

**THE STONINGTON VILLAGE
IMPROVEMENT ASSOCIATION, INC.
MERRILL HOUSE SEGMENT**

**FINANCIAL STATEMENTS
MARCH 31, 2021**

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IMPROVEMENT ASSOCIATION, INC.**

MERRILL HOUSE SEGMENT

FINANCIAL STATEMENTS

Years Ended March 31, 2021 (Unaudited) and 2020 (Audited)

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

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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, 2021, 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 2020 audited financial statements and, in our report dated July 2, 2020. 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
August 5, 2021

Stacey L. Gualtieri, CPA
Audrey A. Leone, CPA

THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.
MERRILL HOUSE SEGMENT
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 208,831	\$ 179,023
Prepaid insurance	4,166	3,410
Accounts receivable	-	1,000
TOTAL CURRENT ASSETS	212,997	183,433
 PROPERTY AND EQUIPMENT		
Land	72,675	72,675
Buildings and improvements	794,822	763,577
Furniture and equipment	109,648	109,648
	977,145	945,900
Less: accumulated depreciation	(522,141)	(485,580)
TOTAL PROPERTY AND EQUIPMENT	455,004	460,320
 OTHER ASSETS		
Beneficial interest in assets held by Community Foundation	74,417	8,587
TOTAL ASSETS	\$ 742,418	\$ 652,340
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 5,450	\$ 1,770
Security deposits	4,575	4,575
TOTAL LIABILITIES	10,025	6,345
 NET ASSETS		
Without donor restrictions	689,155	645,995
With donor restrictions	43,238	-
TOTAL NET ASSETS	732,393	645,995
 TOTAL LIABILITIES AND NET ASSETS	\$ 742,418	\$ 652,340

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, 2021
WITH COMPARATIVE TOTALS FOR 2020

SUPPORT AND REVENUE	Without Donor Restrictions	With Donor Restrictions	2021	2020
Income from projects	\$ 2,827	\$ -	\$ 2,827	\$ 2,059
Contributions	145,202	43,238	188,440	86,576
Rental income	40,102	-	40,102	55,000
Interest and dividend income	5,620	-	5,620	3,249
Other income	8,550	-	8,550	-
Unrealized gains (losses) on investments	-	-	-	-
Net assets released from restrictions:				
Satisfaction of donor restrictions	-	-	-	-
TOTAL SUPPORT AND REVENUE	202,301	43,238	245,539	146,884
 FUNCTIONAL EXPENSES				
Merrill House	159,141	-	159,141	178,867
 CHANGE IN NET ASSETS	43,160	43,238	86,398	(31,983)
 NET ASSETS - BEGINNING	645,995	-	645,995	677,978
 NET ASSETS - ENDING	\$ 689,155	\$ 43,238	\$ 732,393	\$ 645,995

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, 2021
WITH COMPARATIVE TOTALS FOR 2020

	Merrill House Program	
FUNCTIONAL EXPENSES	<u>2021</u>	<u>2020</u>
Salaries	\$ 39,062	\$ 31,711
Payroll taxes	3,455	3,234
Advertising	207	357
Bank service charges	646	614
Writer in residence-stipend	10,329	7,455
Dues and subscriptions	1,203	1,093
Insurance	14,572	13,269
Special events and programs	6,952	43,451
Postage and web hosting	292	350
Professional fees	6,998	8,042
Printing	1,905	4,195
Property tax	9,951	9,901
Repairs and maintenance	12,749	11,550
Supplies	974	930
Utilities	11,629	13,668
Rental expense	-	497
Website and hosting	<u>1,656</u>	<u>2,471</u>
Total Expenses Before Depreciation	122,580	152,788
Depreciation	<u>36,561</u>	<u>26,079</u>
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 159,141</u></u>	<u><u>\$ 178,867</u></u>

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, 2021
WITH COMPARATIVE TOTALS FOR 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 86,398	\$ (31,983)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	36,561	26,079
Change in value of beneficial interest	(65,830)	668
(Increase) decrease in:		
Rent receivable	999	1,699
Prepaid insurance	(756)	(938)
Increase (decrease) in:		
Accounts payable	3,681	(2,526)
Security deposits	-	(1,300)
	61,053	(8,301)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Improvements to property	(31,245)	(181,955)
NET CHANGE IN CASH	29,808	(190,256)
CASH AND CASH EQUIVALENTS - BEGINNING	179,023	369,279
CASH AND CASH EQUIVALENTS - ENDING	\$ 208,831	\$ 179,023

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, 2021

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 2020 in the accompanying financial statements is included to provide a basis for comparison with 2021 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, 2021, 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, 2021

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 August 5, 2021, the date which the financial statements were available for issue.

2. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Community Foundation of Southeastern Connecticut and the Stonington Village Improvement Association, Inc. entered into an agreement dated December 15, 2009, which created the James Merrill House Fund (the Fund). The Fund is co-mingled and invested with the Community Foundation's pool of assets. The Fund is subject to the Community Foundation's investment guidelines and spending rule and is restricted to benefit the Stonington Village Improvement Association, Inc.

The Stonington Village Improvement Association, Inc's contributions through March 31, 2021, were \$60,000. The market value of the Fund at March 31, 2021, was \$74,417.

THE STONINGTON VILLAGE IMPROVEMENT ASSOCIATION, INC.
MERRILL HOUSE SEGMENT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

3. 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>\$ 208.831</u>
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As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association treats its investments as a quasi-endowment fund with a balance of \$74,417. Disbursements from this fund are only done with authorization from the Board of Directors.