



Bruce Museum, Inc.

Financial Statements

June 30, 2019 and 2018

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Bruce Museum, Inc.

We have audited the accompanying financial statements of Bruce Museum, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bruce Museum, Inc. as of June 30, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019, Bruce Museum, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 25 through 28 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.

PKF O'Connor Davies, LLP

November 14, 2019

Bruce Museum, Inc.

Statements of Financial Position

	June 30,	
	2019	2018
ASSETS		
Cash	\$ 3,421,299	\$ 3,179,116
Investments, unrestricted	1,547,910	1,291,762
Contributions receivable, net	1,210,119	2,177,178
Inventory	43,272	52,219
Prepaid expenses and other current assets	164,938	96,423
Assets held in endowment	25,068,891	25,009,574
Property and equipment, net	1,631,294	1,082,591
Other assets - museum expansion costs	4,978,132	4,737,525
	\$ 38,065,855	\$ 37,626,388
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 415,545	\$ 781,789
Refundable contributions	34,963	867,963
Deferred revenue	98,072	51,080
Total Liabilities	548,580	1,700,832
Net Assets		
Without donor restrictions		
Operating	189,942	(4,620)
Board designated for capital account	27,919	27,919
Board designated endowment	998,784	1,003,634
Investment in property and equipment	1,631,294	1,082,591
Total Without Donor Restrictions	2,847,939	2,109,524
With donor restrictions	34,669,336	33,816,032
Total Net Assets	37,517,275	35,925,556
	\$ 38,065,855	\$ 37,626,388

See Notes to Financial Statements

Bruce Museum, Inc.

Statements of Activities

	Year Ended June 30, 2019			Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 1,023,852	\$ 267,743	\$ 1,291,595	\$ 988,489	\$ 261,117	\$ 1,249,606
Town of Greenwich appropriations	865,801	-	865,801	848,825	-	848,825
Endowment spending appropriation	1,115,369	-	1,115,369	1,104,708	-	1,104,708
Admissions	229,375	-	229,375	233,582	-	233,582
Membership dues	442,191	-	442,191	432,348	-	432,348
Museum store revenue	242,056	-	242,056	272,510	-	272,510
Special events revenue	871,779	-	871,779	741,383	-	741,383
Rental and other revenue	54,608	-	54,608	20,415	-	20,415
Net assets released from restrictions	113,087	(113,087)	-	208,513	(208,513)	-
Total Public Support and Revenue	<u>4,958,118</u>	<u>154,656</u>	<u>5,112,774</u>	<u>4,850,773</u>	<u>52,604</u>	<u>4,903,377</u>
EXPENSES						
Program Services						
Art	1,427,541	-	1,427,541	1,436,380	-	1,436,380
Science	586,157	-	586,157	699,518	-	699,518
Education	1,027,680	-	1,027,680	863,836	-	863,836
Museum store operations	405,950	-	405,950	422,033	-	422,033
Other programs	219,743	-	219,743	237,659	-	237,659
Total Program Services	<u>3,667,071</u>	<u>-</u>	<u>3,667,071</u>	<u>3,659,426</u>	<u>-</u>	<u>3,659,426</u>
Supporting Services						
General and administrative	358,529	-	358,529	358,401	-	358,401
Development	1,167,849	-	1,167,849	1,287,171	-	1,287,171
Special events	328,097	-	328,097	299,662	-	299,662
Total Expenses	<u>5,521,546</u>	<u>-</u>	<u>5,521,546</u>	<u>5,604,660</u>	<u>-</u>	<u>5,604,660</u>
Excess (Deficiency) of Support and Revenue Over Expenses from Operations	(563,428)	154,656	(408,772)	(753,887)	52,604	(701,283)
OTHER INCOME AND EXPENSES						
Endowment investment return, net of endowment spending appropriation	(4,850)	(143,108)	(147,958)	58,478	930,833	989,311
Non-endowment investment return	49,635	-	49,635	29,778	-	29,778
Contributions for museum expansion	-	2,721,756	2,721,756	-	2,264,375	2,264,375
Release from restrictions - building expansion	1,257,058	(1,257,058)	-	464,339	(464,339)	-
Contributions for endowment	-	6,325	6,325	-	606,708	606,708
Loss on uncollectible contributions receivable	-	(629,267)	(629,267)	-	(158,767)	(158,767)
Change in Net Assets	738,415	853,304	1,591,719	(201,292)	3,231,414	3,030,122
NET ASSETS						
Beginning of year	<u>2,109,524</u>	<u>33,816,032</u>	<u>35,925,556</u>	<u>2,310,816</u>	<u>30,584,618</u>	<u>32,895,434</u>
End of year	<u>\$ 2,847,939</u>	<u>\$ 34,669,336</u>	<u>\$ 37,517,275</u>	<u>\$ 2,109,524</u>	<u>\$ 33,816,032</u>	<u>\$ 35,925,556</u>

See Notes to Financial Statements

Bruce Museum, Inc.

Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services					Supporting Services				Total Expenses
	Art	Science	Education	Museum Store Operations	Other Programs	Total Programs	General and Administrative	Development	Special Events	
Salary, wages, and related costs	\$ 882,917	\$ 420,740	\$ 728,125	\$ 212,182	\$ 135,335	\$ 2,379,299	\$ 224,874	\$ 774,574	\$ 327	\$ 3,379,074
Event production	-	-	34	-	-	34	-	6,683	268,373	275,090
Depreciation and amortization	80,889	35,439	52,876	22,352	-	191,556	11,964	54,886	-	258,406
Professional fees and independent contractors	31,357	8,209	18,484	3,337	1,000	62,387	19,663	138,510	3,000	223,560
Office expenses	78,096	16,927	10,376	10,890	38,719	155,008	13,974	37,918	10,030	216,930
Equipment	41,616	17,826	26,844	7,295	-	93,581	30,639	16,809	4,135	145,164
Cost of sales	18	8	12	123,160	-	123,198	30	310	6,660	130,198
Hospitality	15,434	9,891	22,797	1,537	22,762	72,421	3,272	32,285	16,761	124,739
Advertising and marketing	53,495	15,847	24,539	5,402	-	99,283	3,516	21,615	-	124,414
Printing	48,138	6,586	12,539	1,294	495	69,052	5,266	20,056	15,575	109,949
Direct exhibit costs	75,854	10,484	295	-	4,665	91,298	-	-	-	91,298
Travel	10,432	6,477	43,717	1,847	16,053	78,526	2,266	8,782	216	89,790
Utilities	27,850	12,202	18,206	4,481	-	62,739	17,926	8,963	-	89,628
Repairs and maintenance	16,819	9,487	12,328	2,662	-	41,296	10,649	6,081	-	58,026
Grants, awards, and appearance fees	9,605	353	29,591	22	-	39,571	328	1,690	2,040	43,629
Information technology	13,920	6,102	9,042	2,239	-	31,303	4,111	6,909	-	42,323
Continuing education	2,710	4,082	7,329	267	-	14,388	577	18,700	-	33,665
Supplies	10,398	3,991	5,650	4,762	-	24,801	1,203	650	-	26,654
Insurance	-	130	2,326	1,039	-	3,495	6,311	11,422	-	21,228
Miscellaneous	14,749	193	804	747	714	17,207	221	137	-	17,565
Collection acquisitions and maintenance	10,543	-	-	-	-	10,543	-	-	-	10,543
Security	2,701	1,183	1,766	435	-	6,085	1,739	869	980	9,673
	<u>\$ 1,427,541</u>	<u>\$ 586,157</u>	<u>\$ 1,027,680</u>	<u>\$ 405,950</u>	<u>\$ 219,743</u>	<u>\$ 3,667,071</u>	<u>\$ 358,529</u>	<u>\$ 1,167,849</u>	<u>\$ 328,097</u>	<u>\$ 5,521,546</u>

See Notes to Financial Statements

Bruce Museum, Inc.

Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services					Supporting Services				Total Expenses
	Art	Science	Education	Museum Store Operations	Other Programs	Total Programs	General and Administrative	Development	Special Events	
Salary, wages, and related costs	\$ 913,980	\$ 525,857	\$ 572,798	\$ 210,754	\$ 152,896	\$ 2,376,285	\$ 219,962	\$ 873,238	\$ 3,370	\$ 3,472,855
Event production	-	-	-	-	240	240	-	2,545	256,348	259,133
Depreciation and amortization	67,598	33,390	45,904	19,405	-	166,297	10,387	47,648	-	224,332
Professional fees and independent contractors	59,901	24,921	28,462	3,196	-	116,480	26,329	154,958	6,035	303,802
Office expenses	24,599	10,537	12,446	10,451	24,917	82,950	14,357	48,763	2,585	148,655
Equipment	47,629	23,289	31,973	8,942	-	111,833	37,764	21,433	6,612	177,642
Cost of sales	-	-	-	141,920	-	141,920	-	-	7,510	149,430
Hospitality	11,690	4,524	17,588	1,594	45,706	81,102	2,792	17,450	131	101,475
Advertising and marketing	47,507	13,727	18,170	4,097	-	83,501	2,058	16,079	-	101,638
Printing	-	9,510	17,105	1,596	-	28,211	3,843	20,933	15,575	68,562
Direct exhibit costs	92,086	3,070	837	-	2,835	98,828	-	-	-	98,828
Travel	3,488	5,504	38,730	4,015	10,070	61,807	763	6,291	61	68,922
Utilities	24,656	12,179	16,743	4,121	-	57,699	16,486	8,243	-	82,428
Repairs and maintenance	11,338	8,611	8,415	1,852	-	30,216	7,431	4,563	-	42,210
Grants, awards, and appearance fees	12,981	1,957	20,007	36	750	35,731	185	1,166	560	37,642
Information technology	16,260	8,284	11,042	2,881	-	38,467	7,473	9,071	-	55,011
Continuing education	3,260	3,650	7,316	200	-	14,426	628	45,703	-	60,757
Supplies	6,929	7,448	9,787	5,574	34	29,772	534	397	-	30,703
Insurance	(14,877)	1,823	4,916	1,041	-	(7,097)	5,904	7,809	-	6,616
Miscellaneous	14,087	80	6	3	211	14,387	17	35	-	14,439
Collection acquisitions and maintenance	90,926	-	-	-	-	90,926	-	-	-	90,926
Security	2,342	1,157	1,591	355	-	5,445	1,488	846	875	8,654
	<u>\$ 1,436,380</u>	<u>\$ 699,518</u>	<u>\$ 863,836</u>	<u>\$ 422,033</u>	<u>\$ 237,659</u>	<u>\$ 3,659,426</u>	<u>\$ 358,401</u>	<u>\$ 1,287,171</u>	<u>\$ 299,662</u>	<u>\$ 5,604,660</u>

See Notes to Financial Statements

Bruce Museum, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,591,719	\$ 3,030,122
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	258,406	224,332
Net realized and unrealized gains on investments	(437,426)	(1,200,041)
Contributions for capital expenditures	(2,721,756)	(2,264,375)
Contributions for endowment	(6,325)	(606,708)
Loss on uncollectible pledges receivable	629,267	158,767
Changes in operating assets and liabilities		
Contributions receivable	(17,580)	78,327
Inventory	8,947	2,363
Prepaid expenses and other assets	(68,515)	26,326
Accounts payable and accrued expenses	(55,855)	171,131
Deferred revenue	46,992	4,580
Net Cash from Operating Activities	(772,126)	(375,176)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(807,109)	(14,315)
Acquisition of other assets - museum expansion costs	(550,996)	(413,897)
Proceeds from sale of investments	6,317,768	5,698,427
Purchase of investments	(6,195,807)	(5,895,718)
Net Cash from Investing Activities	(1,236,144)	(625,503)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash collected from contributions for endowment	207,275	629,163
Cash collected from contributions for capital expenditures	2,043,178	2,221,182
Net Cash from Financing Activities	2,250,453	2,850,345
Net Change in Cash	242,183	1,849,666
CASH		
Beginning of year	3,179,116	1,329,450
End of year	\$ 3,421,299	\$ 3,179,116
SUPPLEMENTAL CASH FLOWS INFORMATION		
Non-cash Investing and Financing Activity		
Other assets - museum expansion costs financed included with accounts payable and accrued expenses	\$ -	\$ 310,389

See Notes to Financial Statements

Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

1. The Organization

Bruce Museum, Inc. ("BMI"), a Connecticut nonstock corporation, is a not-for-profit entity that operates a museum of arts and science located in Greenwich, Connecticut.

