THE CONNECTICUT HISTORICAL SOCIETY

FINANCIAL STATEMENTS
AND
REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

THE CONNECTICUT HISTORICAL SOCIETY
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Maletta & Company
CERTIFIED PUBLIC ACCOUNTANTS
43 Enterprise Drive • Bristol, CT 06010-3990 • 860/582-6715 • Fax 860/585-6339

Independent Auditor's Report

Board of Trustees
The Connecticut Historical Society

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of The Connecticut Historical Society, which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Connecticut Historical Society as of December 31, 2025 and 2024, 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.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Connecticut Historical Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Connecticut Historical Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Connecticut Historical Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Connecticut Historical Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 on our consideration of The Connecticut Historical Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Connecticut Historical Society's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Connecticut Historical Society's internal control over financial reporting and compliance.

Maletta & Company

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
June 23, 2026

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	$ 450,430	$ 694,367
Grants and Contributions Receivable	55,842	169,838
Other Receivables	13,760	15,155
Inventory	45,007	39,377
Prepaid Expenses	86,296	62,909
Total Current Assets	651,335	981,646
Noncurrent Assets		
Investments	49,990,564	47,498,665
Property and Equipment, Net	4,816,175	4,765,153
Split-Interest Agreements	16,382,943	15,188,649
Museum Collections (Note 1)	-	-
Total Noncurrent Assets	71,189,682	67,452,467
Total Assets	$ 71,841,017	$ 68,434,113
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 83,180	$ 192,746
Accrued Payroll	73,643	168,071
Accrued Expenses	5,165	-
Refundable Advances	130,295	59,307
Notes Payable – Current Portion	-	100,460
Total Current Liabilities	292,283	520,584
Net Assets		
Without Donor Restrictions	25,699,384	24,734,450
With Donor Restrictions	45,849,350	43,179,079
Total Net Assets	71,548,734	67,913,529
Total Liabilities and Net Assets	$ 71,841,017	$ 68,434,113

The accompanying notes are an integral part of these financial statements

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Operating Revenues and Support						
Contributions, Including Promises to Give	$ 607,836	$ 159,629	$ 767,465	$ 938,279	$ 122,123	$ 1,060,402
In-kind Contributions	-	-	-	140,172	-	140,172
Grants from Government Sources	1,340,894	-	1,340,894	1,196,991	-	1,196,991
Programs and Service Fees	149,858	-	149,858	217,189	-	217,189
Memberships	50,643	-	50,643	53,166	-	53,166
Publication, Book, and Museum Shop Sales	11,153	-	11,153	8,491	-	8,491
Admissions	26,218	-	26,218	19,474	-	19,474
Distributions from Perpetual Trusts	689,706	-	689,706	673,837	-	673,837
Endowment Investment Return for Operations	1,094,212	1,432,710	2,526,922	829,455	1,083,866	1,913,321
Other Investment Return for Operations	16,422	-	16,422	26,428	-	26,428
Net Assets Released from Restrictions	1,832,842	(1,832,842)	-	1,271,581	(1,271,581)	-
Total Operating Revenues and Support	5,819,784	(240,503)	5,579,281	5,375,063	(65,592)	5,309,471
Operating Expenses						
Program Services	3,678,247	-	3,678,247	3,271,813	-	3,271,813
General and Administrative	856,447	-	856,447	893,041	-	893,041
Fundraising and Development	1,053,129	-	1,053,129	1,097,640	-	1,097,640
Total Operating Expenses	5,587,823	-	5,587,823	5,262,494	-	5,262,494
Results of Operations	231,961	(240,503)	(8,542)	112,569	(65,592)	46,977

The accompanying notes are an integral part of these financial statements

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Non-operating Revenues/(Expenses)						
Endowment Contributions	$ -	$ -	$ -	$ -	$ 10,000	$ 10,000
Endowment Investment Return in Excess of Spending Policy	906,626	1,435,890	2,342,516	2,018,269	2,804,755	4,823,024
Less: Specific Drawdowns	320,692	280,590	601,282	48,657	-	48,657
Change in Value of Split-Interest Agreements	-	1,194,294	1,194,294	-	689,691	689,691
Depreciation Expense	(224,537)	-	(224,537)	(232,016)	-	(232,016)
Facilities Planning Expenses	(257,008)	-	(257,008)	(185,827)	-	(185,827)
Loss on Disposals	(10,064)		(10,064)	-		-
Total Non-Operating Revenues/(Expenses)	735,709	2,910,774	3,646,483	1,649,083	3,504,446	5,153,529
Change in Net Assets Before Collections	967,670	2,670,271	3,637,941	1,761,652	3,438,854	5,200,506
Change in Net Assets Related to Collections						
Proceeds from Sale of Collections Items	4,039	-	4,039	-	-	-
Collections Items Purchased	(6,775)	-	(6,775)	(24,752)	-	(24,752)
Total Change in Net Assets Related to Collections	(2,736)	-	(2,736)	(24,752)	-	(24,752)
Change in Net Assets	964,934	2,670,271	3,635,205	1,736,900	3,438,854	5,175,754
Net Assets, Beginning of Year	24,734,450	43,179,079	67,913,529	22,997,550	39,740,225	62,737,775
Net Assets, End of Year	$ 25,699,384	$ 45,849,350	$ 71,548,734	$ 24,734,450	$ 43,179,079	$ 67,913,529

