FINANCIAL STATEMENTS

with

<u>INDEPENDENT AUDITORS' REPORT</u> YEARS ENDED SEPTEMBER 30, 2021 AND 2020



EMERALD NECKLACE CONSERVANCY, INC. REPORT ON FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2021 AND 2020



Mission Statement

To restore and improve the Emerald Necklace for all.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors Emerald Necklace Conservancy, Inc. Boston, Massachusetts

We have audited the accompanying financial statements of Emerald Necklace Conservancy, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Organization'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 Organization'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 Emerald Necklace Conservancy, Inc. as of September 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Westborough, Massachusetts

Smith Sullivan , Brown, -R.

June 27, 2022

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2021

(With Summarized Comparative Totals for 2020)

	GENERAL					
	PROGRAMS/	SHATTUCK		OLMSTED TREE	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>	OPERATIONS	VISITOR CENTER	LIFF FUND	SOCIETY	TOTAL	TOTAL
CURRENT ASSETS:						
Cash	\$ 1,282,490	\$ -	\$ -	\$ -	\$ 1,282,490	\$ 1,183,204
Pledges Receivable	91,950	_	-	-	91,950	3,000
Curley House Receivable	64,270	-	-	-	64,270	64,270
Employee Retention Tax Credits Due	265,584	-	-	-	265,584	-
Prepaid Expenses	51,081	-	-	-	51,081	81,084
Short-Term Investments	155,849	-	-	51,368	207,217	550,279
Total Current Assets	1,911,224	-		51,368	1,962,592	1,881,837
NET PROPERTY AND EQUIPMENT	46,000	663,173			709,173	685,810
NON-CURRENT ASSETS:						
Curley House Receivable, Non-Current	128,540	-	-	-	128,540	192,810
Long-Term Investments	-	-	4,291,164	-	4,291,164	3,603,488
Shattuck Endowment Investments		960,157			960,157	834,560
Total Non-Current Assets	128,540	960,157	4,291,164		5,379,861	4,630,858
TOTAL ASSETS	\$ 2,085,764	\$ 1,623,330	\$ 4,291,164	\$ 51,368	\$ 8,051,626	\$ 7,198,505
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts Payable and Accrued Expenses	\$ 217,983	\$ -	\$ -	\$ 246	\$ 218,229	\$ 178,604
Accrued Payroll and Related Costs	59,432	-	-	-	59,432	20,734
Total Current Liabilities	277,415	-		246	277,661	199,338
TOTAL LIABILITIES	277,415			246	277,661	199,338
NET ASSETS:						
Net Assets Without Donor Restrictions:						
Undesignated	835,496	663,173	-	-	1,498,669	1,181,459
Board Designated	-	-	4,291,164	-	4,291,164	3,677,308
Total Net Assets Without Donor Restrictions	835,496	663,173	4,291,164		5,789,833	4,858,767
Net Assets With Donor Restrictions	972,853	960,157	, , , , <u>-</u>	51,122	1,984,132	2,140,400
Total Net Assets	1,808,349	1,623,330	4,291,164	51,122	7,773,965	6,999,167
TOTAL LIABILITIES AND NET ASSETS	\$ 2,085,764	\$ 1,623,330	\$ 4,291,164	\$ 51,368	\$ 8,051,626	\$ 7,198,505

The Accompanying Notes are an Integral Part of these Financial Statements....Page 2

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2020

<u>ASSETS</u>	GENERAL PROGRAMS/ OPERATIONS	SHATTUCK VISITOR CENTER	<u>LIFF FUND</u>	OLMSTED TREE SOCIETY	TOTAL
CURRENT ASSETS:					
Cash	\$ 957,289	\$ -	\$ 109,049	\$ 116,866	\$ 1,183,204
Pledges Receivable	3,000	-	-	-	3,000
Curley House Receivable	64,270	-	-	-	64,270
Prepaid Expenses	81,084	-	-	-	81,084
Short-Term Investments	5,091			545,188	550,279
Total Current Assets	1,110,734		109,049	662,054	1,881,837
NET PROPERTY AND EQUIPMENT		685,810			685,810
NON-CURRENT ASSETS:					
Curley House Receivable, Non-Current	192,810	-	-	-	192,810
Long-Term Investments	-	-	3,603,488	-	3,603,488
Shattuck Endowment Investments		834,560		<u> </u>	834,560
Total Non-Current Assets	192,810	834,560	3,603,488		4,630,858
TOTAL ASSETS	\$ 1,303,544	\$ 1,520,370	\$ 3,712,537	\$ 662,054	\$ 7,198,505
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Expenses	\$ 88,810	\$ -	\$ 2,404	\$ 87,390	\$ 178,604
Accrued Payroll and Related Costs	20,734	-	-	-	20,734
Total Current Liabilities	109,544	-	2,404	87,390	199,338
TOTAL LIABILITIES	109,544	-	2,404	87,390	199,338
NET ASSETS:					
Net Assets Without Donor Restrictions:					
Undesignated	495,649	685,810	-	-	1,181,459
Board Designated	<u> </u>		3,677,308	<u> </u>	3,677,308
Total Net Assets Without Donor Restrictions	495,649	685,810	3,677,308	-	4,858,767
Net Assets With Donor Restrictions	698,351	834,560	32,825	574,664	2,140,400
Total Net Assets	1,194,000	1,520,370	3,710,133	574,664	6,999,167
TOTAL LIABILITIES AND NET ASSETS	\$ 1,303,544	\$ 1,520,370	\$ 3,712,537	\$ 662,054	\$ 7,198,505

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2021

(With Summarized Comparative Totals for 2020)

WITHOUT DONOR RESTRICTIONS

	W111100	of Dorton Restr	dellord			
		BOARD	TOTAL	WITH		
		DESIGNATED	WITHOUT DONOR	DONOR	TOTAL A	CTIVITIES
SUPPORT, REVENUES AND RECLASSIFICATIONS:	UNDESIGNATED	LIFF FUND	RESTRICTIONS	RESTRICTIONS	<u>2021</u>	<u>2020</u>
Public Support and Event Revenues:						
Gifts, Grants and Contributions	\$ 1,088,840	\$ -	\$ 1,088,840	\$ 409,780	\$ 1,498,620	\$ 1,478,505
Employee Retention Tax Credits	265,584	-	265,584	-	265,584	-
Paycheck Protection Program	-	-	-	154,000	154,000	154,000
Special Event Proceeds (Note 8)	34,556	-	34,556	317,215	351,771	39,800
Less: Cost of Direct Benefits to Donors	(18,161)	-	(18,161)	(125,443)	(143,604)	-
Donated Curley House Rent (Note 12)	-	-	-	-	-	321,350
Donated Goods and Services	79,034	-	79,034	-	79,034	42,106
Other Revenues:						
Fiscally Sponsored Projects	-	-	-	252,398	252,398	294,516
Investment Return	19	783,856	783,875	119,235	903,110	574,662
Reclassification of Net Assets:						
Net Assets Released from Restrictions	1,453,453	(170,000)	1,283,453	(1,283,453)		
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	2,903,325	613,856	3,517,181	(156,268)	3,360,913	2,904,939
EXPENSES:						
Program Services	1,566,092	-	1,566,092	-	1,566,092	1,387,956
Administrative	560,684	-	560,684	-	560,684	358,661
Fund Raising	459,339		459,339		459,339	408,491
TOTAL EXPENSES	2,586,115		2,586,115		2,586,115	2,155,108
CHANGE IN NET ASSETS	317,210	613,856	931,066	(156,268)	774,798	749,831
NET ASSETS - BEGINNING OF YEAR	1,181,459	3,677,308	4,858,767	2,140,400	6,999,167	6,249,336
NET ASSETS - END OF YEAR	\$ 1,498,669	\$ 4,291,164	\$ 5,789,833	<u>\$ 1,984,132</u>	\$ 7,773,965	\$ 6,999,167

