

United States Capitol Historical Society

Financial Report
June 30, 2021

Contents

Independent auditor's report	1
Financial statements	
Statements of financial position	2
Statements of activities	3
Statements of functional expenses	4
Statements of cash flows	5
Notes to financial statements	6-15



Independent Auditor's Report

RSM US LLP

Board of Trustees
United States Capitol Historical Society

Report on the Financial Statements

We have audited the accompanying financial statements of the United States Capitol Historical Society (the Society), which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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 audits 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 Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Capitol Historical Society as of June 30, 2021 and 2020, 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.

RSM US LLP

Washington, D.C.
January 28, 2022

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United States Capitol Historical Society

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,318,544	\$ 727,136
Investments	2,031,436	2,152,499
Accounts receivable, net	89,435	173
Inventory	431,139	398,973
Prepaid expenses and other assets	39,176	53,974
Property and equipment, net	146,853	167,876
	<hr/>	<hr/>
Total assets	\$ 4,056,583	\$ 3,500,631
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 45,725	\$ 77,505
Accrued expenses	37,914	159,560
Deferred revenue	-	1,382
Refundable advances	21,184	5,398
Notes payable	657,644	433,105
Total liabilities	<hr/> 762,467	<hr/> 676,950
Commitments (Notes 8 and 9)		
Net assets:		
Without donor restriction	2,784,749	2,351,044
With donor restriction	509,367	472,637
Total net assets	<hr/> 3,294,116	<hr/> 2,823,681
	<hr/>	<hr/>
Total liabilities and net assets	\$ 4,056,583	\$ 3,500,631

See notes to financial statements.

United States Capitol Historical Society

**Statements of Activities
Years Ended June 30, 2021 and 2020**

	2021	2020
Activities without donor restriction:		
Revenue and support:		
Sales of merchandise	\$ 1,039,391	\$ 1,166,574
Less retail operations expenses	<u>(813,338)</u>	<u>(1,053,369)</u>
Net profit on sales	226,053	113,205
Other revenue and support:		
Contributions and grants	882,734	1,083,687
Investment income, net	379,337	73,394
Royalties and other revenue	32,653	11,135
Releases from donor restriction	<u>626,669</u>	<u>589,401</u>
Total unrestricted revenue and support	2,147,446	1,870,822
Expenses:		
Program services:		
Educational events and publications	1,126,783	1,509,958
Membership	<u>181,368</u>	<u>135,849</u>
Total program services	1,308,151	1,645,807
Supporting services:		
General and administrative	303,672	357,811
Fundraising	<u>101,918</u>	<u>308,177</u>
Total supporting services	405,590	665,988
Total expenses	1,713,741	2,311,795
Change in net assets without donor restriction	433,705	(440,973)
Activities with donor restriction:		
Contributions	663,399	409,556
Releases from donor restriction	<u>(626,669)</u>	<u>(589,401)</u>
Change in net assets with donor restriction	36,730	(179,845)
Change in net assets	470,435	(620,818)
Net assets:		
Beginning	<u>2,823,681</u>	3,444,499
Ending	<u>\$ 3,294,116</u>	<u>\$ 2,823,681</u>

See notes to financial statements.

United States Capitol Historical Society

**Statements of Functional Expenses
Years Ended June 30, 2021 and 2020**

	2021					
	Program Services			Supporting Services		
	Educational	Retail	Membership	General and	Fundraising	Total
	Events and Publications	Operations		Administrative		
Salaries and benefits	\$ 387,022	\$ 176,555	\$ 130,721	\$ 105,305	\$ 58,523	\$ 858,126
Cost of goods sold	-	420,434	-	-	-	420,434
Portrait expenses	393,932	-	-	-	-	393,932
Office operations	65,634	40,838	16,190	172,464	13,884	309,010
Rent and utilities	127,453	67,252	31,553	25,064	16,865	268,187
Professional fees	131,870	1,931	-	-	1,200	135,001
Other expenses	5,878	104,778	2,904	839	10,627	125,026
Publication expenses	10,229	1,550	-	-	-	11,779
Event expenses	4,765	-	-	-	819	5,584
	\$ 1,126,783	\$ 813,338	\$ 181,368	\$ 303,672	\$ 101,918	\$ 2,527,079