The accompanying notes are an integral part of these financial statements

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services		
	Programs	General & Administrative	Fundraising & Development	2025 Total
Expenses				
Personnel Costs	$ 2,386,197	$ 597,827	$ 815,802	$ 3,799,826
Professional Fees	5,668	31,841	7,592	45,101
Travel	22,719	3,337	1,956	28,012
Professional Development	2,973	10,616	2,355	15,944
Advertising and Promotion	195	5	54,708	54,908
Office Expenses	82,779	12,545	64,650	159,974
Interest	822	158	-	980
Consulting and Contract Services	503,562	19,075	18,188	540,825
Program Supplies	155,673	7,666	19,562	182,901
Subscriptions and Dues	13,168	18,583	25,358	57,109
Bank and Other Fees	13,909	2,931	2,969	19,809
Cost of Goods Sold	8,489	-	-	8,489
Information Technology	18,959	123,068	38,976	181,003
Occupancy	264,123	6,574	765	271,462
Equipment	29,102	1,537	82	30,721
Equipment Rentals	24,646	2,763	98	27,507
Insurance	27,067	17,921	68	45,056
Fee Reductions	124,971	-	-	124,971
Depreciation	218,466	5,438	633	224,537
Facility Expansion	-	257,008	-	257,008
Total Expenses	$ 3,903,488	$ 1,118,893	$ 1,053,762	$ 6,076,143

The accompanying notes are an integral part of these financial statements

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Supporting Services		
	Programs	General & Administrative	Fundraising & Development	2024 Expenses
Expenses				
Personnel Costs	$ 1,793,288	$ 472,685	$ 770,445	$ 3,036,418
Professional Fees	576	58,036	-	58,612
Travel	32,113	8,934	4,799	45,846
Professional Development	3,217	536	185	3,938
Advertising and Promotion	23,461	-	168,634	192,095
Office Expenses	78,127	35,238	72,129	185,494
Interest	42,374	8,346	123	50,843
Consulting and Contract Services	399,506	102,845	169,077	671,428
Program Supplies	16,559	2,325	2,136	21,020
Subscriptions and Dues	12,872	83,373	19,658	115,903
Cost of Goods Sold	2,317	-	-	2,317
Information Technology	11,240	9,157	39,146	59,543
Occupancy	209,290	4,573	60,618	274,481
Equipment	192	-	-	192
Equipment Rentals	22,135	3,648	302	26,085
Insurance	1,643	7,563	5	9,211
Conferences and Meetings	10,675	13,425	1,700	25,800
Conservation Services	20,778	-	-	20,778
Exhibit Fabrication	37,953	330	-	38,283
Miscellaneous	20,615	147	5,185	25,947
Depreciation Expense	221,727	5,519	642	227,888
Facility Expansion	-	185,828	-	185,828
Collection Acquisitions	28,979	-	-	28,979
Total Expenses	$ 2,989,637	$ 1,002,508	$ 1,314,784	$ 5,306,929

The accompanying notes are an integral part of these financial statements

THE CONNECTICUT HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	$ 3,635,205	$ 5,175,754
Adjustments to Reconcile Change in Net Assets to Net Cash		
(Used in)/Provided by Operating Activities		
Depreciation Expense	224,537	232,016
Loss on Disposal of Assets	10,064	-
Net Realized and Unrealized Investment (Appreciation)/Depreciation	(4,441,299)	(5,868,197)
Change in Value of Split-Interest Agreements	(1,194,294)	(689,691)
Endowment Contributions	-	(10,000)
Net Purchases/(Sales) of Collections Items	2,736	24,752
(Increase)/Decrease in Operating Assets		
Grants and Contributions Receivable	113,996	23,409
Other Receivables	1,395	(2,581)
Inventory	(5,630)	4,519
Prepaid Expenses	(23,387)	6,327
Net Cash (Used in)/Provided by Operating Assets	86,374	31,674
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(109,566)	83,452
Accrued Payroll	(94,428)	48,364
Accrued Expenses	5,165	(81,095)
Refundable Advances	70,988	(80,457)
Net Cash (Used in)/Provided by Operating Liabilities	(127,841)	(29,736)
Net Cash (Used in)/Provided by Operating Activities	(1,804,518)	(1,133,428)
Cash Flows From Investing Activities		
Purchase of Investments	(8,079,706)	(43,565,288)
Proceeds from Sales of Investments	10,029,106	45,323,831
Purchase of Property and Equipment	(285,623)	(636,715)
Purchase of Collections Items	(6,775)	(24,752)
Proceeds from Sales of Collections Items	4,039	-
Net Cash (Used in)/Provided by Investing Activities	1,661,041	1,097,076
Cash Flows From Financing Activities		
Endowment Contributions	-	10,000
Long-Term Contributions for Payment of Debt	-	50,000
Proceeds from Borrowings	-	550,000
Repayment of Borrowings	(100,460)	(499,540)
Net Cash (Used in)/Provided by Financing Activities	(100,460)	110,460
Net Increase/(Decrease) in Cash and Cash Equivalents	(243,937)	74,108
Cash and Cash Equivalents, Beginning of Year	694,367	620,259
Cash and Cash Equivalents, End of Year	$ 450,430	$ 694,367
Supplemental Information		
Cash Paid for Interest	$ 158	$ 2,351
Cash Paid for Income Taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements

Note 1 – Summary of Significant Accounting Policies

The summary of significant accounting policies of The Connecticut Historical Society (the CHS) is presented to assist in understanding the CHS's financial statements. The financial statements and notes are representations of the CHS's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Connecticut Historical Society (dba Connecticut Museum of Culture and History) is a private, not-for-profit museum, library, and education center that encourages public appreciation of the history of Connecticut and its diverse people. Established in Hartford, Connecticut by Connecticut's General Assembly in 1825, the CHS is the seventh oldest historical society in the nation and houses one of the most distinguished museum and library collections in New England. The mission of the CHS is to cultivate deep understanding of the history and culture of Connecticut, and its role in America and the world, through reflection of the past, active engagement with the present, and innovation for the future through our collections, research, educational programs, and exhibitions. The CHS's vision is to work with an inclusive audience to promote historical and cultural perspectives as essential tools to connect with others, shape communities, and make informed decisions. The CHS's major program activities include:

<u>Collections Development</u> – Manages the diverse collection of materials (books, manuscripts, graphics, furniture, costumes, and many other objects) related to Connecticut's material culture from the late 17th century to the present.

<u>Exhibits and Programs</u> – Develops and displays themed exhibitions and public programs related to various aspects of Connecticut history.

<u>Education</u> – Promotes the study and enjoyment of Connecticut history through school group and adult programs, tours, and outreach activities.

<u>Collections Access/Research Center</u> – Manages access to the collections by researchers, genealogists, academic scholars, and the general public.

<u>Cultural Sustainability Program</u> – Serves as the state's official folk and traditional arts initiative, working with communities to document, present, and sustain valuable cultural heritage.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the net assets of the CHS and changes therein are classified and reported as follows:

<u>Net Assets Without Donor Restrictions</u> – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

<u>Net Assets With Donor Restrictions</u> – Net assets subject to donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues, including promises to give, are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor or grantor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Measure of Operations

The CHS includes in its measure of operations (excess of operating revenue and support over expenses) all support and revenues that are an integral part of its programs and supporting activities. The measure of operations includes the investment return equal to the CHS's spending policy and excludes investment returns in excess of the spending policy, permanently restricted contributions, and contributions for capital additions and related expenses, such as depreciation and interest.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building occupancy, maintenance, and depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Structure

The CHS is a nonprofit corporation exempt from federal income tax under provisions of the Internal Revenue Service Code, Section 501(c)(3).

The CHS regularly reviews and evaluates its tax positions taken or expected to be taken for a tax return and believes that no tax benefits or liabilities are required to be recognized.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates. Significant estimates include depreciation expense, contributions receivable discounts, alternative investments valuations and the present value of future cash flows from perpetual trusts.

Cash and Cash Equivalents

Cash equivalents represent money market funds or short-term investments with original maturities of three months or less, except for those short-term investments managed by the CHS's investment managers as part of their long-term investment strategies and those restricted for capital assets.

The CHS maintains cash accounts with banking institutions insured by the FDIC; account balances may exceed FDIC insurance limits. The CHS has not experienced any losses in such accounts and management believes the CHS is not exposed to significant risk.

Inventory

Inventory, which consists primarily of merchandise held for resale, is stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Inventories were comprised of the following as of December 31, 2025 and 2024:

	2025	2024
Books and Publications	$ 32,423	$ 28,763
Gift Shop Items	12,584	10,614
	$ 45,007	$ 39,377

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Investments
Investments are reported at fair value. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income includes the CHS's gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses and other investment income are reflected in the accompanying statements of activities. These amounts are reported in the statements of activities as increases or decreases in net assets with or without donor restrictions as appropriate based on any donor stipulations or law.

Property and Equipment
The CHS follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of $5,000. The fair value of donated property and equipment is similarly capitalized. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and Improvements	10 to 50 years
Equipment	5 to 10 years

Collections
The CHS's collections consist of artifacts of historical significance, works of arts, or similar assets related to Connecticut history. These collections are held for public exhibition, educational, research, historical, and curatorial purposes. Each of these items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

The collections, which were acquired through purchases and contributions since the organization's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. During 2025 and 2024 collection items with a fair value of $4,039 and $-0-, respectively, were deaccessioned. Collection items purchased for 2025 and 2024 totaled $6,775 and $24,752, respectively.

Deaccessioned items are subject to a policy that requires proceeds from their sales to be used for collections acquisition and direct collections care. Direct care are costs associated with the storage or preservation of collections items. Such costs include for example those for (i) conservation and restoration treatments (including packing and transportation for such conservation or restoration) and (ii) materials required for storage of all classifications of works of art. Funds received from the disposal of a deaccessioned collections items shall not be used for operations or capital expenses except as provided above. Direct care does not include (a) salaries of staff or (b) costs incurred for the sole purpose of temporary exhibition display.

Beneficial Interest in Perpetual Trusts
The CHS retains a beneficial interest in various perpetual trusts created by donors and held by unrelated trustees. The CHS receives investment income from the trusts in perpetuity, but does not have access to the assets of the trusts. The beneficial interests are carried at the present value of estimated future receipts from the trusts, which is measured by the fair market value of the assets in the trusts. The beneficial interest and changes therein are recognized as permanently restricted net assets.

Contributions
The CHS recognizes promises to give as contributions when such promises are received and terms are confirmed by the museum. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Governmental Grants

Governmental grants and contracts are generally considered to be conditional contributions. Conditions are met as expenses are incurred in accordance with the terms of the grant. Therefore, revenue from cost reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based contracts is recognized to the extent of performance achieved. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue. Receivables are established to the extent that grant funded costs have been incurred but not yet not reimbursed by the grantor.