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

WITHOUT DONOR RESTRICTIONS

	WIIII	JUT DONOK KESTKI	CHONS		
		BOARD	TOTAL		
		DESIGNATED	WITHOUT DONOR	WITH DONOR	<u>TOTAL</u>
SUPPORT, REVENUES AND RECLASSIFICATIONS:	<u>UNDESIGNATED</u>	LIFF FUND	RESTRICTIONS	RESTRICTIONS	<u>ACTIVITIES</u>
Public Support and Event Revenues:					
Gifts, Grants and Contributions	\$ 1,100,697	\$ 72,800	\$ 1,173,497	\$ 305,008	\$ 1,478,505
Paycheck Protection Program	-	-	-	154,000	154,000
Special Event Proceeds (Note 8)	39,800	-	39,800	-	39,800
Less: Cost of Direct Benefits to Donors	-	-	-	-	-
Donated Curley House Rent (Note 12)	64,270	-	64,270	257,080	321,350
Donated Goods and Services	42,106	-	42,106	-	42,106
Other Revenues:					
Fiscally Sponsored Projects	-	-	-	294,516	294,516
Investment Return	1,341	480,860	482,201	92,461	574,662
Reclassification of Net Assets:					
Net Assets Released from Restrictions	1,348,708	(207,542)	1,141,166	(1,141,166)	
TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS	2,596,922	346,118	2,943,040	(38,101)	2,904,939
EXPENSES:					
Program Services	1,387,956	-	1,387,956	-	1,387,956
Administrative	358,661	-	358,661	-	358,661
Fund Raising	408,491		408,491		408,491
TOTAL EXPENSES	2,155,108		2,155,108		2,155,108
<u>CHANGE IN NET ASSETS</u>	441,814	346,118	787,932	(38,101)	749,831
NET ASSETS - BEGINNING OF YEAR	739,645	3,331,190	4,070,835	2,178,501	6,249,336
NET ASSETS - END OF YEAR	<u>\$ 1,181,459</u>	\$ 3,677,308	\$ 4,858,767	<u>\$ 2,140,400</u>	\$ 6,999,167

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2021

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	<u>TOTAL</u>		FUN	D RAISING AND EVE	NTS	<u>TOTAL</u>
	PROGRAM	ADMINI-	<u>FUND</u>			FUNCTIONAL
	EXPENSES	<u>STRATIVE</u>	RAISING	EVENTS	<u>TOTAL</u>	EXPENSES
Personnel Costs	\$ 436,181	\$ 152,682	\$ 226,551	\$ 79,697	\$ 306,248	\$ 895,111
Consultants and Professional Fees	284,673	307,392	40,658	18,303	58,961	651,026
Forestry/Arborist/Horticulture Fees	417,690	-	-	-	-	417,690
Fiscally Sponsored Projects	269,329	-	-	-	-	269,329
Program Costs and Event Expenses	10,079	7,136	2,833	3,265	6,098	23,313
Donated Curley House Rent (Note 12)	31,288	7,039	18,686	7,257	25,943	64,270
Occupancy	18,898	4,251	11,286	4,383	15,669	38,818
Insurance	6,412	7,147	3,830	1,487	5,317	18,876
Depreciation and Amortization	11,020	2,479	6,582	2,556	9,138	22,637
Office Supplies and Expenses	1,703	14,951	19,673	1,883	21,556	38,210
Minor Equipment Purchases and Rentals	56,332	12,273	-	-	-	68,605
Telephone	6,436	1,448	3,843	1,492	5,335	13,219
Computer and Technology Expenses	2,201	15,634	30	230	260	18,095
Staff Travel and Mileage	477	3,051	2	71	73	3,601
Meetings and Conferences	2,364	789	-	-	-	3,153
Staff Recruitment and Development	1,371	10,976	-	-	-	12,347
Advertising	9,638	20	519	3,560	4,079	13,737
Dues, Subscriptions and Fees		13,416	662		662	14,078
Total Expenses Per Statement of Activities	1,566,092	560,684	335,155	124,184	459,339	2,586,115
Costs of Direct Benefits to Donors		<u> </u>		143,604	143,604	143,604
Total Functional Expenses	\$ 1,566,092	\$ 560,684	\$ 335,155	<u>\$ 267,788</u>	\$ 602,943	\$ 2,729,719

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2021

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PROGRAMS

	EDUCATION				MAINT./		OLMSTED	TOTAL
	AND VISITOR	COMMUNITY	YOUTH	VOLUNTEER	RESTORATION/	<u>PARK</u>	TREE	PROGRAM
	SERVICES	<u>PROGRAMS</u>	PROGRAMS	<u>PROGRAM</u>	PRESERVATION	<u>ADVISORS</u>	SOCIETY	EXPENSES
Personnel Costs	\$ 107,320	\$ 27,350	\$ 85,141	\$ 27,692	\$ 86,226	\$ 51,936	\$ 50,516	\$ 436,181
Consultants and Professional Fees	19,442	84,038	4,835	654	124,827	3,094	47,783	284,673
Forestry/Arborist/Horticulture Fees	-	-	-	-	-	-	417,690	417,690
Fiscally Sponsored Projects	-	-	-	-	269,329	-	-	269,329
Program Costs and Event Expenses	680	421	1,163	616	143	324	6,732	10,079
Donated Curley House Rent (Note 12)	10,743	1,400	5,292	4,394	1,681	3,807	3,971	31,288
Occupancy	6,489	846	3,196	2,654	1,015	2,300	2,398	18,898
Insurance	2,202	287	1,085	900	344	780	814	6,412
Depreciation and Amortization	3,784	493	1,864	1,547	592	1,341	1,399	11,020
Office Supplies and Expenses	1,565	7	-	16	-	-	115	1,703
Minor Equipment Purchases and Rentals	-	56,094	138	100	-	-	-	56,332
Telephone	2,210	288	1,088	904	346	783	817	6,436
Computer and Technology Expenses	1,373	587	86	13	42	-	100	2,201
Staff Travel and Mileage	16	-	-	-	2	-	459	477
Meetings and Conferences	-	-	100	2,233	31	-	-	2,364
Staff Recruitment and Development	125	-	25	-	1,150	71	-	1,371
Advertising	5,979	1,360	-	-	2,299	-	-	9,638
Dues, Subscriptions and Fees				<u> </u>		<u> </u>		
Total Program Expenses	\$ 161,928	\$ 173,171	\$ 104,013	\$ 41,723	\$ 488,027	\$ 64,436	\$ 532,794	\$ 1,566,092

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020

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	<u>TOTAL</u>		FUN	NTS	<u>TOTAL</u>	
	<u>PROGRAM</u>	ADMINI-	<u>FUND</u>		_	FUNCTIONAL
	EXPENSES	<u>STRATIVE</u>	RAISING	EVENTS	<u>TOTAL</u>	EXPENSES
Personnel Costs	\$ 403,128	\$ 177,033	\$ 209,212	\$ 67,350	\$ 276,562	\$ 856,723
Consultants and Professional Fees	246,775	102,136	7,634	9,900	17,534	366,445
Forestry/Arborist/Horticulture Fees	455,717	-	-	-	-	455,717
Fiscally Sponsored Projects	164,865	-	-	-	-	164,865
Program Costs and Event Expenses	8,526	1,492	646	36,813	37,459	47,477
Donated Curley House Rent (Note 12)	31,288	7,039	18,686	7,257	25,943	64,270
Occupancy	13,060	2,937	7,799	3,028	10,827	26,824
Insurance	8,298	7,027	4,956	1,924	6,880	22,205
Depreciation and Amortization	11,038	2,483	6,592	2,560	9,152	22,673
Office Supplies and Expenses	12,203	7,114	12,946	1,661	14,607	33,924
Minor Equipment Purchases and Rentals	5,523	13,061	-	-	-	18,584
Telephone	8,184	1,841	4,888	1,899	6,787	16,812
Computer and Technology Expenses	2,984	14,376	1,233	-	1,233	18,593
Staff Travel and Mileage	45	1,878	-	-	-	1,923
Meetings and Conferences	406	4,533	65	-	65	5,004
Staff Recruitment and Development	3,565	110	242	-	242	3,917
Advertising	12,048	-	-	1,200	1,200	13,248
Dues, Subscriptions and Fees	303	15,601				15,904
Total Functional Expenses	<u>\$ 1,387,956</u>	\$ 358,661	<u>\$ 274,899</u>	<u>\$ 133,592</u>	<u>\$ 408,491</u>	<u>\$ 2,155,108</u>