	2020					
	Program Services			Supporting Services		
	Educational	Retail	Membership	General and	Fundraising	Total
	Events and Publications	Operations		Administrative		
Salaries and benefits	\$ 707,834	\$ 278,200	\$ 111,631	\$ 159,622	\$ 223,710	\$ 1,480,997
Cost of goods sold	-	570,560	-	-	-	570,560
Office operations	83,801	36,968	9,883	170,172	27,088	327,912
Portrait expenses	280,732	-	-	-	-	280,732
Rent and utilities	139,137	53,202	11,688	20,587	37,284	261,898
Professional fees	175,851	5,348	-	-	8,167	189,366
Other expenses	61,656	108,369	2,608	6,819	8,660	188,112
Event expenses	51,695	-	-	70	2,938	54,703
Publication expenses	6,800	-	-	-	158	6,958
Travel expenses	2,452	722	39	541	172	3,926
	\$ 1,509,958	\$ 1,053,369	\$ 135,849	\$ 357,811	\$ 308,177	\$ 3,365,164

See notes to financial statements.

United States Capitol Historical Society

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 470,435	\$ (620,818)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	21,023	24,223
Bad debt expense (recovery)	3,560	(7,779)
Net (gain) loss on investments	(332,212)	7,132
Deferred rent	-	(3,804)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(92,822)	76,595
Inventory	(32,166)	47,847
Prepaid expenses and other assets	14,798	(25,056)
Increase (decrease) in:		
Accounts payable	(31,780)	(15,460)
Accrued expenses	(121,646)	35,426
Deferred revenue	(1,382)	1,382
Refundable advances	15,786	5,398
Net cash used in operating activities	(86,406)	(474,914)
Cash flows from investing activities:		
Purchases of investments	(318,264)	(521,791)
Proceeds from sale of investments	771,539	778,416
Net cash provided by investing activities	453,275	256,625
Cash flows from financing activities:		
Proceeds from notes payable	225,103	433,105
Principal payments against notes payable	(564)	-
Net cash provided by financing activities	224,539	433,105
Net increase in cash and cash equivalents	591,408	214,816
Cash and cash equivalents:		
Beginning	727,136	512,320
Ending	\$ 1,318,544	\$ 727,136
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 717	\$ -

See notes to financial statements.

United States Capitol Historical Society

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The United States Capitol Historical Society (the Society) is a nonprofit organization, incorporated under the laws of the District of Columbia, which operates under Congressional Charter dated October 20, 1978, giving it the authority to preserve and improve the Capitol; to research, publish, and create items, medals and material of historical interest; and to cooperate with Congressional committees and federal agencies in the work of the Society and the distribution of its products.

A summary of the Society's significant accounting policies follows:

Basis of presentation: The Society follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under FASB ASC, the Society is required to report information regarding its net assets and its activities according to two categories: 1) net assets without donor restriction and 2) net assets with donor restriction.

Net assets without donor restriction: Net assets without donor restriction include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. There were no board designated net assets as June 30, 2021 and 2020.

Net assets with donor restriction: Net assets without donor restriction include those net assets whose use by the Society has been donor-restricted by specified time or purpose limitations. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

Net assets with donor restriction consist principally of accumulated contributions for Capitol decorations, portraits, book projects and various youth and scholastic programs.

Income tax status: The Society is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service (IRS) as other than a private foundation.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may vary from those estimates.

Cash and cash equivalents: For purposes of reporting cash flows, the Society considers all investments with a maturity of three months or less at the time of purchase to be cash equivalents with the exception of money market funds held for investment purposes.

The Society maintains its cash in bank deposit accounts and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by applicable government agencies. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Society.

United States Capitol Historical Society

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments: Investments with readily determinable fair values are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to investment income, net. The Society invests funds in a professionally managed portfolio that contains mutual funds. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Accounts receivable: Accounts receivable consists primarily of amounts owed from customers. Accounts receivable are presented at the gross amount due to the Society, less an allowance for uncollectible accounts. The Society's management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances for which collection is deemed doubtful are charged to bad debt expense and an allowance is recorded. The allowance for doubtful accounts totaled \$3,956 and \$6,275 at June 30, 2021 and 2020, respectively.

Inventory: The Society's inventory consists of calendars, publications and other items for sale, which stimulate interest in the history of the Congress and the United States Capitol. Inventory is recorded at the lower of cost or net realizable value and is valued using the first in, first out method.

Property and equipment: The Society capitalizes all property and equipment purchases of \$500 or above. Property and equipment are stated at cost and are depreciated over their estimated useful lives ranging between five and thirty-nine years, using the straight-line method.