Revenue from Contracts with Customers

Revenue from contracts with customers generally consists of fees for educational programs. Any consideration received in excess of contract revenue recognized results in a contract liability balance for that contract, while revenue recognized in excess of consideration received results in a balance receivable for that contract. Performance obligations typically consist of the requirement to provide a program service over a short period of time.

Contract receivables, contract liabilities, and contract asset balances consisted of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Accounts Receivable - Beginning	$ 15,155	$ 12,574
Accounts Receivable - Ending	$ 13,760	$ 15,155
Contract Liabilities - Beginning	$ -	$ -
Contract Liabilities - Ending	$ -	$ -

Contributed Services

Contributed services are recognized in the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased otherwise. General volunteer services do not meet these criteria and are not recognized in the financial statements. However, many volunteers have donated significant amounts of time in supporting the CHS's mission and fundraising campaigns. See Note 13 for additional information.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under FASB ASC 842 Leases, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and long-term liabilities in the statements of financial position. Finance leases are included in property and equipment in non-current assets and other current liabilities, and other long-term liabilities in the statements of financial position.

ROU assets represent the CHS's right to use an underlying asset for the lease term, and lease liabilities represent the CHS's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The CHS has elected to use a risk-free rate as the discount rate by class of underlying asset. The CHS uses the risk-free rate for all asset classes; however, when the rate implicit in the lease is readily determinable for any individual lease, the CHS will use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of the fact that the CHS has made the risk-free rate election. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The CHS's lease terms may include options to extend or terminate the lease when it is reasonably certain that the CHS will exercise the option.

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Leases

Short-term leases, which are 12 months or less at their commencement date and do not include an option to purchase the underlying asset or extend the lease beyond 12 months, that the CHS is reasonably certain to exercise, are not recognized as ROU assets.

The CHS had no material leases requiring recognition or disclosure as of and for the years ended December 31, 2025 and 2024.

Advertising

The CHS expenses the costs of advertising at the time the advertising takes place.

Date of Management's Review and Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or available to be issued. Subsequent events have been evaluated by management through June 23, 2026, the date which the financial statements were available to be issued.

Note 2 – Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are as follows:

Cash and Cash Equivalents	$ 450,430
Contributions Receivable	55,842
Other Receivables	13,760
Estimated Distributions From Perpetual Trusts	694,958
Endowment Spending Rate Distributions	1,652,047
Total Financial Assets Available Within One Year	2,867,037
Less Amounts Unavailable Due To Donor Restrictions	(682,874)
Financial Assets Available For General Expenditure	$ 2,184,163

The CHS's endowment funds consist of donor-restricted endowments and funds designated by the Board of Trustees as endowments (board-designated). Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. The amount drawn from donor-restricted endowments for general use, in accordance with the CHS's annual endowment spending policy (Note 6), for the year ended December 31, 2025 was $743,951. A similar draw is expected for the ensuing year. The remaining donor-restricted endowment funds are not available for general expenditure.

The CHS's total board-designated endowment of $21,207,031 as of December 31, 2025 is also subject to the CHS's endowment spending policy. The amount drawn from the board-designated endowment for general use for the year ended December 31, 2025 was $849,781. A similar draw is expected for the ensuing year. Although the CHS does not intend to spend from this board-designated endowment in excess of the amounts appropriated for expenditure as part of the Board's annual budget approval and appropriation, the entire board-designated endowment, less the pledged collateral, could be made available for general expenditure if necessary.

The CHS is also a beneficiary of four perpetual trusts (split-interest agreements) as described in Note 8. The CHS does not have access to the underlying investments in the trusts, which are donor-restricted and are not available for general expenditure. The CHS receives distributions from these trusts that are available for general expenditure. The distributions for the year ended December 31, 2025 were $689,706. Similar distributions are expected to be received in the ensuing year.

As part of the CHS's liquidity management plan, cash in excess of amounts required to be readily available, as determined by management from time to time, is invested in a short-term investment account. The Board may also designate a portion of any operating surplus to the board-designated endowment.

Note 3 – Contributions Receivable

The present value discounts on unconditional promises to give receivable in future periods are estimated using interest rates paid on U.S. Treasury obligations with maturities equivalent to the years in which the payments are to be received. Such interest rates were established in the fiscal year that the contribution was recognized and are subsequently adjusted after management's review. There were no long-term pledge receivables requiring a discount to present value as of December 31, 2025 and 2024. Contributions receivable as of December 31, 2025 and 2024, were as follows:

	2025	2024
Receivable in Less than One Year	$ 55,842	$ 169,838

Note 4 – Investments

Investments at fair value as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Cash and Cash Equivalents	$ 1,282,554	$ 19,000
Equity Mutual Funds and ETFs	37,333,090	37,528,296
Fixed Income Mutual Funds	-	176,482
Corporate Bonds	10,996,639	9,194,583
US Treasuries	378,281	580,304
	$ 49,990,564	$ 47,498,665

The components of total investment return for the year ended December 31, 2025 and their classification in the statement of activities is as follows:

	Without Donor Restrictions	With Donor Restrictions	2025 Total
Interest and Dividends	$ 509,068	$ 668,282	$ 1,177,350
Distributions from Perpetual Trusts	689,706	-	689,706
Realized Gains/(Losses)	1,033,906	1,402,511	2,436,417
Net Unrealized Gains/(Losses)	850,784	1,154,098	2,004,882
Investment Fees	(55,806)	(75,701)	(131,507)
Total Return on Investments	$ 3,027,658	$ 3,149,190	$ 6,176,848
Classification			
Operating Investment Return	$ 1,800,340	$ 1,432,710	$ 3,233,050
Non-Operating Investment Return	1,227,318	1,716,480	2,943,798
Total Return on Investments	$ 3,027,658	$ 3,149,190	$ 6,176,848

Note 4 – Investments (Cont'd)

The components of total investment return for the year ended December 31, 2024 and their classification in the statement of activities is as follows:

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Interest and Dividends	$ 440,467	$ 577,190	$ 1,017,657
Capital Gains Distributions	50,298	67,529	117,827
Distributions from Perpetual Trusts	673,837	-	673,837
Realized Gains/(Losses)	4,997,054	6,720,978	11,718,032
Net Unrealized Gains/(Losses)	(2,482,942)	(3,366,893)	(5,849,835)
Investment Fees	(82,068)	(110,183)	(192,251)
Total Return on Investments	$ 3,596,646	$ 3,888,621	$ 7,485,267
Classification			
Operating Investment Return	$ 1,529,720	$ 1,083,866	$ 2,613,586
Non-Operating Investment Return	2,066,926	2,804,755	4,871,681
Total Return on Investments	$ 3,596,646	$ 3,888,621	$ 7,485,267

Note 5 – Fair Value of Financial Instruments

U.S. GAAP, under FASB ASC 820 Fair Value Measurement, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the CHS has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. When, as a practical expedient, an investment is measured at fair value on the basis of net asset value, its classification as Level 2 or 3 will be impacted by the ability to redeem the investment at net asset value at the measurement date. If there is uncertainty or the inability to redeem an investment at net asset value in the near term subsequent to the measurement date, the investment is categorized as Level 3.

In general, management relies on the third-party investment managers to provide valuations on a monthly basis. Management verifies these valuations in a number of ways including, but not limited to, assessing the valuation methodologies used by each manager and reviewing the footnotes related to valuation in audited financial statements. The following is a description of the valuation methodologies used for assets measured at fair value:

Note 5 – Fair Value of Financial Instruments (Cont'd)

Cash Equivalents and CDs – Cash equivalents are money market funds that are valued as cash due to their short-term nature. Certificates of deposit obligations are valued based on information provided by the third-party investment fund managers.

Equity Mutual Funds and Equities/ETFs – Equity based mutual funds are valued at the daily published net asset value per share and common stocks are valued at the closing price reported in the active market in which the individual securities are traded.

Fixed Income Funds, Bonds and US Treasuries – Mutual funds, including fixed income and high yield mutual funds, are valued at the daily published net asset value per share. Corporate and municipal bonds and US Treasuries are valued based on information provided by the third-party investment fund managers.

Split-Interest Agreements (***Perpetual Trusts)*** – Fair value is based on the estimated present value of future payments to the CHS, which is considered to be the CHS's beneficial interest percentage in the underlying assets held in trust, as reported by the trustee.

There have been no changes in the methodologies used at December 31, 2025 and 2024.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the CHS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a summary of the fair value measurements of financial instruments by class that are measured at fair value on a recurring basis as of December 31, 2025 and 2024:

Description	December 31, 2025	Fair Value Measurements Using Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 1,282,554	$ 1,282,554	$ -	$ -
Equity Mutual Funds and ETFs	37,333,090	37,333,090	-	-
Corporate Bonds	10,996,639	10,996,639	-	-
US Treasuries	378,281	378,281	-	-
Total Investments	49,990,564	49,990,564	-	-
Split-Interest Agreements	16,382,943	-	-	16,382,943
Total	$ 66,373,507	$ 49,990,564	$ -	$ 16,382,943

Description	December 31, 2024	Fair Value Measurements Using Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 19,000	$ 19,000	$ -	$ -
Equity Mutual Funds	37,528,296	37,528,296	-	-
Fixed Income Mutual Funds	176,482	176,482	-	-
Corporate Bonds	9,194,583	9,194,583	-	-
US Treasuries	580,304	580,304	-	-
Total Investments	47,498,665	47,498,665	-	-
Split-Interest Agreements	15,188,649	-	-	15,188,649
Total	$ 62,687,314	$ 47,498,665	$ -	$ 15,188,649

During the years ended December 31, 2025 and 2024 there were no significant transfers in or out of Level 1 or Level 2.

Note 5 – Fair Value of Financial Instruments (Cont'd)

The following is a summary of the changes in the balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024:

	2025 Split-Interest Agreements	2024 Split-Interest Agreements
Balance, Beginning of Year	$ 15,188,649	$ 14,498,958
Total Gain/(Loss) Included in the Change in Net Assets, Recognized as Change in Value of Split-interest Agreements	1,194,294	689,691
Additions/Purchases	-	-
Withdrawals/Sales	-	-
Balance, End of Year	$ 16,382,943	$ 15,188,649

The CHS does not develop quantitative unobservable inputs when measuring fair value; instead the CHS relies upon valuations provided by third-party investment fund managers.