BMI is exempt from federal income taxes under Sections 501(c)(3) of the Internal Revenue Code.

On January 31, 1992, BMI entered into a management agreement (the "Agreement") with the Town of Greenwich, Connecticut (the "Town"), whereby the Town appointed BMI, exclusively, to supervise, manage and operate the Bruce Museum (the "Museum") and administer its affairs subject to certain provisions set forth in the Agreement. On November 2, 2016, BMI and the Town extended the Agreement through January 2042, subject to BMI's continuing compliance with the contract terms. In addition to the responsibilities assumed by BMI, the Agreement also covers the ownership and use of Museum real property, the ownership of collection objects, the status of Museum employees and certain commitments of the Town to the Museum (see Note 8).

The Museum's support comes primarily from admissions, memberships, support from the Town, special events, and donor contributions.

BMI is currently conducting a capital campaign to raise funds to expand the Museum's facilities and to increase the size of the endowment fund.

2. Summary of Significant Accounting Policies

Change in Accounting Principle

During 2019, BMI adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. BMI has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the BMI's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 10).
- Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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. Accordingly actual results could differ from those estimates.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2019 and 2018, the allowance was \$1,029,267 and \$400,000.

Collections

Contributions and purchases of art and natural science treasures and other similar assets are not capitalized in the accompanying financial statements. It is the policy of BMI that proceeds from the sale of any collection items are to be used to purchase additional collection items or for the direct care of existing collections. BMI defines direct care of collections as any activity that involves the protection and preservation of the collection.

Inventory

Inventory consists of items held for sale in the Museum's store. Inventory is stated at the lower of actual cost (first-in first-out basis) or market (net realizable value).

Fair Value of Financial Instruments

The Museum follows U.S. GAAP guidance on Fair Value Measurements which define fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient is not categorized within the fair value hierarchy.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The value by input level of BMI's investments is included in Note 3 to the financial statements.

Investments

Investments are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Investment expenses are not netted against investment returns as allowed by U.S. GAAP. Realized and unrealized gains and losses are included in the determination of change in net assets.

Property, Equipment and Depreciation

Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. The cost of property and equipment purchased in excess of \$5,000 is capitalized. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 30 years. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewals.

Deferred Revenue

Deferred revenue consists of fees and special event revenue received but not earned.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Net Assets (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Contributions restricted by donors are reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Expenditures of net assets restricted for the purchase and construction of property, equipment, and leasehold improvements are released from restriction when the related asset is placed into service.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Revenue and Revenue Recognition

Revenue is recognized when earned. Admissions are recognized when the attendee is admitted to the Museum. Membership dues have negligible benefits for the members and are therefore, recognized as contribution revenue when received. Rental and other income is recognized when the service is completed. Special event revenue is recognized on the date of the special event. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

For the years ended June 30, 2019 and 2018, BMI recognized \$86,980 and \$118,257 of donated services in the financial statements as contributions along with the corresponding expenses. Donated services consisted of docent and store clerk services. In addition, a number of volunteers have contributed their time to BMI, none of which meet the requirements for financial statement recognition.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$124,414 and \$101,639 for the years ended June 30, 2019 and 2018.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated amount program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Utilities	Square footage
Repairs and maintenance	Square footage
Salary, wages and related costs	Square footage, time, effort, costs, volunteer hours, and employee count
Advertising and marketing	Estimated use
Equipment related costs	Employee count
Information technology	Square footage
Hospitality	Time, effort, costs, volunteer hours and employee count
Insurance	Square footage, time, effort, costs, volunteer hours, and employee count
Office expenses	Square footage, time, effort, costs, volunteer hours, and employee count

Accounting for Uncertainty in Income Taxes

BMI recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that BMI had no uncertain tax positions that would require financial statement recognition or disclosure. For information returns, BMI is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to years ended June 30, 2016.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 14, 2019.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

3. Investments and Fair Value of Financial Instruments

The following table presents the composition of investments, unrestricted and the fair value hierarchy of those investments that are measured at fair value as of June 30:

Description	2019	2018
Quoted Prices in Active Markets for Identical Assets (Level 1)		
Mutual fund - fixed income	\$ 753,619	\$ 1,196,289
Items outside the fair value hierarchy		
Cash	794,291	95,473
	<u>\$ 1,547,910</u>	<u>\$ 1,291,762</u>

The following tables present the composition of assets held in endowment and the fair value hierarchy of those investments that are measured at fair value as of June 30:

Description	2019		Total
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Investments, endowment			
Mutual funds			
Domestic equity	\$ 12,992,573	\$ -	\$ 12,992,573
International equity	3,202,241	-	3,202,241
Commodities	604,344	-	604,344
Fixed income	450,853	-	450,853
Hedge funds	784,837	-	784,837
Fixed income			
U.S. Corporate bonds	-	873,463	873,463
U.S. Treasury Bonds	789,166	-	789,166
International corporate bonds	-	328,762	328,762
Federal agency bonds	-	681,272	681,272
Mortgage backed securities	-	94,489	94,489
	<u>\$ 18,824,014</u>	<u>\$ 1,977,986</u>	20,802,000
Cash (1)			537,324
Private equity investments (2)			562,121
Hedge funds (2)			<u>3,167,446</u>
 Total Assets Held in Endowment			 <u>\$ 25,068,891</u>

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

3. Investments and Fair Value of Financial Instruments (continued)

Description	2018		Total
	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Investments, endowment			
Mutual funds			
Money market	\$ 51,780	\$ -	\$ 51,780
Domestic equity	12,792,034	-	12,792,034
International equity	3,489,556	-	3,489,556
Commodities	444,306	-	444,306
Fixed income	578,248	-	578,248
Hedge funds	737,511	-	737,511
Fixed income			
U.S. Corporate bonds	-	900,820	900,820
U.S. Treasury Bonds	595,865	-	595,865
International corporate bonds	-	175,292	175,292
Federal agency bonds	-	655,737	655,737
Mortgage backed securities	-	183,213	183,213
	<u>\$ 18,689,300</u>	<u>\$ 1,915,062</u>	<u>20,604,362</u>
Cash (1)			372,712
Private equity investments (2)			681,659
Hedge funds (2)			<u>3,350,841</u>
 Total Assets Held in Endowment			 <u>\$ 25,009,574</u>

(1) Cash and certificates of deposit are not part of the fair value hierarchy.