Valuation of long-lived assets: Long-lived assets and certain identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. The Society had no impairment of long-lived assets during the years ended June 30, 2021 and 2020.

Revenue: Revenue from contracts with customers includes performance obligations that are satisfied either at a point in time or over time and most contracts have initial terms of one year or less. The Society performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time if the Society is able to reasonably measure its progress toward complete satisfaction of the performance obligation using reliable information. Output methods and input methods are used to measure progress for goods and services for which control has been transferred to the customer. If the certain criteria are not met, then revenue is recognized at a point in time.

Prices are specific to a distinct performance obligation, and contracts do not have multiple performance obligations. Economic factors driven by consumer confidence, employment, inflation and other world events impact the timing and level of revenue recognized in the financial statements. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of the Society or can have a positive impact on cash flows in favorable economic conditions.

United States Capitol Historical Society

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue from sales of merchandise, including calendars, publications and other items for sale, are recognized in the period in which the merchandise is delivered to the customer. Royalty income is recognized during the period to which the underlying sales relate. Amounts received in advance from these sources are recorded as deferred revenue.

Deferred revenue: The Society records deferred revenue in situations when amounts are paid in advance of the Society satisfying the applicable revenue recognition criteria. Such revenue is recognized when all criteria are subsequently satisfied.

Contributions and grants: Unconditional contributions are recorded as support with or without donor restriction depending upon the existence and/or nature of any donor restriction. Support that is not restricted by the donor is reported as an increase in net assets without donor restriction. Donor-restricted support is reported as an increase in net assets with donor restriction and then reclassified to net assets without donor restriction when the restriction expires. The Society considers certain grants received to be conditional if both a barrier and a right of return of funds exist. Conditional contributions received are accounted for as refundable advances on the statements of financial position or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restriction or net assets without restriction. The Society had no conditional promises to give outstanding as of June 30, 2021 and 2020.

Functional expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, salary and other joint costs have been allocated among the programs and supporting services benefited.

The Society charges expenses directly incurred for a specific function directly to the appropriate program or supporting service category. The direct costs are those that can be specifically identified as being incurred for the activities of that program or supporting service.

Other costs are incurred by the Society that indirectly benefit more than one program or supporting service. Indirect costs are allocated among program and supporting services on a reasonable basis that is consistently applied. In particular, salaries and benefits are allocated based on estimated employee effort. Professional fees, rent and utilities, and office operations are allocated based on the relative proportion of total expenses by function.

Recent accounting pronouncement (adopted): FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), requires that the Society recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. ASU 2014-09 replaces most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Society adopted the new standard, effective for the year ended June 30, 2021, using the modified retrospective method analyzing all contracts not yet completed as of July 1, 2020. Based on management's review of its contracts with customers, the timing and amount of revenue recognized previously is materially consistent with how revenue is recognized under this new standard. Therefore, the adoption of this standard had no material impact on the Society's financial statements, but the standard does require additional disclosures.

United States Capitol Historical Society

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Upcoming accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which changes the accounting for leases. While both lessees and lessors are affected by the new guidance, the effects on lessors is largely unchanged. Under the new guidance, lessees will be required to recognize the following for all long-term leases: (1) a lease liability, which is the lessee's obligation to make lease payments measured on a discounted basis and (2) a right-of-use asset, which represents the lessee's right to use (or control use of) a specified asset for the lease term. The standard will be effective for the Society for the fiscal year beginning July 1, 2022. The Society is currently in the process of evaluating the impact of the new accounting guidance on its financial statements.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities with contributed nonfinancial assets, or gifts-in-kind. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Early adoption is permitted. The Society is currently evaluating the impact of the pending adoption of this new standard on its financial statements.

Reclassifications: Certain 2020 amounts have been reclassified to conform to the 2021 presentation with no effect on the previously reported total change in net assets.

Subsequent events: Subsequent events have been evaluated through January 28, 2022, which is the date the financial statements were available to be issued.

Note 2. Liquidity

The Society's liquidity management protocol includes the goal to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. Typically, cash held in excess of immediate liquidity needs is invested in accordance with the investment policy. Management periodically reviews liquid assets and increases or decreases cash as appropriate.