Note 6 – Endowment Fund

The CHS's endowment consists of more than 100 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Board of Trustees of the CHS has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CTPMIFA) 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 CHS classifies the following as permanent endowment net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the CHS in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the CHS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the organization; and
- The investment policies of the organization

Note 6 – Endowment Fund (Cont'd)

Endowment net asset composition by type of fund is as follows as of December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	2025 Total
Donor-Restricted Endowment Funds	$ -	$ 28,783,533	$ 28,783,533
Board-Designated Endowment Funds	21,207,031	-	21,207,031
	$ 21,207,031	$ 28,783,533	$ 49,990,564

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Donor-Restricted Endowment Funds	$ -	$ 27,347,643	$ 27,347,643
Board-Designated Endowment Funds	20,300,406	-	20,300,406
	$ 20,300,406	$ 27,347,643	$ 47,648,049

Changes in endowment net assets for the years ended December 31, 2024 and 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, January 1, 2024	$ 18,282,136	$ 24,532,888	$ 42,815,024
Contributions and Board Designations	-	10,000	10,000
Investment Return			
Investment Income	480,205	644,726	1,124,931
Net Appreciation/(Depreciation)	2,416,177	3,243,895	5,660,072
Total Investment Return	2,896,382	3,888,621	6,785,003
Amounts Appropriated for Expenditure	(829,455)	(1,083,866)	(1,913,321)
Other Changes			
Specific Withdrawals	(48,657)	-	(48,657)
Endowment Net Assets, December 31, 2024	$ 20,300,406	$ 27,347,643	$ 47,648,049

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, January 1, 2025	$ 20,300,406	$ 27,347,643	$ 47,648,049
Contributions and Board Designations	-	-	-
Investment Return			
Investment Income	492,655	668,273	1,160,928
Net Appreciation/(Depreciation)	1,828,875	2,480,917	4,309,792
Total Investment Return	2,321,530	3,149,190	5,470,720
Amounts Appropriated for Expenditure	(1,094,213)	(1,432,710)	(2,526,923)
Other Changes			
Specific Withdrawals	(320,692)	(280,590)	(601,282)
Endowment Net Assets, December 31, 2025	$ 21,207,031	$ 28,783,533	$ 49,990,564

Note 6 – Endowment Fund (Cont'd)

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CTPMIFA requires the CHS to retain as a fund of perpetual duration (underwater endowments). Management has interpreted CTPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. These types of deficiencies generally result from unfavorable market fluctuations and continued appropriation deemed prudent by the Board of Trustees as part of the CHS's spending policy. At December 31, 2025 and 2024 no funds were underwater.

Return Objectives and Risk Parameters - The CHS has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The CHS expects its endowment funds, over time, to provide an average rate of return of approximately 3% plus the rate of inflation over 5-10 years. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the CHS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The CHS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The CHS has a policy of appropriating for distribution each year a percentage of its endowment fund's average fair value over the prior 20 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned (6.25% and 4.9% for the years ended December 31, 2025 and 2024, respectively). In establishing this policy, the CHS considered the long-term expected return on its endowment. Accordingly, over the long-term, annual spending should not exceed the total annual return of the portfolio minus inflation. This is consistent with the CHS's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 7 – Property and Equipment

The following is a detailed list of property and equipment, cost, depreciation, and accumulated depreciation for the years ended December 31, 2025 and 2024:

	2025	2024
Land	$ 20,000	$ 20,000
Land Improvements	181,478	181,478
Building and Improvements	7,286,513	7,286,513
Equipment	1,928,911	1,915,275
Assets in Progress	1,088,858	840,711
	10,505,760	10,243,977
Less Accumulated Depreciation	(5,689,585)	(5,478,824)
Property and Equipment, Net	$ 4,816,175	$ 4,765,153

Assets in progress are costs associated with planned facility improvements.

Note 8 – Split-interest Agreements

Perpetual Trusts - Income earned on trust assets is distributed to the CHS to be used for general operations and is reported as revenue without donor restrictions. The fair value at December 31, 2025 and 2024 of these beneficial interests were as follows:

	2025			2024		
Donor/Trust	Beneficial Interest	Trust Fair Value	CHS Fair Value	Beneficial Interest	Trust Fair Value	CHS Fair Value
Frederick S. Bliss	18.254%	$ 13,560,381	$ 2,475,312	23.00%	$ 12,199,697	$ 2,226,933
Edwin H. Bingham	6.667%	4,384,505	292,301	6.67%	4,002,507	266,835
Charles Woodward	8.000%	149,460,409	11,956,833	8.00%	139,750,944	11,180,075
Grace E. Bliss	19.048%	8,707,116	1,658,497	24.24%	7,952,739	1,514,806
		$ 176,112,411	$ 16,382,943		$ 163,905,887	$ 15,188,649

For the years ended December 31, 2025 and 2024, trust distributions were as follows:

	2025			2024		
Donor/Trust	Beneficial Interest	Total Trust Distribution	CHS Portion	Beneficial Interest	Total Trust Distribution	CHS Portion
Frederick S. Bliss	18.254%	$ 465,191	$ 84,916	23.00%	$ 399,154	$ 72,862
Edwin H. Bingham	6.667%	179,952	11,997	6.67%	169,529	11,302
Charles Woodward	8.000%	6,630,266	530,420	8.00%	6,565,338	525,227
Grace E. Bliss	19.048%	327,452	62,373	24.24%	338,342	64,446
		$ 7,602,861	$ 689,706		$ 7,472,363	$ 673,837

Note 9 – Notes Payable

During 2024 the CHS established a margin account as a revolving line of credit within the endowment fund. The line of credit carries a variable interest rate (6.25% as of December 31, 2025 and 5.75% as of December 31, 2024) and is secured by investments in the endowment fund. The maximum amount available is based on a percentage of the fair value and type of collateralized securities in the investment account and fluctuates with market conditions. At December 31, 2025 and 2024 this line of credit balance was $-0- and $100,460, respectively.