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020

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PROGRAMS

	EDUCATION				MAINT./		OLMSTED	TOTAL
	AND VISITOR	COMMUNITY	YOUTH	VOLUNTEER	RESTORATION/	<u>PARK</u>	TREE	PROGRAM
	SERVICES	<u>PROGRAMS</u>	PROGRAMS	<u>PROGRAM</u>	PRESERVATION	<u>ADVISORS</u>	SOCIETY	EXPENSES
Personnel Costs	\$ 124,895	\$ 39,600	\$ 66,597	\$ 13,547	\$ 42,256	\$ 54,478	\$ 61,755	\$ 403,128
Consultants and Professional Fees	13,867	19,856	9,385	7,900	48,954	1,200	145,613	246,775
Forestry/Arborist/Horticulture Fees	-	-	-	-	-	-	455,717	455,717
Fiscally Sponsored Projects	-	-	-	-	164,865	-	-	164,865
Program Costs and Event Expenses	521	312	359	345	3,029	2,965	995	8,526
Donated Curley House Rent (Note 12)	10,743	1,400	5,292	4,394	1,681	3,807	3,971	31,288
Occupancy	4,484	585	2,209	1,834	702	1,589	1,657	13,060
Insurance	2,849	371	1,404	1,165	446	1,010	1,053	8,298
Depreciation and Amortization	3,790	494	1,867	1,550	593	1,343	1,401	11,038
Office Supplies and Expenses	7,046	172	-	12	3,805	11	1,157	12,203
Minor Equipment Purchases and Rentals	129	=	3,174	243	-	-	1,977	5,523
Telephone	2,810	366	1,384	1,149	440	996	1,039	8,184
Computer and Technology Expenses	1,660	100	406	818	-	-	-	2,984
Staff Travel and Mileage	-	-	15	-	12	-	18	45
Meetings and Conferences	26	=	125	22	-	182	51	406
Staff Recruitment and Development	454	=	1,061	240	1,810	-	-	3,565
Advertising	2,925	75	-	-	9,048	-	-	12,048
Dues, Subscriptions and Fees			303					303
Total Program Expenses	<u>\$ 176,199</u>	\$ 63,331	\$ 93,581	\$ 33,219	<u>\$ 277,641</u>	\$ 67,581	\$ 676,404	\$ 1,387,956

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2021</u>	<u>2020</u>
Change in Net Assets	<u>\$ 774,798</u>	\$ 749,831
Adjustments to Reconcile the Above to Net Cash		
Used by Operating Activities:		
Donated Curley House Rent	64,270	(257,080)
Depreciation and Amortization	22,637	22,673
Investment Return	(903,110)	(574,662)
(Increase) Decrease in Current Assets:	, , ,	, , ,
Pledges Receivable	(88,950)	19,061
Employee Retention Tax Credits Due	(265,584)	-
Prepaid Expenses	30,003	(44,913)
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Accrued Expenses	39,625	3,080
Accrued Payroll and Related Costs	38,698	(26,635)
(Increase) Decrease in Non-Current Assets:		
Pledges Receivable	-	3,000
Increase (Decrease) in Non-Current Liabilities:		
Contractual Commitments	-	(48,750)
Net Adjustment	(1,062,411)	(904,226)
NET CASH USED BY OPERATING ACTIVITIES	(287,613)	(154,395)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(46,000)	-
Investment Purchases	(739,290)	(150,267)
Net Proceeds from Sales of Investments	1,172,189	613,122
Net Cash Flows from Investing Activities	386,899	462,855
NET INCREASE IN CASH BALANCES	99,286	308,460
CASH BALANCES - BEGINNING OF YEAR	1,183,204	874,744
CASH BALANCES - END OF YEAR	<u>\$ 1,282,490</u>	\$ 1,183,204

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

NOTE 1 ORGANIZATION

Emerald Necklace Conservancy, Inc. ("Emerald Necklace", "the Conservancy" or the "Organization") was incorporated under Massachusetts General Laws Chapter 180 in 1997. The Conservancy has received a determination letter that confirms its qualification as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Conservancy has been classified by the IRS as an organization which is not a private foundation under IRC Section 509(a). Accordingly, contributions made by individuals qualify for the maximum permitted charitable deduction for federal income tax purposes.

NOTE 2 PROGRAM SERVICES

The mission of the Emerald Necklace Conservancy is to restore and improve the Emerald Necklace for all. The Conservancy connects people and parks and conserves the Emerald Necklace through maintenance and capital restoration projects in the parks, environmental education, visitor services and free cultural events to enrich the visitor experience and restore and renew the landscape, waterways and parkways.

The Emerald Necklace is Boston's largest park system-a seven-mile, 1,100-acre linear park stretching from Beacon Hill to Dorchester. The Conservancy stewards six Frederick Law Olmsted-designed parks included in the system - Charlesgate, the Back Bay Fens, the Riverway, Olmsted Park, Jamaica Pond and Franklin Park—as well as the four parkways: Fenway, Riverway, Jamaicaway and Arborway. The Conservancy also collaborates with the Olmsted-designed Arnold Arboretum of Harvard University on programming, educational offerings, and orientation and navigation resources.

The Conservancy collaborates with the three public partners that oversee the Emerald Necklace-the City of Boston, Town of Brookline and Commonwealth of Massachusetts. It is the only organization that brings together the Necklace's residential neighbors, community and business leaders, park advocates and government agencies and officials to work for the renewal of this historic park system.

In FY22, the Conservancy operated with 10 full-time staff, two Terra Corps service members, a Northeastern University student fulfilling a Co-op experience and several consultants.

The all-volunteer Board of Directors, with 28 current members includes the following committees: Audit; Development, Marketing & Branding; Executive; Finance; Governance; Investment; Liff Fund & Park Management, Restoration, & Maintenance; Personnel & Planning; and Project Review committees. The Board meets quarterly and the Executive Committee, consisting of nine members, meets eight times a year. The all-volunteer Board of Park Advisors comprises representatives of 23 parks friends groups, community organizations and institutions around the parks. It meets bi-monthly to focus on system-wide parks concerns and undertake collaborative projects. The Park Advisors have three working groups: Advocacy, Access and Restoration & Maintenance.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

Ongoing Organizational Objectives:

As outlined in its 2015-2020 Strategic Plan, the Conservancy is focused on the following major objectives:

- 1. Improve parks management and complete restoration and maintenance projects in the Emerald Necklace park system with a focus on restoring the urban forest;
- 2. Engage adults through volunteer activities in the parks and connect young people to parks through summer and after-school jobs and encourage the use of the Emerald Necklace as an outdoor classroom:
- 3. Increase private investment in the Emerald Necklace parks to complement limited local and state budgets, and
- 4. Facilitate a working coalition of state and municipal representatives, private entities, park advocates and neighborhood groups to advocate for, set and meet goals for the Emerald Necklace's renewal.

Response to COVID-19:

COVID-19 brought many changes to the Conservancy beginning in March 2020 and into the following year. The Conservancy continued to operate primarily on a work-from-home model in Fiscal Year 2021 and adhered to all local and State public health guidelines at its Shattuck Visitor Center, in the administrative offices and at events. Event formats and capacities – and therefore event fundraising potential – continued to be affected by the pandemic and the lessened public appetite for large gatherings. Party in the Park took shape as a smaller, entirely outdoor event for approximately 300 guests; the Emerald Evening and the Annual Meeting took place virtually; and the 2021 installment of *Summer on the Emerald Necklace* featured more frequent acoustic concerts that were specifically geared toward gathering small audiences throughout the parks, rather than amassing larger concert audiences on fewer occasions in summer. All public programming took place outdoors to maximize safety and public comfort.

The Virtual Engagement and Response Team (VERT) continued to design virtual and socially-distant events, and regularly updated the 'Here for You' page on the Conservancy website (www.emeraldnecklace.org/here-for-you/) as guidelines changed with the advent of COVID vaccines and the relaxing of certain regulations.

The Shattuck Visitor Center in the Back Bay Fens, which closed to the public in March 2020, officially reopened in June 2021, with a masking requirement and limited occupancy in accordance with local guidelines. Initially open Wednesday-Friday, the Visitor Center gradually returned to its full 7-day schedule before summer's end.

