

THE STONINGTON VILLAGE  
IMPROVEMENT ASSOCIATION, INC.  
MERRILL HOUSE SEGMENT

FINANCIAL STATEMENTS

MARCH 31, 2023



**THE STONINGTON VILLAGE  
IMPROVEMENT ASSOCIATION, INC.**

**MERRILL HOUSE SEGMENT**

**FINANCIAL STATEMENTS**

**Years Ended March 31, 2023 (Unaudited) and 2022 (Audited)**

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**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Trustees  
The Stonington Village Improvement Association, Inc.  
P.O. Box 18  
Stonington, CT 06378

We have reviewed the accompanying financial statements of Stonington Village Improvement Association, Inc., Merrill House Segment (a nonprofit organization) which comprise the statement of financial position as of March 31, 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.

**Management's Responsibility for the Financial Statements**

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

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with the Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The prior year summarized comparative information has been derived from the Organization's 2022 audited financial statements and, in our report dated October 20, 2022. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we did not express such an opinion.



DOHERTY, BEALS & BANKS, P.C.  
New London, CT 06320  
October 24, 2023

**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2023**  
**WITH COMPARATIVE TOTALS FOR 2022**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 253,945	\$ 256,213
Accounts receivable	825	-
Due from Others	1,775	-
Prepaid insurance	4,408	4,315
<b>TOTAL CURRENT ASSETS</b>	260,953	260,528
 <b>PROPERTY AND EQUIPMENT</b>		
Land	72,675	72,675
Buildings and improvements	863,597	850,603
Furniture and equipment	113,252	109,648
	1,049,524	1,032,926
Less: accumulated depreciation	(598,807)	(558,705)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	450,717	474,221
 <b>TOTAL ASSETS</b>	 \$ 711,670	 \$ 734,749
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 2,794	\$ 44,103
Due to MH Foundation	1,375	1,694
Security deposits	4,000	4,000
<b>TOTAL LIABILITIES</b>	8,169	49,797
 <b>NET ASSETS</b>		
Without donor restrictions	661,087	642,256
With donor restrictions	42,414	42,696
<b>TOTAL NET ASSETS</b>	703,501	684,952
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 \$ 711,670	 \$ 734,749

*See independent accountant's review report and notes to financial statements.*

**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2023**  
**WITH COMPARATIVE TOTALS FOR 2022**

<b>SUPPORT AND REVENUE</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023</b>	<b>2022</b>
Income from projects	\$ 126,908	\$ -	\$ 126,908	\$ 1,320
Grants	27,703	-	27,703	172,044
Rental income	51,357	-	51,357	51,899
Interest and dividend income	105	-	105	4,203
Other income	4,268	-	4,268	-
Net assets released from restrictions:				
Satisfaction of donor restrictions	282	(282)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>210,623</b>	<b>(282)</b>	<b>210,341</b>	<b>229,466</b>
 <b>FUNCTIONAL EXPENSES</b>				
Merrill House	191,792	-	191,792	276,907
 <b>CHANGE IN NET ASSETS</b>	<b>18,831</b>	<b>(282)</b>	<b>18,549</b>	<b>(47,441)</b>
 <b>NET ASSETS - BEGINNING</b>	<b>642,256</b>	<b>42,696.00</b>	<b>684,952</b>	<b>732,393</b>
 <b>NET ASSETS - ENDING</b>	<b>\$ 661,087</b>	<b>\$ 42,414</b>	<b>\$ 703,501</b>	<b>\$ 684,952</b>