Note 10 – Net Assets

Without Donor Restrictions – Board-designated net assets without donor restrictions represent original board-designated principal, cumulative investment returns, and cumulative distributions from endowment funds without donor restrictions that have not met the specific requirements of the Board of Trustees. A listing of board-designated net assets without donor restrictions by specific purposes as of December 31, 2025 and 2024 is as follows:

Designated Purpose	Unspent Proceeds From Collections Deaccessions	Endowment Distributions	Endowment Funds	2025 Total
General Operations	$ -	$ 32,837	$ 16,413,617	$ 16,446,454
Museum Acquisition	53,469	486,807	1,143,473	1,683,749
Museum Conservation	485	(19,848)	2,901,207	2,881,844
Publications	-	(40,020)	623,773	583,753
Library Conservation	210	-	-	210
Library Acquisition	9,152	17,110	83,164	109,426
Library Improvements	-	1,213	41,797	43,010
Total Board-Designated Net Assets	63,316	478,099	21,207,031	21,748,446
Undesignated	-	-	-	3,950,938
Total	$ 63,316	$ 478,099	$ 21,207,031	$ 25,699,384

Designated Purpose	Unspent Proceeds From Collections Deaccessions	Endowment Distributions	Endowment Funds	2024 Total
General Operations	$ -	$ 25,711	$ 15,788,224	$ 15,813,935
Museum Acquisition	53,469	363,342	1,145,272	1,562,083
Museum Conservation	485	(19,240)	2,660,626	2,641,871
Publications	-	9,078	588,703	597,781
Library Conservation	466	-	-	466
Library Acquisition	9,152	14,167	78,252	101,571
Library Improvements	-	8,414	39,329	47,743
Total Board-Designated Net Assets	63,572	401,472	20,300,406	20,765,450
Undesignated	-	-	-	3,969,000
Total	$ 63,572	$ 401,472	$ 20,300,406	$ 24,734,450

Of the board-designated endowment fund net assets without donor restrictions, as of December 31, 2025 and 2024, $9,998,609, are designated as original principal for investing in perpetuity, or "funds functioning as endowment."

Note 11 – Net Assets (Cont'd)

With Donor Restrictions - Net assets with donor restrictions represent contributions that have not met the donors' specific purpose or time period restrictions, cumulative distributions from donor-restricted endowment funds that have not met the specific requirements of the donors, and the cumulative additions to the donor-restricted endowment funds that have not been appropriated for expenditure. Net assets with donor restrictions also include donor-designated original principal for investing in perpetuity; "endowment funds," and the CHS's beneficial interest in perpetual trusts. Net assets with donor restrictions as of December 31, 2025 and 2024 are as follows for the following purposes or time periods:

Restriction	Contributions	Unspent Endowment Distributions	Cumulative Endowment Additions	Permanent Endowment Corpus	Perpetual Trusts	2025 Total
Programs/General Operations	$ 38,638	$ 22,960	$ 6,888,721	$ 7,729,603	$ 16,382,943	$31,062,865
Building	-	-	7,186,940	297,500	-	7,484,440
Old State House	-	23,080	356,214	620,942	-	1,000,236
Library Acquisition	-	429,528	3,845,981	682,930	-	4,958,439
Museum Conservation	2,870	119,197	338,270	37,500	-	497,837
Library Conservation	809	32,574	141,053	87,202	-	261,638
Museum Acquisition	1,022	-	-	-	-	1,022
Library/Museum	-	12,196	122,908	447,769	-	582,873
	$ 43,339	$ 639,535	$ 18,880,087	$ 9,903,446	$ 16,382,943	$ 45,849,350

Restriction	Contributions	Unspent Endowment Distributions	Cumulative Endowment Additions	Permanent Endowment Corpus	Perpetual Trusts	2024 Total
Programs/General Operations	$ 43,824	$ 5,001	$ 6,210,058	$ 7,729,603	$ 15,188,649	$29,177,135
Building	-	-	6,839,275	297,500	-	7,136,775
Old State House	-	14,026	296,314	620,942	-	931,282
Library Acquisition	-	413,474	3,568,356	682,930	-	4,664,760
Museum Conservation	6,190	105,423	315,234	37,500	-	464,347
Library Conservation	14,244	34,252	127,037	87,202	-	262,735
Museum Acquisition	1,022	-	-	-	-	1,022
Library/Museum	-	5,331	87,923	447,769	-	541,023
	$ 65,280	$ 577,507	$ 17,444,197	$ 9,903,446	$ 15,188,649	$ 43,179,079

Net assets with donor restrictions were released from restrictions during the years ended December 31, 2025 and 2024, by incurring expenses satisfying the following purpose or time restrictions:

Restriction	2025	2024
Programs/General Operations	$ 1,065,558	$ 680,248
Building	472,046	277,935
Old State House	38,065	34,651
Library Acquisition	202,341	192,969
Museum Conservation	8,086	8,870
Library Conservation	26,094	7,165
Museum Acquisition	-	-
Library/Museum	20,652	19,743
Passage of Time	-	50,000
	$ 1,832,842	$ 1,271,581

Note 12 – Defined Contribution Retirement Plan

The CHS uses Nationwide as its current 403b retirement plan recordkeeper and also engages a third party administrator, financial advisor, and co-fiduciary. For those staff members who annually work 1,000 hours or more, the CHS contributes 5% of an eligible staff member's gross salary beginning the second year of employment to the 403b plan and participants can elect to make contributions to the plan. For the year ended December 31, 2025, the CHS's contributions were $129,869. For the year ended December 31, 2024, the CHS's contributions were $112,505. Additionally, the CHS continues to sponsor its former retirement plans; an RA and SRA provided by TIAA, however no new participants or employer contributions are added to these plans.