As in 2020, meetings and events were affected generally by the ongoing pandemic, either through continued reliance on virtual activities or the gradual implementation of restructured in-person events, as well as hybrid formats. Further details on specific events and programs that experienced changes are below.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

Events & Programs:

Emerald Evening, the Conservancy's biannual fundraiser, was held in a virtual format - *An Emerald Evening In* - in October 2020, the start of FY21. The virtual cocktail reception honored Boston Mayor Martin Walsh with the Olmsted Award of Excellence in recognition for his administration's significant investments in restoring the Emerald Necklace and other Boston greenspace. The Olmsted Award of Excellence is given biennially to an individual or organization that exemplifies Frederick Law Olmsted's dedication to public parks by outstanding parks advocacy or parks work here in Boston.

Like many of our community's shared green spaces, the Emerald Necklace continued to be one of the primary places for connection throughout the pandemic. In February, the Conservancy lit several iconic bridges throughout the Necklace in emerald green as part of *Lights in the Necklace*, an installation celebrating the power of parks and public space to bring people together, inspire them and light the way in challenging times. The installation, on view in February and March, was very well-received and generated considerable attention on social media and in the press.

Following the success of 2020's virtual *Summer on the Emerald Necklace* series, the Conservancy extended its seasonal virtual programming into its first-ever *Fall* and *Winter on the Emerald Necklace* series. Virtual events included a Trivia Night presented with the Norman B. Leventhal Map and Education Center at the Boston Public Library, Saturday morning storytimes with a professional storyteller, and highly popular online yoga classes.

The Annual Meeting took place virtually in May, with a focus on the Conservancy's tree care program and the importance of a healthy urban tree canopy to our city. Featured speakers included arborist Dr. James Clark and Conservancy Field Operations Coordinator Erica Holm, as well as panel participation from Boston Parks Commissioner Ryan Woods.

Summer on the Emerald Necklace was adapted to a hybrid program of in-person and virtual events. The series included docent-led tours of the parks, live and online fitness classes, a mini concert series at four different parks in the Necklace and more. More than 1,600 guests attended these free programs in person and online, and the expanded format, with deference to COVID-19 safety, was very well received.

After postponement in 2020, Party in the Park was reimagined for its 2021 incarnation as an evening cocktail reception in an open-wall tent at Pinebank Promontory. The event took place in late September and welcomed nearly 300 guests, including public partners from Boston, Brookline and the Commonwealth. The event raised important support for the ongoing Charlesgate Park Revitalization Project.

Olmsted Tree Society and Park Maintenance:

On March 1, 2021, a pruning project commenced for 1,930 trees in Franklin Park and 375 along the Arborway. Bartlett Tree Experts began with a pre-assessment ahead of pruning crews to limit and streamline worktime on the ground. Work was monitored by Partner arborists and the Field Operations Coordinator. The bulk of the work was finished by March 26, 2021.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

As a culmination of the Youth Leadership Program, ten trees were planted in Franklin Park on Arbor Day with the support and guidance of the Boston Parks and Recreation Department. Each young tree was labeled with an informational placquard and watered weekly from May through September. The tree planting, and the visibility for the Conservancy's work in the parks, was very well-received. Also in celebration of Arbor Day, the Conservancy led a two-day *free* tree giveaway at its offices on the Jamaicaway. In partnership with Speak for the Trees, Conservancy staff gave away tree saplings of various species for the public to plant on their own property.

The Conservancy accepted a seat as a Collaborating Partner on the Boston Urban Forest Plan Community Advisory Board. This appointment allowed for close collaboration with the City of Boston over the course of 2021 as the City developed its Plan, a long-term strategy to protect and expand Boston's tree canopy.

From June to September, 318 young trees throughout the Necklace were watered by an independent contractor. Due to the rising cost of watering by contract, the Conservancy took initial steps to piloting an internal watering program in future years. The first step of this strategy comprised the purchase of a watering truck at the end of FY21.

Youth Education:

The Conservancy's fall-to-spring Youth Leadership Program ("YLP") focuses on developing leadership skills in a small cohort of youth ages 15-18, in a setting of environmental education and land stewardship. It also enhances communication skills and deepens life science and park maintenance knowledge.

Five teens participated in the virtual program from January through April 2021, and select YLP learning sessions were opened to teens and educators outside the program due to its virtual nature and the desire to share resources and presenters with similar educational programs outside the Conservancy. YLP covered a wide array of curricula, from environmental education and landscape architecture to anti-bullying workshops and horticulture, culminating with the planting of ten trees in Franklin Park for Arbor Day – all with the goals of introducing teens to green careers, teaching soft skills in job preparedness, providing technical skills in landscape maintenance and equipping youth for leadership in environmental stewardship.

The Conservancy also piloted a new program in spring 2021 in partnership with the Boston Architectural College and the Boston Society for Landscape Architects: the Youth Landscape Architecture Studio. In this ten-week intensive after-school program, a cohort of Boston teens, most of whom were residents of neighborhoods immediately surrounding Franklin Park, met in a hybrid format from April to June to learn about landscape architecture, community engagement, the Green New Deal and the ongoing Franklin Park Action Plan. The inaugural cohort concluded its session by presenting designs for different areas of Franklin Park, bringing unique perspectives on how this public green space could be improved for the community.

Complementing the school-year YLP is Green Team, a summer youth workforce development program which provides environmental education, leadership training and real work experience in the parks during an intensive six weeks in July and August. Eighteen Boston teens and young adults participated in 2021. In response to the pandemic, education staff modified the curriculum to create a hybrid program. Participants regularly worked in various Emerald Necklace parks maintaining the landscape, took field trips and educational tours within the Necklace and beyond, took part in virtual lessons on food justice, anti-bullying and settler colonialism, and participated in various team-building exercises.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

Advocacy:

The Conservancy is continuing its focus on relinking Emerald Necklace parks for pedestrians, cyclists and all users with a current emphasis on the Arborway from Jamaica Pond to the Forest Hills MBTA stop, and Charlesgate Park at the nexus of Kenmore Square, the Fenway and the Back Bay.

In 2017, Conservancy President Karen Mauney-Brodek assisted in the founding of a community group, Charlesgate Alliance, and planned and implemented a public process in partnership with the Massachusetts Department of Conservation and Recreation ("DCR") to revitalize this 13-acre green space. Together, the Conservancy, the Alliance, DCR and internationally-renowned architecture firm Landing Studio developed a revitalization plan for Charlesgate Park, supported by numerous public meetings, site walks and buy-in from public partners and the community.

Significant progress was made in 2021 on the Charlesgate Park Revitalization Project. The Massachusetts Department of Transportation (MassDOT) announced that the Bowker Overpass (the bridge over Interstate 90 that separates Charlesgate Park from the Back Bay Fens) would be replaced on an expedited timeline, allowing architecture firm Landing Studio to submit a proposal that would renovate the overpass with more bicyclist and pedestrian-friendly infrastructure, incorporate new green space into the bridge design and dramatically improve roadway safety and access to both Charlesgate Park and the Fens. In addition, the Commonwealth's Department of Conservation and Recreation (DCR) approved the Conservancy's and Charlesgate Alliance's application for matching funds to remove two large, non-structural stone barrier walls that impede sightlines and travel patterns within the park.

In seeking philanthropic support for the revitalization of Charlesgate Park, the Conservancy completed a capital campaign feasibility study conducted by independent consultant Betsy Tarlin, did significant outreach to individuals and businesses in the area, conducted several public meetings via Zoom, and led frequent public tours of the park to share plans and a vision for its renovation with the community.

Progress was also made in the effort to make the Arborway more friendly to pedestrians and cyclists. Following a rigorous process with community input, DCR installed new pavement markings and other improvements along the multiuse roadway in May 2021, delineating bike lanes, improving the pedestrian experience along the Arborway and creating safer parking for visitors to the Arnold Arboretum.

Volunteer Programs:

Despite the pandemic, the Conservancy continued to offer opportunities for park users to give back and help in the stewardship and maintenance of Boston's largest park system. During the winter season, the Conservancy created and gave away free do-it-yourself cleanup kits at various locations throughout the Necklace, allowing volunteers to pick up trash and clean the parks in a socially-distanced way. By springtime, the annual Muddy River Cleanup, which had been canceled in 2020, retured as a 6-day event, with more than 200 volunteers removing roughly 2,000 lbs of litter from the Necklace parks. Regular monthly volunteer cleanups also took place from May through September, and a total of 484 volunteers participated.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

Signage and Navigation:

The Conservancy continued to build on its Mobile Tour Guide (www.emeraldnecklace.tours), which became an important resource to many during the required isolation of the COVID-19 pandemic. The guide encourages users to explore new Emerald Necklace destinations with history and information about the parks.

