

**EMERALD NECKLACE CONSERVANCY, INC.**

**FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

Smith  Sullivan  
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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**EMERALD NECKLACE CONSERVANCY, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



**Mission Statement**

*To restore and improve the Emerald Necklace for all.*

EMERALD NECKLACE CONSERVANCY, INC.  
REPORT ON FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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# Smith Sullivan & Brown PC

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of Emerald Necklace Conservancy, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emerald Necklace Conservancy, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Emerald Necklace Conservancy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

To the Board of Directors  
Emerald Necklace Conservancy, Inc.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Emerald Necklace Conservancy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Emerald Necklace Conservancy, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### **Other Information**

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The nonaccounting information shown on pages 3 - 8 which is the responsibility of the management, is presented for purposes of additional analysis and is not a required part of the financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
June 17, 2024

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

FY 2023 was a robust year of preparation and planning for the Emerald Necklace Conservancy (Conservancy). The Conservancy focused largely on core work: park maintenance and restoration, people-centered programming and visitor services, and advocacy to protect and care for the historic Emerald Necklace. In addition to these key programs, an additional focus this year was on planning; for the next five-year strategic plan to sharpen the Conservancy's focus, for the next seven-year phase of tree care with the three public partners (City of Boston, Town of Brookline and Commonwealth of Massachusetts), and to prepare for a future of growth by building on fundraising successes and operations.

As outlined in its FY 2015 - FY 2020 Strategic Plan, the Conservancy continued to focus in FY 2023 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.

To meet these objectives, the Conservancy has 13 full-time staff positions, one part-time permanent staff position, six part-time or seasonal staff members, one Terra Corps service member, two Northeastern University ("NEU") students (6-month term each) through NEU's Co-op program, and several consultants. The all-volunteer Board of Directors had 28 members and included the following committees: Executive; Finance and Investment; Governance; Advancement; Project Review; Audit; and Liff Fund. The Board of Directors met quarterly and the Executive Committee, consisting of 10 members, met eight times. The all-volunteer Board of Park Advisors was comprised of representatives of 25 parks friends' groups, community organizations and institutions and met bi-monthly to focus on system-wide park concerns and undertake collaborative projects. The Park Advisors have three working groups: Advocacy; Access; and Restoration and Maintenance.

Preparing a New 5-Year Strategic Plan for FY 2024 - FY 2028:

The Conservancy engaged with a consulting firm, Boost Social Sector Consulting (Boost), in FY 2023 to develop and execute a comprehensive process to create the Conservancy's next 5-year strategic plan for FY 2024 - FY 2028. This process began in March 2023 and concluded in December 2023 with a vote by the Board of Directors to approve the FY 2024 - FY 2028 Strategic Plan.

To oversee the planning process, the Board of Directors convened a committee of six Board members and one Park Advisor to work with Conservancy staff and Boost to manage the strategic planning process. The Committee met at several points throughout the project to design the process, review progress and ensure the project was inclusive and comprehensive.

Boost conducted interviews, meetings and focus groups with more than 70 internal and external stakeholders to the Conservancy, including: staff, members of the Board of Directors, members of the Board of Park Advisors, public partner representatives, peer organizations, funders and members of the public. Boost and the Conservancy also conducted a park user survey that garnered over 1,600 community member responses and researched 11 analogous organizations to obtain insights around best practices and priorities. Finally, before preparing the draft strategic plan, Boost designed and facilitated a day-long retreat with Conservancy staff, Board members, Park Advisors and public partners to review the research findings and chart a path forward.

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

*(Continued)*

The final FY 2024 - FY 2028 Strategic Plan has 5 overall objectives to set the Conservancy up to achieve our strategic vision to create a thriving, symbiotic socioecological system where people and parks provide for each other. The first four objectives focus on what the Conservancy will do, and the fifth objective is representative of the “roots” of the Conservancy, outlining how it will build internal capacity and systems to support the other objectives.

1. Facilitate and promote excellent, equitable park maintenance and restoration.
2. Pursue targeted park improvement projects with broad social and/or environmental benefits.
3. Deepen opportunities for diverse park activation and human connection to nature, primarily through partnerships.
4. Establish the Conservancy as an essential voice in civic thought and action in Greater Boston.
5. Level up organizational practices and capacity commensurate with the Conservancy’s growth and prominence.