(2) As discussed in Note 2, investments that are measured at NAV using the practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in the total column of this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheets.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

3. Investments and Fair Value of Financial Instruments (continued)

The following is a reconciliation of the beginning and ending balances for assets measured at NAV during the period ended June 30:

	2019		2018	
	Private Equity Investments	Hedge Funds	Private Equity Investments	Hedge Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Beginning balance	\$ 681,659	\$ 3,350,841	\$ 738,629	\$ 2,780,591
Purchases	5,500	-	16,500	-
Redemptions	(201,978)	-	(202,768)	-
Reported in endowment investment return				
Unrealized gains (losses) on investments held at year end	(51,365)	(183,395)	129,298	570,250
Realized gain on redemptions	128,305	-	-	-
Ending Balance	<u>\$ 562,121</u>	<u>\$ 3,167,446</u>	<u>\$ 681,659</u>	<u>\$ 3,350,841</u>

Information regarding investments measured at NAV using the practical expedient at June 30, 2019 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	<u> </u>	<u> </u>		
Private equity investments (see "a" below)	\$ 562,121	\$ 76,991	N/A	N/A
Equity market neutral hedge fund (see "b" below)	137,360	-	Quarterly	15-30 days
Multi-strategy hedge fund (see "c" below)	804,631	-	Quarterly	30 days
Managed futures hedge fund (see "d" below)	133,811	-	Monthly	15 days
Long/Short hedge fund (see "e" below)	<u>2,091,644</u>	<u>-</u>	Quarterly	60 days
	<u>\$ 3,729,567</u>	<u>\$ 76,991</u>		

- (a) This category includes several private equity funds that invest in private investment companies and managed advisory accounts. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the funds. There is no estimate as to when the underlying investments will be liquidated by the funds.
- (b) This category includes a hedge fund that pursues equity market neutral strategies. The hedge fund's composite portfolio for this category includes investments in approximately 85% United States equity securities and 15% foreign equity securities.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

3. Investments and Fair Value of Financial Instruments (continued)

- (c) This category includes a hedge fund that pursues multiple strategies to diversify risks and reduce volatility. The hedge fund's composite portfolio consists of approximately 4% in an exchange traded fund, 14% in private investment companies that invest in distressed assets, 55% in private investment companies that pursue an equity hedge strategy, 19% in private investment companies that pursue a global macro strategy, and 8% in private investment companies that pursue other investment strategies. The hedge fund's investments are subject to various redemption restrictions. 8% of the hedge fund's investments are subject to gate provisions, 3% of the hedge fund's investments are subject to redemptions from liquidations, 8% of the hedge fund's investments are subject to lock-up provisions through December 2020. The remaining redemption period for the investments held by the hedge fund ranged from monthly to annually at June 30, 2019.
- (d) This category includes a hedge fund that pursues a strategy of managed futures. It has leveraged fully-diversified futures portfolio with positions in currency, global interest rates, equities, energy, precious and industrial metals and agricultural future markets.
- (e) This category includes a hedge fund that pursues a long/short strategy. By employing a discipline investment process which utilizes various research techniques and evaluates fundamental factors, the partnership seeks to earn above market returns and long-term appreciation by investing principally in U.S. and foreign marketable securities. The hedge funds' composite portfolio for this category includes investments in approximately 82% United States equity securities, 26% foreign equity securities, 5% in warrants, and -13% in securities sold short. Redemptions from the fund are subject to a one year lockup period and a 1.25% withdrawal fee if withdrawn prior to the end of the lockup period.

Investment return in excess or less than the spending policy amount is reflected in the statement of activities as non-operating revenue or loss. Components of investment return for the years ended June 30 are as follows:

	2019	2018
Endowment Investment Return		
Interest and dividends net of fees	\$ 536,595	\$ 893,978
Realized gains (losses)	622,405	(13,202)
Unrealized gains (losses)	(191,589)	1,213,243
Endowment spending appropriation	(1,115,369)	(1,104,708)
Total Endowment Investment Return	(147,958)	989,311
Non-endowment Investment Return		
Interest and dividends net of fees	43,025	29,778
Realized gains	2,812	-
Unrealized gains	3,798	-
Total Non-Endowment Investment Return	49,635	29,778
Total Investment Return	\$ (98,323)	\$ 1,019,089

Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

4. Contributions Receivable

Contributions receivable as of June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Contributions receivable due in less than one year	\$ 1,847,534	\$ 1,985,579
Contributions receivable due in one to five years	<u>424,460</u>	<u>629,460</u>
	2,271,994	2,615,039
Allowance for uncollectible contributions receivable	(1,029,267)	(400,000)
Discount on pledges	<u>(32,608)</u>	<u>(37,861)</u>
Contributions Receivable, Net	<u>\$ 1,210,119</u>	<u>\$ 2,177,178</u>

The aforementioned contributions receivable have been included in the following net asset categories at June 30:

	<u>2019</u>	<u>2018</u>
Without donor restrictions	\$ 51,800	\$ 34,220
With donor restrictions	<u>1,158,319</u>	<u>2,142,958</u>
	<u>\$ 1,210,119</u>	<u>\$ 2,177,178</u>

Unrestricted contributions receivable represent promises to give to fund current operations of BMI for which payment was due as of June 30, 2019 and 2018.