Financial assets available for general expenditure within one year are as follows at June 30, 2021 and 2020:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 1,318,544	\$ 727,136
Investments	2,031,436	2,152,499
Accounts receivable, net	89,435	173
Total financial assets at year-end	3,439,415	2,879,808
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restriction	(509,367)	(472,637)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,930,048</u>	<u>\$ 2,407,171</u>

United States Capitol Historical Society

Notes to Financial Statements

Note 3. Investments

In accordance with U.S. GAAP, the Society uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2: Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting Society's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments recorded at fair value which are classified within Level 1 include equity mutual funds, the fair values for which were based on quoted prices for identical assets in active markets.

Investments recorded at cost include money market funds. Investments at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

The following is a summary of input levels used to determine fair value, measured on a recurring basis, of the following assets at June 30, 2021 and 2020:

	2021			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds:				
Large growth	\$ 244,590	\$ 244,590	\$ -	\$ -
Large blend	369,371	369,371	-	-
Large value	458,609	458,609	-	-
Mid-growth	99,551	99,551	-	-
Large core	1,411	1,411	-	-
Fixed income mutual funds:				
Domestic nontraditional bonds	193,785	193,785	-	-
Domestic intermediate core-plus bonds	371,165	371,165	-	-
Domestic bank loan fund	195,378	195,378	-	-
Domestic preferred stock	97,165	97,165	-	-
	2,031,025	\$ 2,031,025	\$ -	\$ -
Investments, at cost:				
Money market funds*	411			
	<u>\$ 2,031,436</u>			

(Continued)

United States Capitol Historical Society

Notes to Financial Statements

Note 3. Investments (Continued)

	2020			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Investments, at fair value:				
Equity mutual funds:				
Large growth	\$ 298,715	\$ 298,715	\$ -	\$ -
Large blend	373,857	373,857	-	-
Large value	411,806	411,806	-	-
Mid-growth	132,351	132,351	-	-
Mid-value	-	-	-	-
Fixed income mutual funds:				
Domestic nontraditional bonds	211,424	211,424	-	-
Domestic intermediate core-plus bonds	411,694	411,694	-	-
Domestic bank loan fund	208,507	208,507	-	-
Domestic preferred stock	103,562	103,562	-	-
	<u>2,151,916</u>	<u>\$ 2,151,916</u>	<u>\$ -</u>	<u>\$ -</u>
Investments, at cost:				
Money market funds*	583			
	<u>\$ 2,152,499</u>			

* Money market funds held within the investment portfolio are valued at cost.

Note 4. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

	2021	2020
Warehouse	\$ 208,787	\$ 208,787
Computer equipment	212,377	212,377
Furniture	131,641	131,641
Office equipment	120,705	120,705
Website development costs	48,709	48,709
Leasehold improvements	38,448	38,448
Vehicle	24,945	24,945
Software	15,835	15,835
	<u>801,447</u>	<u>801,447</u>
Less accumulated depreciation	(654,594)	(633,571)
Property and equipment, net	<u>\$ 146,853</u>	<u>\$ 167,876</u>

United States Capitol Historical Society

Notes to Financial Statements

Note 5. Notes Payable

As part of the response to the coronavirus (COVID-19) pandemic (see Note 9), during the year ended June 30, 2020, the Society applied for a Paycheck Protection Program (PPP) loan. The Society's application was approved, and a first-draw PPP loan of \$283,105, carrying an interest rate of 1% per annum and a two-year maturity, was funded on April 17, 2020. During the year ended June 30, 2021, the Society received a second-draw PPP loan for \$225,103, carrying an interest rate of 1% per annum and a five-year maturity, was funded on March 26, 2021. The Society has elected to account for the loans as financial liabilities until the time at which forgiveness is received, which is expected to be within one year. The Society believes that most, if not all, of each PPP loan will meet the requirements for forgiveness. As a result, the Society did not make any payments against either loan. Subsequent to year-end, on July 20, 2021, the Society received forgiveness of its first-draw PPP loan in full from the Small Business Administration.

During the year ended June 30, 2020, the Society applied for an Economic Injury Disaster Loan (EIDL), as well as an advance on the loan. The Society's application was approved, and an EIDL advance of \$10,000 was funded on April 17, 2020, and has been recorded as a contribution without donor restriction in the statements of activities. The Society applied for an EIDL loan of \$150,000, which was funded on May 13, 2020. This loan carries an interest rate of 2.75% per annum and a 30-year maturity. The Society has recorded this loan as a financial liability.

The projected future payments of principal on the EIDL are as follows as of June 30, 2021:

Years ending June 30:	
2022	\$ 3,446
2023	3,542
2024	3,640
2025	3,742
2026	3,846
Thereafter	131,220
	<u>\$ 149,436</u>

The Society incurred no significant interest expense during for the years ended June 30, 2021 and 2020.

