MoCA
WESTPORT

Financial Statements

June 30, 2019 and 2018

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
MoCA Westport, Inc.
Westport, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of MoCA Westport, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, 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 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 auditor's 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 Center'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 Center'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 the Center as of June 30, 2019, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Center adopted Accounting Standards Update (ASU) No. 2016-14 "Presentation of Financial Statements of Not-for-Profit Entities" Topic (958). Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Center's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

October 21, 2020
Shelton, Connecticut

MoCA WESTPORT, INC.

Statement of Financial Position
June 30, 2019
(With comparative amounts at June 30, 2018)

	June 30, 2019	June 30, 2018
ASSETS		
Current Assets		
Cash	$ 224,856	$ 55,195
Current portion of contribution receivable	51,180	56,429
Investment in marketable securities	577,896	499,080
Total Current Assets	853,932	610,704
Contribution receivable, net of current portion	-	48,049
Investment in marketable securities	1,163,268	1,149,198
Equipment and leasehold improvements, net	187,611	-
Other asset	10,000	10,000
	$ 2,214,811	$ 1,817,951
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 174,141	$ 31,538
NET ASSETS		
Without donor restrictions	315,157	79,159
With donor restrictions	1,725,513	1,707,254
Total Net Assets	2,040,670	1,786,413
	$ 2,214,811	$ 1,817,951

See notes to financial statements and independent auditors' report

MoCA WESTPORT, INC.

Statement of Activities and Changes in Net Assets
June 30, 2019
(With summarized totals for the year ended June 30, 2018)

	Year Ended June 30,			
	2019			2018
	Without Donor Restriction	With Donor Restriction	Total	Summarized Total
SUPPORT, GAINS AND REVENUE				
Membership dues	$ 14,936	$ -	$ 14,936	$ 27,674
Donations, contributions and grants	650,235	48,000	698,235	328,697
Special events	375,611	-	375,611	291,150
Program	83,399	-	83,399	127,814
Government grants	-	10,000	10,000	26,890
Dividend and interest income, net of expenses of $5,888 (2019) and $6,954 (2018)	26,224	-	26,224	23,078
Net realized and unrealized gains on investments	12,890	69,907	82,797	104,847
Net assets released from restriction	109,648	(109,648)	-	-
Total Support, Gains and Revenue	1,272,943	18,259	1,291,202	930,150
EXPENSES				
Program services	478,513	-	478,513	521,602
Management and general	285,847	-	285,847	210,806
Fundraising	185,069	-	185,069	167,170
Special events	87,516	-	87,516	141,352
Total Expenses	1,036,945	-	1,036,945	1,040,930
Change in Net Assets	235,998	18,259	254,257	(110,780)
Net assets, beginning	79,159	1,707,254	1,786,413	1,897,193
Net assets, ending	$ 315,157	$1,725,513	$ 2,040,670	$ 1,786,413

See notes to financial statements and independent auditors' report

MoCA WESTPORT, INC.

Statement of Functional Expenses
Year Ended June 30, 2019
(With summarized totals for the year ended June 30, 2018)

	Year Ended June 30								
	2019								2018
	Program Services								
	Visual Arts	Concert Series	Education	Total Program Services	Management and General	Fundraising	Special Events	Total	Summarized Total
Salaries and employee benefits	$ 63,204	$ 46,315	$ 84,875	$ 194,394	$ 138,466	$ 118,009	$ -	$ 450,869	$ 387,380
Rent, utilities and maintenance	91,341	-	15,733	107,074	22,034	2,217	14,938	146,263	154,080
Office and other administrative	26,006	3,809	6,772	36,587	16,834	11,718	-	65,139	52,171
Marketing and development	8,815	6,364	2,562	17,741	9,778	23,042	5,492	56,053	56,196
Professional fees	-	-	-	-	98,735	30,083	-	128,818	123,247
Food and beverages	-	-	-	-	-	-	20,087	20,087	25,333
Entertainment and performance fees	2,100	31,928	-	34,028	-	-	9,750	43,778	56,518
Auction expenses	-	-	-	-	-	-	21,045	21,045	33,390
Décor and other expenses	964	1,616	1,016	3,596	-	-	16,204	19,800	14,964
Supplies, materials and installation	39,896	6,188	7,059	53,143	-	-	-	53,143	43,605
Travel and transportation	18,846	-	-	18,846	-	-	-	18,846	22,447
Instruction fees, awards and curation	8,000	-	1,942	9,942	-	-	-	9,942	47,463
Receptions and openings	1,027	2,135	-	3,162		-	-	3,162	22,135
Depreciation	-	-	-	-	-	-	-	-	2,001
	$ 260,199	$ 98,355	$ 119,959	$ 478,513	$ 285,847	$ 185,069	$ 87,516	$ 1,036,945	$ 1,040,930