Donor restricted contributions receivable outstanding as of June 30, 2019 are receivable as follows:

2020	\$ 1,795,734
2021	200,000
2022	<u>224,460</u>
	2,220,194
Allowance for uncollectible pledges	(1,029,267)
Discount on pledges	<u>(32,608)</u>
	<u>\$ 1,158,319</u>

BMI has received indications of support for the endowment fund and for the expansion of its facility. These indications of support do not meet the criteria to be recognized as either an asset or revenue on the accompanying financial statements. In addition to the contributions receivable recorded above, as of June 30, 2019, there are approximately \$1,667,000 of pledges contingent upon milestones related to the expansion of the Museum and approximately \$9,400,000 of outstanding indications of support for its endowment and expansion of its facility that have not been recognized on the financial statements because they do not meet the criteria to be recognized as either an asset or revenue on the financial statements.

Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

4. Contributions Receivable *(continued)*

During the year ended June 30, 2019, BMI received an additional pledge of \$15,000,000 for the Museum expansion contingent on BMI collecting an additional \$30,000,000 for the Museum expansion. As of September 30, 2019, BMI has collected approximately \$11,600,000 in cash, obtained promises to give of approximately \$2,000,000, obtained contingent promises to give of approximately \$1,700,000, and intentions to give of approximately \$9,400,000 towards the \$30,000,000 milestone.

5. Property and Equipment

Property and equipment at June 30 consists of the following:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 7,867,163	\$ 7,086,595
Furniture and equipment	476,978	450,437
Vehicles	<u>59,386</u>	<u>59,386</u>
	8,403,527	7,596,418
Accumulated depreciation	<u>(6,772,233)</u>	<u>(6,513,827)</u>
	<u>\$ 1,631,294</u>	<u>\$ 1,082,591</u>

6. Other Assets – Museum Expansion Costs

Other assets represents pre-construction costs related to designing, developing and preparing for construction of a new extension and renovations to the existing building and grounds that house the Museum and BMI. BMI will begin to depreciate the property over its estimated useful life when the improvements are placed into service.

7. Refundable Contributions

The Museum received cash for contributions which are conditional upon BMI meeting various milestones related to the expansion of the building. Accordingly, the contributions will not be recognized as revenue until the conditions for recognition have occurred.

8. Transactions with the Town of Greenwich

The Agreement between BMI and the Town (see Note 1) provides that the Town will:

- Give an annual budget appropriation to BMI to assist it in meeting its operating requirements,
- Maintain insurance coverage on Museum premises and collection objects, including items on temporary loan, and
- Provide maintenance and repairs, as defined in the Agreement.

Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

8. Transactions with the Town of Greenwich *(continued)*

During the years ended June 30, 2019 and 2018, budget appropriations made by the Town on behalf of and paid to BMI amounted to \$865,801 and \$848,825, representing 11% and 11% of BMI's total public support and revenue.

The extension to the Agreement includes a grant to BMI for \$750,000 to renovate the Museum's permanent science gallery. The estimated project cost is \$810,000. Cost above the grant will be BMI's responsibility.

The Town awarded a grant of \$824,000 to BMI for the replacement of the heating, ventilation, and air conditioning system in the Museum. Replacement of the system was started in September 2019.

9. Employee Benefits

BMI sponsors a 401(k) plan. This plan is for the benefit of substantially all full-time professional and support staff of BMI. For the years ended June 30, 2019 and 2018, BMI's contribution to the 401(k) plan was \$118,761 and \$111,927.

10. Liquidity and Availability

The following reflects BMI's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years. Total financial assets available to meet cash needs for general expenditure within one year at June 30, 2019, are as follows:

Cash	\$ 3,421,299
Investments, unrestricted	1,547,910
Contributions receivable, net	1,210,119
Unrestricted portion of endowment fund	<u>35,295</u>
Total Financial assets available within one year	<u>6,214,623</u>

Less amounts unavailable for general expenditures within one year due to:

Donor restrictions for programs and collection acquisitions and maintenance	1,037,610
Unspent portion of assets donor restricted for capital campaign	4,392,199
Board designations	<u>27,919</u>
	<u>5,457,728</u>

Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 756,895</u>
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Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

10. Liquidity and Availability (*continued*)

The principal source of liquidity is cash flow generated from contributions, membership dues, proceeds from special events, appropriations from the Town of Greenwich, and appropriation from the endowment fund. As part of BMI's liquidity strategy, management structures its financial assets, consisting of cash, investments, and receivables to be available as its general expenditures, liabilities and obligations come due within one year. Excess cash is designated by the board to be invested in the endowment fund, which could be drawn upon in the event of an unanticipated liquidity need.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
Programs	\$ 732,626	\$ 590,728
Collection acquisitions and maintenance	304,984	292,226
Unappropriated endowment returns	4,028,509	4,171,617
Capital campaign	9,370,331	8,534,900
Endowment	<u>20,232,886</u>	<u>20,226,561</u>
	<u>\$ 34,669,336</u>	<u>\$ 33,816,032</u>

Net assets released from restrictions during the years ended June 30 by incurring expenses that satisfy the restricted purposes or by the occurrence of other events specified by donors were as follows:

	<u>2019</u>	<u>2018</u>
Programs	\$ 113,087	\$ 154,513
Collection acquisitions	-	54,000
Capital campaign	<u>1,257,058</u>	<u>464,339</u>
	<u>\$ 1,370,145</u>	<u>\$ 672,852</u>

12. Endowment Fund

BMI maintains various donor-restricted and board-designated funds whose purpose is to provide long term support for its charitable programs. In classifying such funds for financial statement purposes as either with donor restrictions or without donor restrictions net assets, the Board looks to the explicit directions of the donor where applicable and the provisions of the laws of the State of Connecticut. Absent donor stipulations to the contrary, Connecticut State law suggests a permanent restriction on the portion of the total return of the endowment required to maintain its purchasing power over time. Connecticut State law suggests a temporary (time) restriction on the balance of the total return over such amount until appropriated by the Board for expenditure. For the years ended June 30, 2019 and 2018, the Board utilized a spending rate of five percent (5%) of its endowment to be calculated based upon the average value of such endowment on each of the twelve previous calendar quarters ending on March 31.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