A-frame signage remained present throughout the Necklace, updated for special programs such as *Lights in the Necklace* and *Summer on the Emerald Necklace*, and offering park orientation resources and tips on parks etiquette. Some attendees of our *Summer on the Emerald Necklace* programs stated that they discovered our events thanks to this signage.

Olmsted Now: Greater Boston's Olmsted Bicentennial:

The bicentennial of Frederick Law Olmsted's birth is April 26, 2022. In preparation for this milestone in Emerald Necklace history, the Conservancy, in partnership with the Frederick Law Olmsted National Historic Site (Fairsted) in Brookline, spent 2021 bringing together a continually growing coalition of community partners—neighborhood councils, cultural organizations, colleges and universities, nonprofits working in land stewardship, food security and other greenspace-adjacent missions, artists and other collaborators—to honor Olmsted's legacy and ideals. This coalition forms *Olmsted Now: Greater Boston's Olmsted Bicentennial* (www.olmstednow.org/about). More than a set program or event calendar, Olmsted Now is a yearlong platform of big ideas and bold actions that is shaping a shared vision for an equitable, vibrant and verdant city. It is a practice field for testing and investing in long-term partnerships that affirm the shared use, shared health and shared power in and of our public greenspaces.

Starting in FY2021, the Conservancy is piloting four initiatives to engage with the Emerald Necklace – a park system that Olmsted designed to both connect and heal Boston:

- a multi-sector network of multi-disciplinary groups that share experiences and resources for dynamic, more imaginative park use, from food justice to forest bathing, from water conservation to walking plays, from volunteer cleanups to tree planting and more;
- 2) a new model of neighborhood leadership empowered with funding, facilitation and administration support to solicit and decide on park programming;
- 3) co-learning opportunities in the form of community-generated publication and public dialogues about shared use, shared health and shared power in parks, all discussed through the lens of personal experience, storytelling and collective imagination; and
- 4) cross-neighborhood collaborations on park programming, with permitting and production support provided in order to reduce obstacles to connecting creative ideas and diverse program creators to broad audiences.

Planning for the bicentennial formally kicked off in April 2021 with a virtual community Open House inviting community members and stakeholders to learn more about the effort and why Olmsted's philosophies are worth talking about 200 years after his birth. At the same time, a website was launched, OlmstedNow.org, where members of the community can share events, tell their stories of the parks and incite conversations about shared use, shared health and shared power in open spaces.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 2 (Continued)

Olmsted Now is helmed by staff from Emerald Necklace Conservancy and Frederick Law Olmsted National Historic Site (Fairsted). Members of the Conservancy board participate in several of the task forces. The Greater Boston Olmsted Bicentennial is affiliated with Olmsted 200 (www.olmsted200.org), the nationwide effort led by the National Association for Olmsted Parks to commemorate the bicentennial.

Fundraising:

The COVID-19 pandemic continues to impact fundraising, especially events fundraising, at the Conservancy, much as it does for most nonprofits. The most signficant impact was felt in the 2021 Party in the Park, which, for the second year in a row, postponed its typical 700+ person luncheon format. Instead, the Conservancy and event volunteer leaders reimagined the event as a 250-300-person Cocktail Party under an open-walled tent. The event allowed the organization to pilot new techniques and event production options, but, overall, it was not able to achieve fundraising levels on a par with prior years. Similarly, the biennial Emerald Evening—a virtual event in October 2020—had lower ticket prices than past in-person events and experienced lower fundraising results.

Donor engagement continued largely virtually, although, because the work of the Conservancy centers on open space and park stewardship, donor meetings and smaller engagement opportunities could continue safely and effectively in the parks. These included donor walks, tours of Charlesgate Park and experiences at Lights in the Necklace.

Additionally, the sharpened focus on spatial and environmental justice presented a propitious time to pilot programs like Youth Landscape Architecture Studio, which not only created new collaborations with Boston Architectural College and Boston Society for Landscape Architects, but also encouraged many local landscape architecture and urban planning firms to participate as presenters and program sponsors. This widened the Conservancy's circle of support.

The variety of programs, events and special parks experiences offered by the Conservancy in FY2021, coupled with effective media outreach, resulted in consistent visibility both in the parks and in the media, yielding a greater awareness of the organization's work and the importance of protecting, stewarding and sustaining our urban green spaces. The Conservancy felt these positive impacts on fundraising in the continued high open rates of our e-communications, a steady growth in social media following, and in the increase of first-time donors during fundraising campaigns. Overall, the Conservancy surpassed its Emerald Fund goal during the fiscal year, pointing to the success and diversification of fundraising efforts in the pandemic and the public's responsiveness to park needs as parks continued to play an increasingly important role in the lives of each of us and our neighbors.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Fair Value of Financial Instruments:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3 Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's financial statements are the initial measurement of unconditional promises to give and the recurring measurement of the Organization's investments. There have been no changes to this valuation methodology.

Financial Statement Presentation:

As required by the FASB Accounting Standards CodificationTM, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

These classifications are related to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

Net Assets With Donor Restrictions - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

Receivables:

Pledges Receivable reflects unconditional promises to give. Curley House Receivable reflects unconditional promises to give non-cash assets and commitments for pro-bono rent. Receivables are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. As of September 30, 2021 and 2020, all non-current receivables were due within three and four years, respectively. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that all receivables are collectible; therefore, no allowance for doubtful amounts has been established. If balances due are determined to be uncollectible in subsequent periods, an allowance will be established at that time. For the years presented, there were no losses on uncollectible pledges receivable.

Property and Equipment:

Property, equipment, furnishing and improvement purchases in excess of \$500 are capitalized at cost, if purchased, or if donated, at fair value on the date of receipt. Expenditures for maintenance repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against support and revenues over the estimated useful lives of the assets, as expressed in terms of years.

Investments:

The Organization maintains professionally managed investment portfolios which may include money market funds, bonds, publicly traded equity securities and mutual funds that are reported at fair value. As required by the FASB Accounting Standards CodificationTM, investment purchases are recorded at cost, or if donated at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return (loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Cash held in brokerage accounts is reported as investments for purposes of these financial statements. Investments are classified as either short-term or long-term depending on the underlying intentions. Endowment Investments are classified as long-term regardless of the investment liquidity.

Endowment Funds:

During 2011, a donor made a contribution of \$250,000 to establish a donor-restricted endowment fund, known as the Wendy Shattuck Endowment Fund. As required by FASB Accounting Standards CodificationTM, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

As required by the Commonwealth of Massachusetts, the Organization follows the guidance of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA establishes law for the management and investment of donor-restricted endowment funds. The Board of Directors' interpretation of state law is that the Organization, absent explicit donor stipulations to the contrary, may appropriate as much of the net appreciation as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions.

The agreement with the original donor provides that expenditures from the fund will be made only from the investment income earned on the fund including both realized and unrealized capital gains (spendable income). Expenditures are limited to 5% of the three-year average of net fair value of the fund and may not exceed 75% of the accumulated and unspent spendable income from not more than the two prior years. All expenditures from the fund must be in support of projects approved by the Board of Directors. Additionally, the Shattuck Fund Committee must approve all expenditures from the fund. The donor has retained the right to approve a majority of the members of this Committee and the Committee will be comprised of at least one family member of the donor.

Income and appreciation earned on the Wendy Shattuck Endowment investments are classified as net assets with donor restrictions until appropriated for expenditure by the Shattuck Fund Committee based on the above factors.

The Organization takes a conservative approach to investing its endowment funds, which are maintained in money market funds and publicly traded securities and are reported as *Shattuck Endowment Investments* in the accompanying Statements of Financial Position.

Gifts, Grants and Contributions:

As required by the FASB Accounting Standards CodificationTM, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Emerald Necklace Conservancy, Inc. recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions of assets other than cash are reported at their estimated fair value. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. When the conditions are met, the corresponding support is reported as contributions with donor restrictions.