See notes to financial statements and independent auditors' report

MoCA WESTPORT, INC.

Statement of Cash Flows
Year Ended June 30, 2019
(With summarized totals for the year ended June 30, 2018)

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$254,257	$(110,780)
Adjustments to reconcile change in net assets to		
net cash from operating activities		
Depreciation and amortization	-	2,001
Realized and unrealized gains on investments	(82,797)	(104,847)
Donated securities and other assets	(32,148)	(31,307)
Changes in operating assets and liabilities		
Accounts and pledges receivable	53,298	17,973
Prepaid expenses	-	5,000
Accounts payable and accrued expenses	62,014	12,713
Net Cash from Operating Activities	254,624	(209,247)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(107,022)	-
Proceeds from sale of investments	523,253	217,034
Purchases of investments	(501,194)	(96,168)
Net Cash from Investing Activities	(84,963)	120,866
Net change in cash	169,661	(88,381)
CASH		
Cash, beginning	55,195	143,576
Cash, ending	$224,856	$ 55,195

See notes to financial statements and independent auditors' report

1. Organization

Nature of Operations

MoCA Westport, Inc. (the "Center"), formerly known as Westport Arts Center, presents cultural and educational activities and programs to promote participation in and appreciation of the arts by citizens of the community at large. In furtherance thereto, the Center communicates regularly with approximately 6,200 households via bi-monthly email communication.

The basic programs of the Center include contemporary art exhibits, seminars and lectures, chamber and jazz concerts, films, and arts education and outreach programs. Program expenses include the direct costs specifically associated with the programs.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Center's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Estimates and Assumptions

Management uses estimates and assumptions in preparing these financial statements in conformity with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates used.

Accounting Pronouncements Adopted

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" Topic (958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to

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

Accounting Pronouncements Adopted (continued)

acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation method used to allocate costs, (e) requiring the disclosure of qualitative and quantitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statement of cash flows using the direct method must also present a reconciliation of the change in net assets to net cash provided by (used in) operating activities.

ASU 2016-14 is effective for fiscal years beginning after December 15, 2017 and, accordingly, the Center has adopted this pronouncement for the fiscal year beginning July 1, 2018. The Center has opted to not disclose liquidity and availability information for the year ended June 30, 2018 as permitted under the ASU in the year of adoption.

Cash

The Center maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts. The Center believes it is not exposed to any significant credit risk on cash.

Cash equivalents held for investment purposes are classified as investments for financial statement purposes.

Contribution Receivable

All contribution receivables are due within one year. The Center establishes an allowance for contribution receivables that may become uncollectible in the future based on current economic trends, historical payment and bad debt write-off experience, and any specific donor related collection issues. Contribution receivable balances are written off when management has concluded that all reasonable methods of collection have been exhausted. There wasn’t an allowance for doubtful accounts at June 30, 2019 or 2018.

Investment in Marketable Securities

Dividend and interest income, gains or losses are reflected in the statement of activities. Investment income is considered unrestricted unless restricted by donor stipulation or law.

Investments are recorded at fair value and include both funds without restriction and donor restricted endowment funds which are classified as net assets with donor restrictions (see Note 5).

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

Investment in Marketable Securities (continued)

Estimated fair value is based on the criteria outlined in Financial Accounting Standards Board Accounting Standards Codification No. 820 (ASC 820) *"Fair Value Measurement and Disclosures"*. ASC 820 establishes a fair value hierarchy that prioritizes the assumptions used in valuation techniques to measure fair value. This hierarchy consists of three broad levels. The three levels of fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;

Level 2 – Quoted prices in active markets for similar assets and liabilities or quoted prices in less active dealer or broker markets;

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable.

