sources for identical instruments. Mutual funds 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. Mutual funds held by the Museum are deemed to be actively traded. The fair value of the collective funds is based on the NAV. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Collective funds are valued using the NAV, which is based on the fair value of the underlying assets of the funds.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Museum 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.

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Notes to Consolidated Financial Statements December 31, 2019 and 2018

Collective fund investments valued using NAV at December 31, 2019 are as follows:

| | Fair value | Unfunded commitments | Redemption frequency (if currently available) | Redemption notice period |
|-------------------------------|---------------------|----------------------|---|--------------------------|
| Collective funds - fixed (a) | \$ 183,220 | \$ - | Weekly | None |
| Collective funds - equity (b) | 1,211,964 | - | Weekly | None |
| Total | \$ 1,395,184 | \$ - | | |

(a) This category invests in high-quality, diversified-core, fixed-income bonds.

(b) This category includes several funds that invest in domestic and international equities with a variety of investment strategies.

Collective fund investments valued using NAV at December 31, 2018 are as follows:

| | Fair value | Unfunded commitments | Redemption frequency (if currently available) | Redemption notice period |
|-------------------------------|---------------------|----------------------|---|--------------------------|
| Collective funds - fixed (a) | \$ 186,965 | \$ - | Weekly | None |
| Collective funds - equity (b) | 1,117,434 | - | Weekly | None |
| Total | \$ 1,304,399 | \$ - | | |

(a) This category invests in high-quality, diversified-core, fixed-income bonds.

(b) This category includes several funds that invest in domestic and international equities with a variety of investment strategies.

Note 6 - Unconditional promises to give

Unconditional promises to give as of December 31, 2019 and 2018 are expected to be collected as follows:

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Amounts due | | |
| Within one year | \$ 212,762 | \$ 181,608 |
| One to five years | 176,175 | 84,000 |
| Subtotal | 388,937 | 265,608 |
| Less allowance for uncollectible pledges | - | (1,530) |
| Less discount on long-term pledges | (11,009) | (4,750) |
| | \$ 377,928 | \$ 259,328 |

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 7 - Equipment and building improvements

A summary of equipment and building improvements is as follows:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|-------------------|-------------------|
| Building improvements | \$ 2,366,637 | \$ 2,366,637 |
| Equipment | 232,451 | 231,988 |
| Furniture and fixtures | <u>22,564</u> | <u>22,564</u> |
| Subtotal | 2,621,652 | 2,621,189 |
| Less accumulated depreciation | (2,077,043) | (1,995,788) |
| Construction in progress | <u>252,376</u> | <u>40,594</u> |
| Total | <u>\$ 796,985</u> | <u>\$ 665,995</u> |

Note 8 - Line of credit

The Museum has a \$200,000 line of credit with People's United Bank. The line of credit is due on demand and bears interest at the greater of 3.5% or the prime rate plus 25 basis points (5.00% at December 31, 2019) and is collateralized by \$707,852 of Museum securities. At December 31, 2019, \$150,000 was available to borrow on the line of credit, net of outstanding borrowings of \$50,000. Interest expense on the line of credit for the year ended December 31, 2019 was \$720. There was no outstanding balance or interest expense for the year ended December 31, 2018.

Note 9 - Deferred revenue

Deferred revenue consists of amounts related to specific exchange transaction grants, fundraising, events, programs and special event fees that will be expended in future years. As of December 31, 2019 and 2018, deferred revenue was \$38,432 and \$36,648, respectively.

Note 10 - Board-designated net assets

During the years ended December 31, 2019 and 2018, the Board of Directors did not designate any amounts from its operating fund to a capital repairs and maintenance reserve. During the years ended December 31, 2019 and 2018, \$0 and \$27,612 of this reserve was used for capital repairs and maintenance, respectively. The reserve balance was \$27,343 and \$27,343 as of December 31, 2019 and 2018, respectively.

Hill-Stead Museum

**Notes to Consolidated Financial Statements
December 31, 2019 and 2018**

Note 11 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes:

| | 2019 | 2018 |
|---|--------------|--------------|
| Donor restricted net assets - purpose | | |
| Carriage Barn Visitors Center | \$ 201,285 | \$ 209,801 |
| Collections, Capital Projects | 91,619 | 50,269 |
| SBM Education Programs | 28,522 | 35,000 |
| Educational Programs | - | 37,845 |
| Development Grants | - | 26,064 |
| Garmany - music | 1,904 | 4,088 |
| FBCF Education Programs | - | 3,245 |
| Poetry Festival and Related Outreach Activities | 34,300 | 2,710 |
| Friends of Hill-Stead, Inc. | - | 814 |
| Total donor restricted net assets - purpose | 357,630 | 369,836 |
| Donor restricted net assets - endowment | | |
| Endowment - accumulated investment gains | 2,743,201 | 2,377,660 |
| Endowment to be held in perpetuity | | |
| Theodate-Pope Riddle Trust | 400,000 | 400,000 |
| Board of Governors, Inc. | 839,060 | 839,060 |
| Nina Stanley Education Fund | 91,153 | 91,153 |
| General Endowment | 57,945 | 57,945 |
| Larsen Endowment | 31,033 | 31,033 |
| CBVC | 25,000 | - |
| Phyllis Joffe Poetry Endowment | 11,275 | 11,275 |
| Total donor restricted net assets - endowment | 4,198,667 | 3,808,126 |
| Total | \$ 4,556,297 | \$ 4,177,962 |