Multi-year commitments are recognized in the year during which the initial commitment was made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restrictions expire, at which time the assets are reclassified to net assets without donor restrictions.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

Revenue Recognition and Deferred Revenue:

Ticket sales for events held by the Organization are considered exchange transactions and are recognized as revenue at the time of the event. Revenue from ticket sales received in advance of an event is deferred until the event date.

Donated Goods, Services and Facilities:

As required by the *FASB Accounting Standards Codification*TM, Emerald Necklace Conservancy, Inc. maintains a policy whereby the value of the donated goods and services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recognized as revenue on the Statement of Activities and are reported as expenses on the Statement of Functional Expenses. Members of the Board of Directors and other volunteers donated numerous hours of service which, while significant, do not meet the recognition criteria and therefore have not been recorded in the accompanying financial statements. For the year ended September 30, 2021, Emerald Necklace Conservancy recorded \$79,034 of pro-bono legal services. For the year ended September 30, 2020, the Organization recorded \$321,350 for current and future donated rent for the Curley House (*See Note 12*) and \$42,106 of pro-bono legal services.

Fiscal Sponsorship:

In each year presented, the Organization acted as a fiscal sponsor for several projects which are consistent with the mission of the Conservancy. Grants and contributions made for these projects through Emerald Necklace are recognized as support with donor restrictions in the year received. Funds collected and held for distribution related to these projects are released from *Net Assets With Donor Restrictions* as eligible costs are incurred. For the years ended September 30, 2021 and 2020, the Organization expended \$269,329 and \$164,865, respectively, which is included in *Fiscally Sponsored Projects* in the accompanying Statements of Functional Expenses and within net assets released from restriction in the accompanying Statements of Activities.

Functional Expenses:

Emerald Necklace Conservancy, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based upon space, asset and time usage. Expenses allocated based upon time consist of *Salaries and Wages, Payroll Taxes, Employee Benefits* and *Telephone. Utilities* and *Depreciation and Amortization* expenses are allocated based on the usage of the underlying assets.

Supporting services are those related to operating and managing Emerald Necklace Conservancy, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Emerald Necklace Conservancy, Inc.'s internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

Events - includes indirect costs associated with fund raising events and the direct costs associated with the benefits received by the donors in exchange for the purchase of event tickets.

Advertising:

Emerald Necklace Conservancy, Inc. uses print advertising and other media to promote its programs and events and to solicit for contributions. Advertising costs are expensed as incurred.

Reclassifications:

Certain amounts in the prior year information have been reclassified to conform to the current year presentation.

Recent Accounting Guidance:

Recently Implemented Standards

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) Revenue from Contracts with Customers. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. This standard was adopted by the Organization effective October 1, 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore, no changes in the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organization effective October 1, 2019.

Recently Issued Standards

On September 17, 2020, the FASB issued ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This ASU is intended to increase transparency in reporting nonprofit gifts-in-kind in the Organization's financial statements. This standard is effective for Emerald Necklace Conservancy in financial statements issued for years beginning October 1, 2021 and is required to be applied retrospectively.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 4 INVESTMENTS

The Organization maintains an Environmental, Social and Corporate Governance ("ESG") compliant investment portfolio. As of September 30, 2021 and 2020, investments consisted of the following components:

		September 30, 2021	
		Quoted Prices	Significant
	Total	In Active Markets	Other Observable
	Fair	For Identical Assets	Inputs
Investment Type	Value	(Level 1)	(Level 2)
Money Market Funds	\$ 230,325	\$ 230,325	\$ -
Common Stock	2,158,178	2,158,178	Ψ _
Mutual Funds - Stock Funds	1,678,373	1,678,373	_
Mutual Funds - Bond Funds	867,940	867,940	_
Corporate Bonds	281,518	-	281,518
Government Bonds	<u>242,204</u>	_	242.204
Total Investments	\$5,458,538	\$4,934,816	\$523,722
			
		September 30, 2020	
		September 30, 2020 Quoted Prices	Significant
	Total	-	Significant Other Observable
	Total Fair	Quoted Prices	_
Investment Type		Quoted Prices In Active Markets	Other Observable
Investment Type	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Other Observable Inputs (Level 2)
Money Market Funds	Fair	Quoted Prices In Active Markets For Identical Assets	Other Observable Inputs
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Other Observable Inputs (Level 2)
Money Market Funds	Fair Value \$ 510,061	Quoted Prices In Active Markets For Identical Assets (Level 1) \$ 510,061	Other Observable Inputs (Level 2)
Money Market Funds Common Stock Mutual Funds - Stock Funds Mutual Funds - Bond Funds	Fair Value \$ 510,061 1,632,202	Quoted Prices In Active Markets For Identical Assets (Level 1) \$ 510,061 1,632,202	Other Observable Inputs (Level 2)
Money Market Funds Common Stock Mutual Funds - Stock Funds	Fair Value \$ 510,061 1,632,202 1,375,865 776,177 370,264	Quoted Prices In Active Markets For Identical Assets (Level 1) \$ 510,061 1,632,202 1,375,865	Other Observable Inputs (Level 2)
Money Market Funds Common Stock Mutual Funds - Stock Funds Mutual Funds - Bond Funds	Fair Value \$ 510,061 1,632,202 1,375,865 776,177	Quoted Prices In Active Markets For Identical Assets (Level 1) \$ 510,061 1,632,202 1,375,865	Other Observable Inputs (Level 2) \$

The Organization uses the following way to determine the fair value of investments:

Money Market Funds: Determined by the published net asset value ("NAV") per unit at the end of the last trading day of the year, which is the basis for transactions at that date

Mutual Funds and Common Stock: Traded on national securities exchanges and are determined by the published closing price on the last business day of the fiscal year.

Corporate and Government Bonds: Valued at the market quotations provided by brokers and dealers who used quotations for similar securities in active markets, which represents a market approach.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 4 (Continued)

Investments are classified as follows for the years presented:

		September 30, 20)21
Non-Endowment Investments	Short-Term	Long-Term	<u>Total</u>
I Wid D D C			
Investments Without Donor Restrictions:			
Operations	\$155,849	\$ -	\$ 155,849
Board Designated - Liff Fund	-	4,291,164	4,291,164
Investments With Donor Restrictions:			
Olmsted Tree Society	51,368		51,368
Total Non-Endowment Investments	\$207,217	<u>\$4,291,164</u>	\$4,498,381
		September 30, 20)20
Non-Endowment Investments	Short-Term	Long-Term	Total
Investments Without Donor Restrictions:			
Operations	\$ 5,091	\$ -	\$ 5,091
Board Designated - Liff Fund	-	3,603,488	3,603,488
Investments With Donor Restrictions:			
Olmsted Tree Society	545,188	-	545,188
Total Non-Endowment Investments	\$550,279	\$3,603,488	\$4,153,767
			
Shattuck Endowment Investments		2021	2020
<u> </u>			
Shattuck Investments, Subject to Endowment's Spending Pol	icv	\$434,427	\$308,830
Shattuck Investments, Restricted in Perpetuity	<i>j</i>	525,730	525,730
Total Long-Term Investments - Shattuck Endowment		\$960,157	\$834,560
Total Long-Term investments - Shattuck Endowment		<u>φ900,137</u>	<u>\$654,500</u>

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of September 30, 2021 and 2020:

Asset Category	Est. Life	<u>Cost</u>	Accumulated Depreciation	Net Book Value 2021
Vehicle Leasehold Improvements Total	5 40	\$ 78,378 906,904 \$985,282	\$ 32,378 <u>243,731</u> <u>\$276,109</u>	\$ 46,000 663,173 \$709,173
Asset Category	Est. Life	<u>Cost</u>	Accumulated Depreciation	Net Book Value 2020
Vehicle Leasehold Improvements Total	5 40	\$ 32,378 906,904 \$939,282	\$ 32,378 <u>221,094</u> <u>\$253,472</u>	\$ - <u>685,810</u> <u>\$685,810</u>

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 5 (Continued)

The Organization occupies the historic building known as the Fens Gate House under an agreement with the City of Boston. The parties agreed that the Organization could occupy the grounds for \$1 per year if the Organization restored the existing building. Upon the completion of the Fens Gate House renovations in January 2011, the Organization began using the property as a visitor and information center for the Emerald Necklace park system, now known as the Shattuck Emerald Necklace Visitor Center. The leasehold improvements consist of \$906,904 expended for the restoration. The lease is for an initial period of ten years and the Conservancy has the option to renew the lease for three subsequent periods of ten years each. The first lease renewal was in process as of the financial statement release date, and management expects that it will exercise its option to renew the lease for the remaining ten year terms. Accordingly, the leasehold improvements are being amortized over a period of 40 years. For the years ended September 30, 2021 and 2020, the provision for amortization of leasehold improvements was \$22,637 and \$22,673, respectively.