United States Capitol Historical Society

Notes to Financial Statements

Note 6. Net Assets With Donor Restriction

Net assets with donor restriction and related activity consisted of the following as of June 30, 2021 and 2020:

	2021			Net Assets June 30, 2021
	Net Assets July 1, 2020	Contributions	Restriction Releases	
Program funds:				
APA – curriculum	\$ 1,350	\$ -	\$ -	\$ 1,350
Brown Internship	328	-	-	328
Capitol Fellowship	11,350	-	-	11,350
Capitol Stories	19,310	-	-	19,310
Cox Fund	130,251	-	130,251	-
Essay Contest	7,381	-	-	7,381
Latino Economic Development Center	-	9,558	9,558	-
Masons Programs	6,062	-	-	6,062
National Statutory Hall Collection Book	6,092	-	6,092	-
Performing Arts Fellowship	5,000	-	-	5,000
Pritchard	36,641	-	-	36,641
Resident Scholar	2,124	-	-	2,124
Schwengel Book	10,000	-	-	10,000
Tree Brochure	2,000	-	-	2,000
UPS (Transport Slavery Exhibit)	445	-	-	445
We the People	-	131,580	70,185	61,395
Women’s Tour	15,000	-	-	15,000
Youth Forum	4,000	-	-	4,000
Total program funds	257,334	141,138	216,086	182,386
Portrait Funds	215,303	522,261	410,583	326,981
Net assets with donor restriction	\$ 472,637	\$ 663,399	\$ 626,669	\$ 509,367

(Continued)

United States Capitol Historical Society

Notes to Financial Statements

Note 6. Net Assets With Donor Restriction (Continued)

	2020			
	Net Assets July 1, 2018	Contributions	Restriction Releases	Net Assets June 30, 2019
Program funds:				
APA – curriculum	\$ 1,350	\$ -	\$ -	\$ 1,350
Brown Internship	328	-	-	328
Capitol Fellowship	11,350	-	-	11,350
Capitol Stories	43,511	-	24,201	19,310
Constitution Tours	239	66,380	66,619	-
Cox Fund	130,251	-	-	130,251
Essay Contest	7,381	-	-	7,381
Masons Programs	6,062	-	-	6,062
National Statutory Hall Collection Book	29,600	-	23,508	6,092
NBC Learning	25,000	-	25,000	-
Performing Arts Fellowship	5,000	-	-	5,000
Pritchard	36,641	-	-	36,641
Resident Scholar	2,124	-	-	2,124
Schwengel Book	10,000	-	-	10,000
Symposium	25,000	-	25,000	-
Tree Brochure	2,000	-	-	2,000
UPS (Transport Slavery Exhibit)	445	-	-	445
Women’s Tour	15,000	-	-	15,000
Youth Forum	4,000	-	-	4,000
Total program funds	355,282	66,380	164,328	257,334
Portrait Funds	297,200	343,176	425,073	215,303
Net assets with donor restriction	\$ 652,482	\$ 409,556	\$ 589,401	\$ 472,637

Note 7. Retirement Plan

The Society maintains a 403(b) retirement plan for all employees who have completed at least one year of service and have attained at least 18 years of age. The plan is currently funded and requires biweekly contributions equal to 5% of the participating employees’ compensation. Retirement expense for the years ended June 30, 2021 and 2020, totaled \$39,705 and \$68,800, respectively.

Note 8. Commitments

The Society had a non-cancelable operating lease for office space that expired in March 2020 and changed to month-to-month at that time. The lease contained an annual escalation clause, which adjusts base annual rentals. Rent expense for the years ended June 30, 2021 and 2020, totaled \$261,943 and \$255,918, respectively.

The Society has an employment agreement with its President and CEO. Under the terms of the agreement, should the Society terminate employment without cause, the Society would be obligated to pay severance.

United States Capitol Historical Society

Notes to Financial Statements

Note 9. COVID-19 Pandemic

On January 30, 2020, the World Health Society declared the novel coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Society operates and holds meetings and other activities. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with COVID-19 will last and what the complete financial effect will be to the Society. Quarantines, labor shortages or other disruptions to the Society's operations, or those of its members, may adversely impact the Society's revenues, ability to provide its services and operating results. The operations of the Society's services have been impacted by the regional and global outbreak of COVID-19.

The extent to which the COVID-19 pandemic impacts the Society's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain it or its impact, among others.