Property and Equipment

Property and equipment are recorded at cost or donated value. The cost of property and equipment purchased in excess of $1,000 is capitalized. Equipment and leasehold improvements are stated at cost (fair value at date of contribution for donated assets) and are depreciated using the straight-line method over the estimated useful life of the related assets. Leasehold improvements are amortized over the lease term. When property and equipment is retired, or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resulting gain or loss recognized. Expenditures of repairs and maintenance are charged to expense as incurred.

Net Assets

Net assets of the Entity are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets without Donor Restriction – Net assets without donor restriction represent available resources for use at the discretion of the Board of Directors (Board) and/or management for general operating purposes. As of June 30, 2019, the Board has not designated any funds for specific purposes.

Net Assets with Donor Restriction – Net assets with donor restriction consist of assets whose use is limited by donor imposed time and/or purpose restrictions.

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.

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

Net Assets (continued)

The Center reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Contributions

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are recognized when the conditions upon which they depend have been substantially met.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures and equipment) are reported as temporarily restricted. The Center reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Program Revenues

Program revenues, which consist mainly of sponsorships, class fees, admissions and event ticket sales, are recognized over the terms of the programs and once underlying events are held.

Functional Expenses

The Center allocates expenses on a functional basis among programs and support services. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Expenses that benefit more than one function have been allocated using a base most appropriate to the particular cost: payroll costs for staff with responsibilities in multiple program areas are allocated bases on job function and time allocation, occupancy costs are allocated based on square footage or head count, and other expenses are allocated either by head count or other methods.

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

Donated Materials and Services

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Accounting Standards Codification No. 958-605 (ASC 958-605) *"Not For Profit Entities, Revenue Recognition"*, if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. See Note 6.

Donated property and the use of equipment and facilities are recorded as support and expenses at fair market value when determinable, otherwise at values indicated by the donor.

While many members and individuals volunteer their time and perform a variety of tasks that assist the Center, no amounts have been recognized in the accompanying financial statements for such services because the criteria for recognition of such volunteer efforts under ASC 958-605 have not been met.

Income Taxes

The Center is a not-for-profit, non-stock Connecticut corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. It qualifies as a publicly supported Center and is, therefore, not a private foundation.

Management of the Center has evaluated all significant tax positions as required by accounting principles generally accepted in the United States of America and is of the opinion that the Center has not taken any material tax positions that would require the recording of any tax liability by the Center.

Generally, federal and state authorities may examine the Center's informational tax returns for three years from the date of filing. Consequently, income taxes prior to 2016 are no longer subject to examination by taxing authorities.

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 October 21, 2020.

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3. Investments

The following summarizes the relationship between cost and market values of investments as presented in the financial statements as of June 30, 2019 and 2018:

	2019		2018	
	Market value	Cost basis	Market value	Cost basis
Nonendowment assets measured using Level 1 inputs				
Cash Equivalents	$ 119,422	$ 119,422	$ 332,368	$ 332,368
Marketable equity securities (Exchange Traded Funds)	458,474	449,430	166,712	145,563
Total	577,896	568,852	499,080	477,931
Held for endowment assets measured using Level 1 inputs				
Cash equivalents	67,756	67,756	57,591	57,591
Marketable equity securities (Exchange Traded Funds)	1,095,512	899,159	1,091,607	956,338
	1,163,268	966,915	1,149,198	1,013,929
Total	$ 1,741,164	$ 1,535,767	$ 1,648,278	$ 1,491,860

4. Property and Equipment

	June 30, 2019	June 30, 2018	Estimated Useful Lives
Furniture and fixtures	$ 7,761	$ 7,761	3-5 years
Equipment	18,680	18,680	5-7 years
Leasehold improvements	-	156,343	2-7 years
Construction in progress (19 Newtown Tpke.)	187,611	-	
	214,052	182,784	
Less accumulated depreciation and amortization	(26,441)	(182,784)	
	$ 187,611	$ -	

5. Endowment

The Center follows the provisions of Financial Accounting Standards Board Accounting Standards Codification No. 958-205-45-28 *Endowments of Not-for-Profit Organizations Classification of Donor-Restricted Endowment Funds Subject to the Uniform Prudent Management of Institutional Funds Act*. The Center's endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors 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 Center classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. As allowed for by the donor, the maximum of 5% of prior year-end principal balance of funds or investment income was used to fund current operations and specified programs.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets and subsequent market appreciation will be reported as increases in unrestricted net assets to the extent losses were reported as decreases in unrestricted net assets.