Net assets released from restrictions consisted of the following:

| | 2019 | 2018 |
|---|------------|------------|
| Carriage Barn Visitors Center | \$ 501,135 | \$ 80,825 |
| Garmany - music | 2,184 | 1,472 |
| Collections, Capital Projects | 8,650 | 30,977 |
| SBM Education Programs | 6,478 | 32,500 |
| Poetry Festival and Related Outreach Activities | 2,710 | 17,658 |
| Security and Protection Upgrade | - | 330 |
| Educational Programs | 37,845 | 23,862 |
| FBCF Education Programs | 3,245 | - |
| Development Grants | 26,064 | - |
| Friends of Hill-Stead, Inc. | 814 | - |
| | \$ 589,125 | \$ 187,624 |

Hill-Stead Museum

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 12 - Endowment

The Museum's endowment consists of donor-restricted funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Governors of the Museum has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Museum retains in perpetuity: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by CTUPMIFA. In accordance with CTUPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Museum and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Museum
7. The investment policies of the Museum

The endowment is composed of net assets with donor restrictions of \$4,198,667 and \$3,808,126 as of December 31, 2019 and 2018, respectively.

Changes in endowment net assets with donor restrictions are as follows for the years ended December 31:

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Endowment net assets with donor restrictions, beginning of year | \$ 3,808,126 | \$ 4,203,309 |
| Contributions | 25,000 | - |
| Net realized and unrealized appreciation (depreciation) | 514,698 | (321,721) |
| Interest and dividends, net of fees | 13,186 | 25,207 |
| Appropriations | <u>(162,343)</u> | <u>(98,669)</u> |
| Endowment net assets with donor restrictions, end of year | <u>\$ 4,198,667</u> | <u>\$ 3,808,126</u> |

Hill-Stead Museum

**Notes to Consolidated Financial Statements
December 31, 2019 and 2018**

Funds with deficiencies

From time to time, the fair market value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CTUPMIFA requires the Museum to retain as a fund of perpetual duration. As of December 31, 2019 and 2018, these deficiencies totaled \$135,757 and \$231,931, respectively. The original gift value of funds with deficiencies was \$839,060 as of both December 31, 2019 and 2018. The fair value of funds with deficiencies was \$703,304 and \$607,129 as of December 31, 2019 and 2018, respectively.

Note 13 - Commitments

Operating lease commitments

The Museum has noncancelable operating leases for office equipment expiring at various dates through 2025. Total rental expense under operating leases was \$7,446 and \$8,518 for the years ended December 31, 2019 and 2018, respectively.

The aggregate annual minimum lease commitment under noncancelable operating leases in each of the years subsequent to December 31, 2019 are as follows:

| | | |
|------------|----|---------------|
| 2020 | \$ | 3,894 |
| 2021 | | 2,978 |
| 2022 | | 2,978 |
| 2023 | | 2,978 |
| 2024 | | 1,104 |
| Thereafter | | <u>120</u> |
| | \$ | <u>14,052</u> |

Note 14 - Insurance

The Museum carries insurance coverage for protection of its assets and operations from certain risks including automobile and vehicle liability, general liability, real and personal property, workers' compensation, and other coverage that management believes is customary to the industry. Exposure to loss for insurance claims is generally limited to the per incident deductible under the related insurance policy. Exposure, however, could increase in the unlikely event that the insurers were unable to meet their commitments on a timely basis.

Note 15 - Tax deferred annuity plan

The Museum established a tax deferred annuity plan under the provisions of Section 403(b) of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974. Under the plan, all employees except seasonal and temporary employees are eligible to participate. Eligible employees can make contributions after 30 days of employment. The Museum makes no contributions to this plan.

Note 16 - Defined contribution retirement plan

The Museum has implemented a defined contribution retirement plan. Semi-annually, the Museum makes plan contributions for employees who have satisfied the eligibility requirements.

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The Museum's contributions to this plan were \$11,586 and \$12,695 for the years ended December 31, 2019 and 2018, respectively.

Note 17 - Subsequent event

Contingency

In December 2019 and early 2020, the coronavirus that causes COVID-19 was reported to have surfaced in China. The spread of this virus globally in early 2020 has caused business disruption domestically in the United States, the area in which the Organization primarily operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The Museum expects that there will be a negative impact on 2020 financial condition, results of operations, and cash flows; however, the extent of the financial impact and duration cannot be reasonably estimated at this time.

In April 2020, the Museum received a loan in the amount of \$238,900 through their bank. The loan was obtained through the Paycheck Protection Program and is guaranteed by the Small Business Administration. Subject to certain guidelines, some or all of the loan may be forgiven. Interest on the portion of the loan that is not forgiven is charged at 1%. Interest payments are deferred for the first six months. The loan is due in full April 2022.

Line of credit

The Hill-Stead Museum Board of Governor's entered into a line of credit agreement with their bank on May 22, 2020 for a \$500,00 revolving line of credit to support the carriage barn renovation project. The line will expire in June 2022. Interest on the line of credit will accrue at the prime rate plus 100 basis points. Borrowings are collateralized by pledge balances made to the Museum by donors.



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