12. Endowment Fund (continued)

The following is a reconciliation of the activity in the endowment funds:

	Without Donor Restriction	With Donor Restriction	Total Endowment
Balance, July 1, 2017	\$ 1,313,547	\$ 22,410,649	\$ 23,724,196
Cash contributions received and pledge collections	-	629,163	629,163
Investment return, net	112,945	1,981,074	2,094,019
Board authorized transfer	(333,096)	-	(333,096)
Appropriation for expenditure	<u>(54,467)</u>	<u>(1,050,241)</u>	<u>(1,104,708)</u>
Balance, June 30, 2018	1,038,929	23,970,645	25,009,574
Cash contributions received and pledge collections	-	207,275	207,275
Investment return, net	39,973	927,438	967,411
Appropriation for expenditure	<u>(44,823)</u>	<u>(1,070,546)</u>	<u>(1,115,369)</u>
Balance, June 30, 2019	<u>\$ 1,034,079</u>	<u>\$ 24,034,812</u>	<u>\$ 25,068,891</u>

As of June 30, 2019 and 2018, BMI had the following endowment net asset composition by type of fund:

	<u>2019</u>	<u>2018</u>
Without Donor Restrictions		
Undesignated	\$ 35,295	\$ 35,295
Board Designated	<u>998,784</u>	<u>1,003,634</u>
Total Without Donor Restrictions	<u>1,034,079</u>	<u>1,038,929</u>
With Donor Restrictions		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	20,006,303	19,799,028
Accumulated investment gains	<u>4,028,509</u>	<u>4,171,617</u>
Total With Donor Restrictions	<u>24,034,812</u>	<u>23,970,645</u>
Total Endowment Composition	<u>\$ 25,068,891</u>	<u>\$ 25,009,574</u>

Net assets donor restricted for the endowment was comprised of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Endowment fund	\$ 20,006,303	\$ 19,799,028
Pledges receivable, net	<u>226,583</u>	<u>427,533</u>
	<u>\$ 20,232,886</u>	<u>\$ 20,226,561</u>

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

12. Endowment Fund (*continued*)

The investment objectives for BMI are 1) to provide BMI with a dependable source of income to be applied towards the spending policy; 2) to increase the size of the endowment fund by achieving positive returns on a net basis after expenses and withdrawals; and 3) to maintain required amounts in the endowment funds pursuant to the Board's interpretation of Connecticut state law. BMI seeks to achieve these objectives through the use of broad diversification in order to control the risks of loss and volatility and through the use of an asset allocation policy appropriate to the needs of BMI, designed to maximize risk-adjusted long-term returns. This diversification means that in addition to the traditional investment classes of equity and fixed-income securities, the fund's assets may be allocated to non-traditional investment classes including foreign securities, real estate, commodities, private equity, derivatives and "alternative investments" such as hedge funds. These non-traditional investment classes may have higher risk characteristics than traditional investment classes.

13. Museum Facility

As described in Note 1, BMI manages and operates the Museum in a facility that is owned by the Town. The use of the facility by BMI is provided by the Town free of charge. In exchange for the use of the facility and in lieu of paying rent, BMI agreed in 1992 to incur the cost to improve, expand, and operate the facility pursuant to the Agreement. Additionally, BMI has agreed to oversee the renovation of the permanent science exhibit and to incur the costs of the renovation in excess of a \$750,000 grant awarded by the State of Connecticut to the Town which will be passed through to BMI. At the end of the Agreement between BMI and the Town, all improvements to the facility become the Town's property. Since the cost of the improvements, expansion, and operations exceed the fair rental value of the property over the extended term of the Agreement, BMI has not recorded any contribution income in connection with the use of the facility.

14. Collections

The Museum's collections comprise artwork consisting of fine examples of 19th and 20th century American and European painting, sculpture, and graphics, as well as world-class minerals and exceptional wildlife specimens depicted in their native environments. The Museum's collections of pre-Columbian, Native American, and Asian art enable the Museum to mount exhibits of rich cultural diversity.

In addition to the permanent display of natural history objects, the Museum rotates art objects onto display from the permanent collection, often featuring them in temporary exhibitions. When off view the objects are kept in a secure, climate controlled storage. The Museum maintains policies and procedures addressing the collection's maintenance and upkeep, as well as aspects of its management, including accessioning and de-accessioning. These procedures are in accordance with guidelines from the American Association of Museums, which reaccredited the Bruce Museum in December 2007. The permanent collections are insured by the Town for \$50 million; additional insurance is purchased to cover the value of works loaned to the Museum for temporary exhibitions.

Bruce Museum, Inc.

Notes to Financial Statements June 30, 2019 and 2018

14. Collections (*continued*)

Various collection items were donated to the Museum, which is owned by the Town, during the year ended June 30, 2019 and 2018. Title to all objects in the collections of the Museum, and all additions thereto, is vested exclusively in the Town and is held in public trust. Accordingly, BMI did not recognize income from the donations of objects to the Museum's collection on the statement of activities.

BMI purchased \$0 and \$86,275 collection items during the years ended June 30, 2019 and 2018. During the year ended June 30, 2018, one item was de-accessed and sold for \$40,000. There were no items de-accessed during the year ended June 30, 2019.

15. Concentration of Credit Risk, Risks and Uncertainties, and Related Party Transactions

Concentrations of credit risks

Cash and Investments Held at Financial Institutions

Financial instruments that potentially subject BMI to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The BMI does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At June 30, 2019 and 2018, \$2,850,000 and \$2,700,000 of cash was maintained with institutions in excess of FDIC limits.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment, investment advisor, investment manager or group of investments represents a significant concentration of credit risk.

Contributions

For the years ended June 30, 2019 and 2018, one donor represented 16% and 13% of total contributions, membership dues, and special event revenues. Four donors represent 59% of pledges receivable as of June 30, 2019. Three donors represent 52% of pledge receivables as of June 30, 2018.

Geographic concentration

BMI's market is concentrated in Greenwich, Connecticut and the surrounding area.