*See independent accountant's review report and notes to financial statements.*

**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2023**  
**WITH COMPARATIVE TOTALS FOR 2022**

	Merrill House Program	
<b>FUNCTIONAL EXPENSES</b>	<u>2023</u>	<u>2022</u>
Salaries	\$ 19,954	\$ 43,257
Payroll taxes	1,751	3,763
Advertising	195	201
Bank service charges	422	525
Writer in residence-stipend	9,700	11,690
Contract Services	24,078	-
Dues and subscriptions	1,365	1,314
Donation	-	92,736
Insurance	15,135	15,204
Special events and programs	22,254	18,869
Postage and web hosting	645	462
Professional fees	7,754	5,941
Printing	4,688	3,541
Property tax	10,220	10,292
Repairs and maintenance	14,695	15,964
Supplies	-	164
Utilities	16,709	13,484
Rental expense	-	685.00
Website and hosting	<u>2,126</u>	<u>2,251</u>
<b>Total Expenses Before Depreciation</b>	<b>151,691</b>	<b>240,343</b>
Depreciation	<u>40,101</u>	<u>36,564</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u><u>\$ 191,792</u></u></b>	<b><u><u>\$ 276,907</u></u></b>

All of Merrill House expenses apply to the Merrill House building as a whole. The organization expense allocations in most cases, are allocated directly.

*See independent accountant's review report and notes to financial statements.*

**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2023**  
**WITH COMPARATIVE TOTALS FOR 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 18,549	\$ (47,441)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	40,101	36,564
Change in value of beneficial interest	-	74,417
(Increase) decrease in:		
Due from Others	(1,775)	-
Accounts receivable	(825)	-
Prepaid insurance	(92)	(149)
Increase (decrease) in:		
Accounts payable	(41,309)	38,653
Due to MH Foundation	(319)	1,694
Security deposits	-	(575)
	<b>14,330</b>	<b>103,163</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(3,604)	-
Improvements to property	(12,994)	(55,781)
	<b>(16,598)</b>	<b>(55,781)</b>
<b>NET CHANGE IN CASH</b>	<b>(2,268)</b>	<b>47,382</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>256,213</b>	<b>208,831</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 253,945</b>	<b>\$ 256,213</b>

*See independent accountant's review report and notes to financial statements.*

**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Purpose**

The Stonington Village Improvement Association, Inc. is organized as a non-profit corporation established to enrich the quality of life in the village by encouraging and supporting activities that enhance our many cultural and recreational gifts for the benefit of all. The financial statements presented are for the Merrill House operations. The general operations of the Association are not presented.

**Method of Accounting**

The financial statements of The Stonington Village Improvement Association, Inc.- Merrill House Segment have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation**

The Association reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. Contributions received are recorded as net assets without donor restrictions or with restrictions, depending on the existence and/or nature of any donor restrictions.

**Income Tax Status**

The Stonington Village Improvement Association, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, The Stonington Village Improvement Association, Inc., qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Association's tax returns for the last three years remain open for examination.

**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 the disclosure of contingent assets and liabilities as of the date of the financial statements, and support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Prior Year Comparative Totals**

The financial information shown for 2022 in the accompanying financial statements is included to provide a basis for comparison with 2023 and presents summarized totals only. Such total amounts do not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such amounts should be read in conjunction with the Association's financial statements for the year ended March 31, 2022, from which the comparative total amounts were derived.

**Cash Equivalents**

The Association considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.



**THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**  
**MERRILL HOUSE SEGMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

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

**Investments**

The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Fair value is generally determined based on quoted market prices (all Level 1 measurements). Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**Fair Values of Financial Instruments**

The fair values of financial instruments have been determined through quoted market prices or present value techniques to approximate the amounts recorded in the statement of financial position.

**Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is provided over the estimated useful life of the assets using the straight-line method. Repairs and maintenance of property and equipment are charged to expenses as incurred.

**Donated Services**

No amounts have been reflected in the financial statements for donated services. The Association pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the organization with specific assistance programs, campaign solicitations, and various committee assignments.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted contributions are reclassified to net assets without restrictions.

**Subsequent Events**

Management has evaluated subsequent events through October 24, 2023, the date which the financial statements were available for issue.

**2. AVAILABILITY OF FINANCIAL ASSETS**

Stonington Village Improvement Association Inc.'s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents – without donor restrictions	<u>\$ 253,945</u>
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