NOTE 6 LINE-OF-CREDIT

The Organization has a revolving line-of-credit with Citizens Financial Group, Inc. with a borrowing limit of \$100,000. The line is secured by substantially all assets of the Conservancy with the exception of the Wendy Shattuck Endowment Fund and the funds designated by the Board of Directors as the Justine Mee Liff Fund. The line bears interest at the bank's prime rate (3.25% as of September 30, 2021 and 2020, respectively). As of September 30, 2021 and 2020, there were no borrowings on the line-of-credit.

NOTE 7 NET ASSETS

Net Assets Without Donor Restrictions:

Board Designated

In 2010, Emerald Necklace entered into a Memorandum of Agreement with the City of Boston, the Town of Brookline and the Commonwealth of Massachusetts Department of Conservation and Recreation whereby the Board of Directors initiated an effort to create and set aside a pool of funds with the intention that the funds would be, but are not required to be, invested and utilized in support of capital and other special projects. It was further agreed that these funds would be known as the Justine Mee Liff Fund in honor of the legacy of the City of Boston's former Parks Commissioner. While without donor restriction, these funds are to be used for specific projects in cooperation with the parties to the agreement.

For the years ended September 30, 2021 and 2020, the Board appropriated funds for operating support in the amount of \$170,000 and \$125,000, respectively. Additionally, for the year ended September 30, 2020, the Conservancy incurred Liff expenditures of \$82,542 that were appropriated for reimbursement by the Liff Fund.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 7 (Continued)

Net Assets With Donor Restrictions:

Net Assets With Donor Restrictions includes unexpended contributions and grants restricted by donors and accumulated investment income earned on restricted funds for the following purposes as of September 30, 2021 and 2020:

Nature of Restriction	<u>2021</u>	<u>2020</u>
Olmsted Tree Society*	\$ 51,122	\$ 574,664
Shattuck Endowment - Restricted in Perpetuity	525,730	525,730
Shattuck Endowment Appreciation	434,429	308,830
Curley House Lease (Note 12)	192,810	257,080
Charlesgate Park Restoration	574,646	218,945
Fiscally Sponsored Projects - Charlesgate Alliance	161,517	218,198
2021 Cocktails in the Park Event (Liff Fund)	-	32,825
Fiscally Sponsored Projects - Other	43,878	4,128
Total	\$1,984,132	\$2,140,400

^{*}The following is a summary of the activity for the Olmsted Tree Society Fund:

	<u>2021</u>	<u>2020</u>
Contributions	\$ 3,770	\$ 3,710
Investment Income (Loss)	(6,363)	12,443
Program Expenses	<u>(520,949</u>)	<u>(679,339</u>)
Net Increase (Decrease)	(523,542)	(663,186)
Net Assets - Beginning of Year	574,664	1,237,850
Net Assets - End of Year	<u>\$ 51,122</u>	<u>\$ 574,664</u>

Net assets released from donor restrictions by incurring expenses which satisfied the restricted purposes, by the passage of time or by the occurrence of events specified by the donors were as follows for the years presented:

Nature of Restriction	<u>2021</u>	<u>2020</u>
Olmsted Tree Society	\$ 520,949	\$ 679,339
Youth/Green Team Programs	33,000	60,500
Paycheck Protection Program	154,000	154,000
Volunteer Program	7,000	19,525
Maintenance, Restoration and Preservation	202,080	45,546
Fiscally Sponsored Projects - Charlesgate Alliance	132,309	31,090
Fiscally Sponsored Projects - Other	137,020	151,166
Curley House Lease (Note 12)	64,270	-
2021 Cocktails in the Park Event (Liff Fund)	32,825	
Total	\$1,283,453	\$1,141,166

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 7 (Continued)

Endowment:

All endowment net assets represent donor designated funds. The following schedule summarizes the change in endowment net assets for the years ended September 30, 2021 and 2020:

	Subject to		Total Endowment
	Endowment's	Restricted	Net Assets With
	Spending Policy	In Perpetuity	Donor Restrictions
Endowment Net Assets.			
,	Φ220.012	Φ505 500	Φ 7.5.4.5.4.2
September 30, 2019	\$228,812	\$525,730	\$754,542
Investment Income	15,112	-	15,112
Investment Fees	(5,846)	-	(5,846)
Investment Gains	70,752		70,752
Endowment Net Assets,			
September 30, 2020	308,830	525,730	834,560
Investment Income	19,805	-	19,805
Investment Fees	(6,984)	-	(6,984)
Investment Gains	112,776		112,776
Endowment Net Assets,			
September 30, 2021	<u>\$434,427</u>	<u>\$525,730</u>	<u>\$960,157</u>

NOTE 8 FUND RAISING ACTIVITIES

The Organization sponsors special fund raising events to generate contributions as well as to gain public awareness for its programs and charitable purpose. The results of fundraising events are summarized below:

	September 30, 2021		
	Gross	<u>Direct</u>	Net Event
<u>Event</u>	<u>Proceeds</u>	<u>Costs</u>	Revenues
Cocktails in the Park	\$317,215	\$(125,443)	\$191,772
Emerald Evening	34,556	<u>(18,161</u>)	1 6,395
Total	<u>\$351,771</u>	<u>\$ 143,604</u>	<u>\$208,167</u>
	September 30, 2020		
	Gross	<u>Direct</u>	Net Event
<u>Event</u>	<u>Proceeds</u>	<u>Costs</u>	Revenues
Emerald Evening Sponsorships	<u>\$39,800</u>	<u>\$</u>	<u>\$39,800</u>

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 8 (Continued)

The following table summarizes the FY 2021 Cocktails in the Park event:

Gross Event Ticket Sales \$	95,400
Auction and Raffle Proceeds	18,494
Contributions and Sponsorships Received 2	03,321
Total Proceeds 3	17,215
Less: Direct Event Costs (1	25,443)
Net Event Proceeds <u>\$1</u>	91,772

In FY 2021, *Cocktails in the Park* net event proceeds were allocated to the Charlesgate Park restoration project, a restricted fund.

Due to the COVID-19 pandemic, the FY 2020 *Party in the Park* event was postponed to the Spring of 2021 as a smaller scale *Cocktails in the Park* event. Prior to the postponement, the event had raised \$216,850 in donations, sponsorship commitments and ticket sales. Of the total funding received and committed, donors re-directed their intentions as follows:

<u>Designation</u>	<u>Amount</u>
Emerald Fund	\$140,450
(General Operations)	
Liff Fund FY 2020	12,675
FY 2021 Event Liff Fund	32,825
Refunded to Donors	30,900
Total	\$216.850

NOTE 9 RETIREMENT PLAN

The Organization maintains a defined contribution plan for all eligible employees. The plan is qualified under Internal Revenue Code Section 403(b) and the Employee Retirement Income Security Act. Emerald Necklace does not contribute to the plan.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 10 OLMSTED TREE SOCIETY MEMORANDUMS OF AGREEMENT

In April and May 2015, the Emerald Necklace Conservancy executed Memorandums of Agreement ("MOAs") with the City of Boston, the Town of Brookline and the Massachusetts Department of Conservation and Recreation. The MOAs detail the parties' shared responsibility for the restoration and care for the tree canopy in the Emerald Necklace park system. The parties agreed that "the shrinking tree canopy in Boston and Brookline was a serious concern and that the aging tree canopy of the Emerald Necklace was an invaluable resource that if properly curated, would benefit generations to come". Based on recommendations from the Emerald Necklace Tree Management Plan funded by the Conservancy's Olmsted Tree Society, the parties agreed to: a five-year term of collaborative work, the establishment of an Operations Committee to meet quarterly to establish the annual work plan, and that the Conservancy will match the park owners' expenditures so that the costs would be shared equally between the Conservancy and the public partners. The Conservancy and public partners have a signed MOA describing shared responsibility for both the tree work and cost over the next five years.