Bruce Museum, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

15. Concentration of Credit Risk, Risks and Uncertainties, and Related Party Transactions (continued)

Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Related Party transactions

For the years ended June 30, 2019 and 2018, BMI received contributions, membership dues, and special events revenues from trustees totaling approximately \$1,642,000 and \$750,000 representing 31% and 14% of total contributions, membership dues, and special event revenues. As of June 30, 2019 and 2018, 12% and 10% of pledges receivable were due from trustees.

16. Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2018, with early adoption permitted. BMI is evaluating the impact the pronouncement may have on the financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard clarifies and improves guidance on evaluation whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This standard is effective for non-public entities' fiscal years beginning after December 15, 2018. BMI is evaluating the impact the pronouncement may have on the financial statements.

Bruce Museum, Inc.

Supplementary Information

June 30, 2019 and 2018

Bruce Museum, Inc.

Statements of Financial Position - Supplemental Schedule
June 30, 2019

	Operating Fund	Property and Equipment Fund	Temporarily Restricted Fund	Capital Campaign Fund	Endowment Fund	Eliminations	Total
ASSETS							
Cash	\$ 770,981	\$ -	\$ -	\$ 2,804,769	\$ -	\$ (154,451)	\$ 3,421,299
Investments, unrestricted	-	-	1,547,910	-	-	-	1,547,910
Contributions receivable, net	51,800	-	-	931,736	226,583	-	1,210,119
Inventory	43,272	-	-	-	-	-	43,272
Prepaid expenses and other current assets	164,938	-	-	-	-	-	164,938
Interfund receivables	596,021	-	-	722,813	154,451	(1,473,285)	-
Assets held in endowment	-	-	-	-	24,914,440	154,451	25,068,891
Property and equipment, net	-	1,631,294	-	-	-	-	1,631,294
Other assets - museum expansion costs	-	-	-	4,978,132	-	-	4,978,132
	<u>\$ 1,627,012</u>	<u>\$ 1,631,294</u>	<u>\$ 1,547,910</u>	<u>\$ 9,437,450</u>	<u>\$ 25,295,474</u>	<u>\$ (1,473,285)</u>	<u>\$ 38,065,855</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable and accrued expenses	\$ 415,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,545
Refundable contributions	-	-	-	34,963	-	-	34,963
Deferred revenue	98,072	-	-	-	-	-	98,072
Interfund payables	877,264	-	596,021	-	-	(1,473,285)	-
Total Liabilities	<u>1,390,881</u>	<u>-</u>	<u>596,021</u>	<u>34,963</u>	<u>-</u>	<u>(1,473,285)</u>	<u>548,580</u>
Net Assets							
Without Donor Restrictions							
Operating	208,212	-	(85,721)	32,156	35,295	-	189,942
Board designated for capital account	27,919	-	-	-	-	-	27,919
Board designated endowment	-	-	-	-	998,784	-	998,784
Investment in property and equipment	-	1,631,294	-	-	-	-	1,631,294
Total Without Donor Restrictions	<u>236,131</u>	<u>1,631,294</u>	<u>(85,721)</u>	<u>32,156</u>	<u>1,034,079</u>	<u>-</u>	<u>2,847,939</u>
With donor restrictions	-	-	1,037,610	9,370,331	24,261,395	-	34,669,336
Total Net Assets	<u>236,131</u>	<u>1,631,294</u>	<u>951,889</u>	<u>9,402,487</u>	<u>25,295,474</u>	<u>-</u>	<u>37,517,275</u>
	<u>\$ 1,627,012</u>	<u>\$ 1,631,294</u>	<u>\$ 1,547,910</u>	<u>\$ 9,437,450</u>	<u>\$ 25,295,474</u>	<u>\$ (1,473,285)</u>	<u>\$ 38,065,855</u>

See Independent Auditors' Report

Bruce Museum, Inc.

Statements of Financial Position - Supplemental Schedule
June 30, 2018

	Operating Fund	Property and Equipment Fund	Temporarily Restricted Fund	Capital Campaign Fund	Endowment Fund	Eliminations	Total
ASSETS							
Cash	\$ 2,487,751	\$ -	\$ -	\$ 768,168	\$ -	\$ (76,803)	\$ 3,179,116
Investments, unrestricted	-	-	1,291,762	-	-	-	1,291,762
Contributions receivable, net	34,220	-	-	1,715,425	427,533	-	2,177,178
Inventory	52,219	-	-	-	-	-	52,219
Prepaid expenses and other current assets	96,423	-	-	-	-	-	96,423
Interfund receivables	518,967	-	-	2,517,311	76,803	(3,113,081)	-
Assets held in endowment	-	-	-	-	24,932,771	76,803	25,009,574
Property and equipment, net	-	1,082,591	-	-	-	-	1,082,591
Other assets - museum expansion costs	-	-	-	4,737,525	-	-	4,737,525
	<u>\$ 3,189,580</u>	<u>\$ 1,082,591</u>	<u>\$ 1,291,762</u>	<u>\$ 9,738,429</u>	<u>\$ 25,437,107</u>	<u>\$ (3,113,081)</u>	<u>\$ 37,626,388</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable and accrued expenses	\$ 471,400	\$ -	\$ -	\$ 310,389	\$ -	\$ -	\$ 781,789
Refundable contributions	-	-	-	867,963	-	-	867,963
Deferred revenue	51,080	-	-	-	-	-	51,080
Interfund payables	2,594,114	-	518,967	-	-	(3,113,081)	-
Total Liabilities	<u>3,116,594</u>	<u>-</u>	<u>518,967</u>	<u>1,178,352</u>	<u>-</u>	<u>(3,113,081)</u>	<u>1,700,832</u>
Net Assets							
Without donor restrictions							
Operating	45,067	-	(110,159)	25,177	35,295	-	(4,620)
Board designated for capital account	27,919	-	-	-	-	-	27,919
Board designated endowment	-	-	-	-	1,003,634	-	1,003,634
Investment in property and equipment	-	1,082,591	-	-	-	-	1,082,591
Total Without Donor Restrictions	<u>72,986</u>	<u>1,082,591</u>	<u>(110,159)</u>	<u>25,177</u>	<u>1,038,929</u>	<u>-</u>	<u>2,109,524</u>
With donor restrictions	<u>-</u>	<u>-</u>	<u>882,954</u>	<u>8,534,900</u>	<u>24,398,178</u>	<u>-</u>	<u>33,816,032</u>
Total Net Assets	<u>72,986</u>	<u>1,082,591</u>	<u>772,795</u>	<u>8,560,077</u>	<u>25,437,107</u>	<u>-</u>	<u>35,925,556</u>
	<u>\$ 3,189,580</u>	<u>\$ 1,082,591</u>	<u>\$ 1,291,762</u>	<u>\$ 9,738,429</u>	<u>\$ 25,437,107</u>	<u>\$ (3,113,081)</u>	<u>\$ 37,626,388</u>

See Independent Auditors' Report

Bruce Museum, Inc.