Note 13 – In-Kind Contributions

There were no in-kind contributions for the year ended December 31, 2025. During 2024 The CHS received contributed supporting legal and advertising services that would have to be purchased if not otherwise provided by donation. Valuation is based on the estimated fair market value of the services provided, based on information provided by the donor of such services. In-kind occupancy represents a lease for 2,500 square feet of commercial office in Hartford, Connecticut used by the development office of the CHS. In-kind occupancy is based on the square footage leased times an estimated average rental rate of $21.93 per square foot for Hartford, Connecticut. The details of in-kind contributions for the year ended December 31, 2024 are as follows:

Expense Type	Donor Restrictions	Administrative & General	Development	2024 Total
Professional Fees	None	$ 7,617	$ -	$ 7,617
Occupancy	None	-	27,413	27,413
Advertising and Promotion	None	-	105,142	105,142
		$ 7,617	$ 132,555	$ 140,172

Note 14 – Concentrations

A material part of the CHS's operating and non-operating revenue is derived from investment income and net realized and unrealized gains on investments, the loss of which would have a materially adverse effect on the CHS. Investments are subject to market fluctuations beyond the control of the CHS. In meeting the CHS's investment objectives the CHS regularly obtains investment advice from professional investment managers which includes risk assessment and diversification strategies to mitigate investment risk. the CHS also receives a significant amount of contributions. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

Note 15 – Intentions to Give

The CHS periodically receives notification of gift intentions in the form of bequests which are revocable during the donors' lifetimes. Due to the uncertain nature of these intentions, the CHS has not recognized an asset or contribution revenue and it is not possible to estimate their value.

Maletta & Company
CERTIFIED PUBLIC ACCOUNTANTS
43 Enterprise Drive • Bristol, CT 06010-3990 • 860/582-6715 • Fax 860/585-6339

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
The Connecticut Historical Society

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Connecticut Historical Society, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Connecticut Historical Society's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Connecticut Historical Society's internal control. Accordingly, we do not express an opinion on the effectiveness of The Connecticut Historical Society's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Connecticut Historical Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to management of The Connecticut Historical Society in a separate letter dated June 23, 2026.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maletta & Company

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
June 23, 2026

Maletta & Company
CERTIFIED PUBLIC ACCOUNTANTS
43 Enterprise Drive • Bristol, CT 06010-3990 • 860/582-6715 • Fax 860/585-6339

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Board of Trustees
The Connecticut Historical Society

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Connecticut Historical Society's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Connecticut Historical Society's major federal programs for the year ended December 31, 2025. The Connecticut Historical Society's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Connecticut Historical Society complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Connecticut Historical Society and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Connecticut Historical Society December 31, 2025's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to The Connecticut Historical Society's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Connecticut Historical Society's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Connecticut Historical Society's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Connecticut Historical Society's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Connecticut Historical Society's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Connecticut Historical Society's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maletta & Company

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
June 23, 2026

THE CONNECTICUT HISTORICAL SOCIETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Dept. of Education			
Direct Programs			
Fund for the Improvement of Postsecondary Education	84.116Z	n/a	$ 447,340
Innovative Approaches to Literacy; Promise Neighborhoods; Full-service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215K	n/a	335,021
Total U.S. Dept. of Education			782,361
National Endowment for the Humanities (NEH)			
Direct Programs			
Promotion of the Arts Grants to Organizations and Individuals	45.024	n/a	44,541
Pass-through Programs From			
State of CT DECD			
Promotion of the Arts Grants to Organizations and Individuals	45.024	1942614-61-25	1,103
Promotion of the Arts Grants to Organizations and Individuals	45.024	1932206-61-24	31,496
Total National Endowment for the Humanities (NEH)			77,140
National Archives and Records Administration			
Direct Programs			
National Historical Publications and Records Grants	89.003	n/a	368,630
Total National Archives and Records Administration			368,630
U.S. Department of Treasury			
Pass-through Programs From			
CT Humanities			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		73,891
Total U.S. Department of Treasury			73,891
Total Expenditures of Federal Awards			$ 1,302,022

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Connecticut Historical Society under programs of the federal government for the year ended December 31, 2025. The information is this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Connecticut Historical Society, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Connecticut Historical Society.

Note B – Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. The Connecticut Historical Society used the 10 percent de minimis indirect cost rate.

3. Pass-through entity identifying numbers are presented where available.

THE CONNECTICUT HISTORICAL SOCIETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None Reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	______ Yes	X No
• Significant deficiency(ies) identified?	______ Yes	X None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit finding disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No

Identification of major federal programs:

Assistance Listing #	Program Name
84.116Z	Fund for the Improvement of Postsecondary Education
84.215K	Innovative Approaches to Literacy; Promise Neighborhoods; Full-service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Auditee qualified as a low-risk auditee?	______ Yes	X No

II. Financial Statement Findings

None

III. Federal Awards Findings

None