The MOA further details obligations of each party, license and permit stipulations, maintenance standards and insurance requirements. The parties recognize and agree to the Olmsted Tree Society's recognition program for significant donors, which allows for the placement of agreed upon plaques on specified trees for a period of 5 - 15 years in acknowledgment of their contribution. The public partners can also recognize donors with plaques on specified trees.

NOTE 11 CONDITIONAL GRANT

In FY 2019, Emerald Necklace Conservancy, Inc. was awarded a multi-year conditional grant commitment totaling \$400,000 from the City of Boston Community Preservation Committee to support the Charlesgate Park transformation project. The first two installments of \$240,000 and \$133,333, respectively, were received in FY 2021 and FY 2020 and recognized as *Gifts, Grants, and Contributions* in the accompanying Statement of Activities. The remaining installments are strictly conditional upon satisfactory program accomplishments. The term of the grant commitment is through November 2021. As of September 30, 2021 and 2020, the conditional amount of the commitment was \$26,667 and \$266,667, respectively. As the terms and conditions has not been met, the support has not been recognized in the accompanying financial statements. The remaining \$26,666 is expected to be received and recognized in FY 2022.

NOTE 12 CURLEY HOUSE LEASE

On October 1, 2019, Emerald Necklace Conservancy entered into a five-year lease with the City of Boston acting by and through the Trustees of the George Robert White Fund for 10,000 square feet of space located in Boston, Massachusetts which is known as the Curley House. Rent is \$1 annually to be paid on or before the commencement date and on or before any subsequent anniversary of the commencement date during the lease term. The use of the Curley House is a gift-in-title from the Trustees of the George Robert White Fund, and the value of this gift is \$64,270 annually and \$321,350 over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 12 (Continued)

In according with accounting standards, FASB ASC 958-605-55-24, the Conservancy recognized a contribution for the full amount of the initial five-year lease term in FY 2020, valued at \$321,350, which has been recorded as *Donated Curley House Rent*, of which amount, \$257,080 representing the future rent, is recorded as with donor restrictions in the accompanying Statement of Activities for the year ended September 30, 2020. A corresponding pledge receivable in the amount of \$257,080 was recorded for years two to five of the lease. The net assets will be released from donor restriction in annual increments of \$64,270 to coincide with the term of the lease, at which time the receivable will be fulfilled and the rent expense recorded in the Statement of Functional Expenses.

NOTE 13 IMPACT OF COVID-19 AND CARES ACT FUNDING

Impact of COVID-19:

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of grants, contributions, revenue and other material adverse effects to the Organization's financial position, change in net assets and cash flows. The Organization is not able to estimate the length of severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effected on the Organization's operations continue for an extended period of time, the Organization may have to seek alternative measures to finance its operation. There is no assurance these measures will be successful. During FY 2020, the Party in the Park major fundraising event was postponed and the event Cocktails in the Park took place in FY 2021.

Paycheck Protection Program:

Emerald Necklace Conservancy, Inc. received two loans from Citizens Bank through the Paycheck Protection Program ("PPP") established by the U.S. CARES Act. The Conservancy has elected to account for the expected forgivable portion of this loan as a conditional grant commitment as permitted by the AICPA. Emerald Necklace intends to apply for and receive full forgiveness of the loan, while any remaining balance would be repayable over a five-year term and subject to interest at the annual rate of 1%. The amount forgiven equals the amount incurred on qualifying costs (payroll, mortgage interest, rent utilities, as defined and subject to limitations) during the covered period. The amount forgiven is reduced if a) the Organization decreases its staffing levels during the covered period, or b) reduces salaries/wages during the covered period; however, those reductions are subject to certain exemptions. The Conservancy expects to meet the requirements for loan forgiveness. Emerald Necklace must prepare and submit a loan forgiveness application to the lender, which is then reviewed by both the bank and the Small Business Administration (SBA) and then approved.

The first loan, referred to as PPP-1, in the amount of \$154,000 was received on May 1, 2020. The second loan, referred to as PPP-2, in the amount of \$154,000, was received on January 25, 2021. The Organization has elected to use a 24-week covered period for each loan, which expired on October 16, 2020 and July 11, 2021 for PPP-1 and PPP-2, respectively. On November 17, 2020, the SBA approved full forgiveness of PPP-1 in the amount of \$154,000. As of September 30, 2021 and 2020, the Organization has incurred \$154,000 of qualifying costs for each of the years presented which have been recognized as grant income for the fiscal years then ended.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 13 (Continued)

Employee Retention Tax Credit:

The Employee Retention Credit was introduced by the U.S. CARES Act in 2020 and is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Employers, including tax-exempt organizations, are eligible for the credit if they operate a trade or business during calendar year 2020 or during the first three quarters of calendar year 2021, and experience either: (1) the full or partial suspension of the operation of their trade or business during any calendar quarter because of governmental orders limiting commerce, travel or group meetings due to COVID-19, or (2) a significant decline in gross receipts.

Additional relief provisions were passed by the U.S. government, which extend and slightly expand the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit for the calendar quarters January 1, 2021 through September 30, 2021, is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter.

As of September 30, 2021, Emerald Necklace had met the qualifications necessary to claim \$265,584 under the Employee Retention Credit program. Therefore, this amount is included in support and revenues within the Statement of Activities and as a credit due in the Statement of Financial Position as of, and for the year ended, September 30, 2021.

NOTE 14 CONCENTRATIONS

Cash and Investments:

The Organization is subject to concentrations in credit risk relating primarily to cash and investments. For the years presented, the majority of the Organization's cash deposits and investments are held in two financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") under the applicable limits; however, at times cash balances may exceed federally insured limits. As of September 30, 2021 and 2020 cash balances in excess of the FDIC coverage were \$1,032,003 and \$690,421, respectively. The Organization has not experienced any losses on uninsured cash balances and management considers credit risk on cash to be low.

The Organization invests in professionally managed money market and mutual funds that contain various types of marketable securities. The Organization's investments are exposed to various risks, such as fluctuations in market value, and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances. The Organization's investment performance is reviewed by the Board of Directors on a periodic basis. To minimize risk, the Organization's cash accounts are placed with high credit quality financial institutions and the investment portfolio is diversified.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 15 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Organization has board designated investment funds that, while Management does not intend to spend these funds within the next year, these amounts could be made available for current operations, if necessary and as further stipulated in Note 7. The Organization estimated appropriations of \$125,000 from the Liff Fund investment portfolio under the spending policy for the year ending September 30, 2021. There are no estimated appropriations for the year ending September 30, 2022. To help manage unanticipated liquidity needs, the Organization also has a committed line-of-credit of \$100,000, which it could draw upon. See Note 6 for information about the Organization's line-of-credit.

The following table reflects the Organization's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, perpetual endowments and accumulated earnings net of appropriations within one year or because the governing board has set aside the funds for specific reserve.

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash	\$ 1,282,490	\$ 1,183,204
Pledges Receivable	91,950	3,000
Curley House Receivable	192,810	257,080
Employee Retention Tax Credits Due	265,584	-
Investments	5,458,538	4,988,327
Total Financial Assets as of September 30	7,291,372	6,431,611
Less Amounts Not Available to be Used Within One Year:		
Fiscally Sponsored Projects	(205,395)	(222,326)
Curley House Receivable	(192,810)	(257,080)
Liff Fund Investments, Net of Estimated Appropriation	(4,118,604)	(3,585,133)
Shattuck Endowment Investments	(960,157)	(834,560)
Olmsted Tree Society Fund		(1,689)
Financial Assets Available to Meet General		
Expenditures Within One Year	<u>\$ 1,814,406</u>	\$ 1,530,823

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to their ongoing activities relating to the preservation of the Emerald Necklace parks as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

(Continued)

NOTE 16 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through June 27, 2022, the date which the financial statements were available for issue and noted the following event which met the disclosure criteria:

PPP-2 Loan Forgiveness:

On March 2, 2022, the Small Business Administration approved forgiveness of the Paycheck Protection Program loan issued on January 25, 2021. See Note 13 for information regarding the Paycheck Protection Program.