Statement of Activities - Supplemental Schedule
Year Ended June 30, 2019

	Operating Fund	Property and Equipment Fund	Temporarily Restricted Fund	Capital Campaign Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 980,737	\$ -	\$ 310,858	\$ -	\$ -	\$ 1,291,595
Town of Greenwich appropriations	865,801	-	-	-	-	865,801
Endowment spending appropriation	1,115,369	-	-	-	-	1,115,369
Admissions	229,375	-	-	-	-	229,375
Membership dues	442,191	-	-	-	-	442,191
Museum store revenue	242,056	-	-	-	-	242,056
Special events revenue	871,779	-	-	-	-	871,779
Rental and other revenue	54,608	-	-	-	-	54,608
Total Public Support and Revenue	<u>4,801,916</u>	<u>-</u>	<u>310,858</u>	<u>-</u>	<u>-</u>	<u>5,112,774</u>
EXPENSES						
Program	3,196,657	191,556	169,806	109,052	-	3,667,071
General and administrative	346,565	11,964	-	-	-	358,529
Development	745,526	54,886	-	367,437	-	1,167,849
Special events	328,097	-	-	-	-	328,097
Total Expenses	<u>4,616,845</u>	<u>258,406</u>	<u>169,806</u>	<u>476,489</u>	<u>-</u>	<u>5,521,546</u>
Excess (Deficiency) of Support and Revenue Over Expenses from Operations	185,071	(258,406)	141,052	(476,489)	-	(408,772)
OTHER INCOME, OTHER EXPENSES, AND TRANSFERS						
Endowment investment return, net of endowment spending appropriation	-	-	-	-	(147,958)	(147,958)
Non-endowment investment return	4,615	-	38,042	6,978	-	49,635
Board authorized transfer	-	-	-	-	-	-
Purchase of property and equipment	(26,541)	807,109	-	(780,568)	-	-
Contributions for museum expansion	-	-	-	2,721,756	-	2,721,756
Contributions for endowment	-	-	-	-	6,325	6,325
Loss on uncollectible pledges receivable	-	-	-	(629,267)	-	(629,267)
Change in Net Assets	163,145	548,703	179,094	842,410	(141,633)	1,591,719
NET ASSETS						
Beginning of year	<u>72,986</u>	<u>1,082,591</u>	<u>772,795</u>	<u>8,560,077</u>	<u>25,437,107</u>	<u>35,925,556</u>
End of year	<u>\$ 236,131</u>	<u>\$ 1,631,294</u>	<u>\$ 951,889</u>	<u>\$ 9,402,487</u>	<u>\$ 25,295,474</u>	<u>\$ 37,517,275</u>

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Bruce Museum, Inc.

Statement of Activities - Supplemental Schedule
Year Ended June 30, 2018

	Operating Fund	Property and Equipment Fund	Temporarily Restricted Fund	Capital Campaign Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 988,489	\$ -	\$ 261,117	\$ -	\$ -	\$ 1,249,606
Town of Greenwich appropriations	848,825	-	-	-	-	848,825
Endowment spending appropriation	1,104,708	-	-	-	-	1,104,708
Admissions	232,572	-	1,010	-	-	233,582
Membership dues	432,348	-	-	-	-	432,348
Museum store revenue	272,510	-	-	-	-	272,510
Special events revenue	741,383	-	-	-	-	741,383
Rental and other revenue	20,415	-	-	-	-	20,415
Total Public Support and Revenue	<u>4,641,250</u>	<u>-</u>	<u>262,127</u>	<u>-</u>	<u>-</u>	<u>4,903,377</u>
EXPENSES						
Program	3,126,559	166,297	267,580	98,990	-	3,659,426
General and administrative	348,014	10,387	-	-	-	358,401
Development	874,174	47,648	-	365,349	-	1,287,171
Special events	299,662	-	-	-	-	299,662
Total Expenses	<u>4,648,409</u>	<u>224,332</u>	<u>267,580</u>	<u>464,339</u>	<u>-</u>	<u>5,604,660</u>
Excess (Deficiency) of Support and Revenue Over Expenses from Operations	(7,159)	(224,332)	(5,453)	(464,339)	-	(701,283)
OTHER INCOME, OTHER EXPENSES, AND TRANSFERS						
Endowment investment return, net of endowment spending appropriation	-	-	-	-	989,311	989,311
Non-endowment investment return	3,704	-	17,661	8,413	-	29,778
Board authorized transfer	333,096	-	-	-	(333,096)	-
Purchase of property and equipment	(14,315)	14,315	-	-	-	-
Contributions for museum expansion	-	-	-	2,264,375	-	2,264,375
Contributions for endowment	-	-	-	-	606,708	606,708
Loss on uncollectible pledges receivable	-	-	-	(133,350)	(25,417)	(158,767)
Change in Net Assets	315,326	(210,017)	12,208	1,675,099	1,237,506	3,030,122
NET ASSETS						
Beginning of year	<u>(242,340)</u>	<u>1,292,608</u>	<u>760,587</u>	<u>6,884,978</u>	<u>24,199,601</u>	<u>32,895,434</u>
End of year	<u>\$ 72,986</u>	<u>\$ 1,082,591</u>	<u>\$ 772,795</u>	<u>\$ 8,560,077</u>	<u>\$ 25,437,107</u>	<u>\$ 35,925,556</u>

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