The Center has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets must be invested in a conservative manner. Further, two funds restrict the manner in which funds can be invested.

Endowment Funds

Chamber Music Fund

The Chamber Music Program of the Center was established by an initial contribution of $52,045. Interest earned by the permanently restricted fund is to be used for the Chamber Music Program. In the event the Chamber Music Program is eliminated, the funds can be used at the discretion of the Center to annually memorialize the donors.

5. Endowment *(continued)*

Endowment Funds (continued)

Artur and Heida Hermanns Holde Foundation Fund

The Fund was established in 2012 with approximately $886,000 in restricted contributions. The contribution requires the Center to retain the underlying assets in an endowment. The endowment limits the investment of the assets to exclude the purchases of equities of companies which manufacture, sell or otherwise engage in the business of pharmaceutical drugs, alcoholic beverages or tobacco products or medically related businesses. The endowment limits the use of the resulting investment income to enhance the Center's classical music program and up to 50% annually for operating expenses. Income is defined as the greater of (i) interest, dividends, and other investment income of the Fund or (ii) a unitrust amount equal to 5% of the prior year-end principal balance of the Fund. In addition, the Center may use up to 20% of the underlying endowment assets to help fund a capital project no more than once every five years.

In the event (i) the Center's programs are ceased, (ii) the Center loses its tax exempt status, (iii) the Center is terminated or (iv) the Center uses more income/principal than is authorized, the Center shall transfer all of the Fund's then assets to the endowment of the Manhattan School of Music of New York, New York (School) provided the School agrees to accept and comply with respective conditions. If the School shall not exist or agree to the conditions, the Center is to designate a successor in the greater Norwalk/Wilton/Westport, Connecticut area that has programs primarily for the elderly of the area.

Heida Hermanns International Music Competition Fund

The Fund was established in 2012 with approximately $264,000 in restricted contributions. The contribution requires the Center to retain the underlying assets in an endowment. The endowment limits the investment of the assets to exclude the purchase of equities of companies which manufacture, sell or otherwise engage in the business of pharmaceutical drugs, alcoholic beverages or tobacco products or mentally related businesses. The endowment limits the use of the resulting investment income to support the annual music competition. Income is defined as the greater of (i) interest, dividends and other investment income of the Fund or (ii) a unitrust amount equal to 5% of the prior year-end principal balance of the Fund. In the event (i) the program is ceased, (ii) the Center loses its tax exempt status, (iii) the Center is terminated or (iv) the Center uses more income/principal than is authorized, the Center shall transfer all of the Fund's then assets to the endowment of the Manhattan School of Music of New York, New York provided the School agrees to accept and comply with respective conditions. If the School shall not exist or agree to the conditions, the Center is to designate a successor in the greater Norwalk/Wilton/Westport, Connecticut area that has programs primarily for the elderly of the area.

5. Endowment *(continued)*

Endowment Funds (continued)

Endowment funds with donor restriction net assets as of June 30, 2019 and 2018 are comprised of the following:

	2019	2018
Chamber Music Fund	$ 52,045	$ 52,045
Artur and Heida Hermanns Holde Foundation Fund	842,613	840,110
Heida Hermanns International Music Competition Fund	268,610	257,043
	$1,163,268	$1,149,198

Changes in endowment net assets for the year ended June 30 are as follows:

	2019	2018
Endowment net assets, beginning of year	$1,149,198	$1,081,362
Net realized and unrealized gains	69,908	69,528
Investment income, net	19,878	15,783
Reduction of principal for authorized expenditures	(75,716)	(17,475)
	$1,163,268	$1,149,198

The amount of endowment funds held in perpetuity is $52,045 as of June 30, 2019 and 2018.

6. Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods as follows at June 30, 2019 and 2018:

	June 30,	
	2019	2018
Subject to expenditure for specified purpose or period:		
New facility construction/capital project	$ 552,245	$ 517,245
Heida Music Competition	10,000	-
Visual arts program	-	30,000
Chamber music fund	-	10,811
	$ 562,245	$ 558,056
Endowment subject to the Center’s spending policy and appropriation:		
Donor-restricted endowments	$1,163,268	$1,149,198
Total net assets with donor restriction	$1,725,513	$1,707,254

7. Donated Property and Services

The Center has recorded the estimated fair market value of donated property and services for the year ended June 30, as follows:

	2019	2018
Included in support, gains and revenue		
Donated services and other	$ 5,550	$ 113,182
Included in functional expenses		
Donated program services	-	41,827
Donated administrative and general expenses	5,550	4,800
Donated fundraising and special events	-	66,555

8. Commitments

Leases

The Center leases office and gallery space under a noncancellable operating lease which expired in June 30, 2019. The Center also leases office equipment through June 2024

Rent expense was $109,800 and $105,900 for the Years Ended June 30, 2019 and 2018.

During the year, the Center entered into an operating lease for new office and gallery space, which was occupied subsequent to year end and expires in July 2035. The lease allows for a ten year extension option. The lease calls for escalating lease payments, which includes electric charges and taxes. As of June 30, 2019, the Center incurred $187,000 in construction costs which were capitalized under "Construction in progress". Total additional costs incurred and capitalized subsequent to year end were approximately $380,000.

The lease calls for the landlord to pay $130,000 over the first seven years of the lease. If the payments are not made by the landlord, the Center can reduce minimum rent payments by the unpaid amount. Rent expense for this lease will be recognized on a straight-line basis over the term of the lease.

Future minimum lease payments are as follows:

Year Ending June 30	
2020	$ 118,000
2021	118,800
2022	121,100
2023	121,200
2024	121,400
Thereafter	1,238,600
	$1,839,100

9. Concentrations

The Center received support from two donors during 2019 representing 47% of total support, gains and revenue. There were no amounts included in contribution receivables at June 30, 2019.

10. Supplemental Disclosure of Non-Cash Operating and Investing

Included in accounts payable and accrued expenses at June 30, 2019 is $80,589 of construction in progress costs for improvements held for future use (19 Newtown Tpke).

11. Liquidity and Availability of Resources

The Center regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The following table reflects the Center's financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures as of June 30, 2019:

Cash	$ 224,856
Investment in marketable securities	1,741,164
Current portion of accounts and pledge receivable	51,180
Total financial assets available within one year	2,017,200
Less amounts unavailable for general expenditures within one year, due to:	
Restrictions by donors with time or purpose restriction	562,245
Restrictions by donors in perpetuity	1,163,268
Total amounts unavailable for general expenditures within one year	1,725,513
Total financial assets available to management for general expenditures within one year	$ 291,687

As part of the Center's liquidity management policy, financial assets are structured to be available as its general expenditures, liabilities and other obligations come due.

12. Subsequent Events

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a global economic slowdown. The rapid development and fluidity of this situation precludes any prediction of a material adverse impact of the coronavirus outbreak on the Center. Nevertheless, the outbreak presents uncertainty and risk with respect to the Center, its performance, and its financial results. The Center, following state guidelines, temporarily halted its programs during the fiscal year ending June 30, 2020 and has reopened as allowed by those guidelines.

The Center applied for and has received a $137,500 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA") through Webster Bank. The loan bears an interest rate of 1% and matures on June 2022. Principal and interest payments on the PPP loan are deferred until either the SBA determines the amount forgiven or 10 months after the end of the Center's covered period if an application for forgiveness is not filed. All or a portion of the principal and accrued and unpaid interest is eligible for forgiveness if the Center meets specific spending and employee retention criteria in regards to payroll, payroll related costs, rent, and utilities during a specified time period. The Center expects all or a significant portion of the PPP Loan to be forgiven. The Center also has applied for an SBA Economic Injury Disaster Loan.

The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows in 2020 cannot be reasonably estimated at this time.

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