Each of these strategic objectives has several initiatives with individual work plans, staffing needs, timelines and budgets. In the first months of FY 2024, the Conservancy team will work towards an actionable implementation plan for the execution of the 5-year strategic plan.

**Program Activities:**

***Olmsted Tree Society and Park Maintenance:***

In FY 2022 the Conservancy wrapped up the first seven-year pruning cycle of all the Emerald Necklace trees in our 10,000+ tree inventory. In FY 2023 the Conservancy focused on preparing for the next seven year cycle; the Conservancy team planned out the next pruning schedule and conducted an inventory of trees in Olmsted Park to prepare for the first pruning project of the next cycle to take place in FY 2024.

In addition to this important planning work, the Conservancy continued an in-house watering program in FY 2023 using the watering truck purchased at the end of FY 2021. From June to September 2023, 150 young trees throughout the Necklace were watered by the Conservancy. Watering is a critical effort in supporting the establishment of young trees. Urban planting sites are often difficult environments for growth: with heavy soil compaction, salinity, and impervious surfaces, and without adequate natural water until the trees can grow deep enough to access it. The Conservancy’s regular watering schedule helps ensure young trees take to their new environment and encourages deep root growth towards natural sources of water, which is critical for their long-term health.

For the third year in a row, the Conservancy planted 10 trees in the parks to celebrate Arbor Day at the end of April 2023 with the support and guidance of the Boston Parks and Recreation Department. The plantings in FY 2023 were done in the Back Bay Fens and were in partnership with PowerCorps trainees as well as urban forestry staff from the City of Boston, community volunteers, and certified arborists from Bartlett Tree Experts who donated the trees. Each young tree was labeled with an informational placard and watered weekly by the Conservancy from June through September 2023. Additionally, ten trees that were planted in the previous years’ planting day were watered on the same schedule. The tree planting and the resulting visibility for the Conservancy’s work in the parks were very well-received.

In addition, the Conservancy identified about 50 young trees that had died along the Arborway and through our close partnership and cooperative stewardship with Department of Conservation and Recreation (“DCR”), DCR planted 50 new replacement trees in June 2023.

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

*(Continued)*

For the second summer in a row, the Conservancy partnered with PowerCorps, the City of Boston's green jobs training program, which provides young adults with training, career readiness support and connections to employers in the green industry. Alongside Conservancy staff, PowerCorps crews worked on restoration and maintenance projects in Olmsted Park, Franklin Park, Jamaica Pond, Riverway, and the Back Bay Fens. These projects focused on removing invasive plants to restore native habitat and doing so in priority locations that have been identified by the city and the community as needing further work. These PowerCorps crews covered over 110-acres of parkland throughout the Emerald Necklace, often returning to sites to ensure that seasonal growth is also being maintained. This ongoing relationship the Conservancy has with Power Corps illustrates the importance of the Conservancy's partnerships and the positive impact these partnerships can have on the health and care of the Emerald Necklace.

***Advocacy:***

In FY 2023 the Conservancy continued to advocate for several important projects and initiatives throughout the Emerald Necklace.

- The Charlesgate Revitalization project will relink areas of Emerald Necklace parks for pedestrians, cyclists and all users, with special focus on the Charlesgate area at the nexus of Kenmore Square, the Fenway and the Back Bay. Significant progress was made in FY 2023 on the Charlesgate Revitalization Project. In November 2022, the Massachusetts Department of Transportation (MassDOT) announced they had secured funding for two major projects surrounding Charlesgate: one that will replace the structurally deficient Bowker Overpass over I-90, and one to replace and reconfigure the Storrow Drive eastbound bridge over the Bowker overpass ramps. These two projects will help better manage traffic patterns, maximize parkland, and reestablish connections in the Emerald Necklace at Charlesgate.
- The long-time advocacy of the Charlesgate Alliance, Emerald Necklace Conservancy and others has led to MassDOT increasing the scale and budget for these two projects, originally planned as replacements "in kind" for less than \$75M combined. Now at a total of \$180M, these projects will make landmark improvements to connectivity between Boston parks including the Back Bay Fens, Commonwealth Avenue and the Charles River Esplanade for both pedestrians and bicyclists. These projects will increase available and usable public greenspace in the area by several acres and make vast improvements to the ecology of the Muddy River through a critical daylighting of a key section of the Muddy River where it meets the Charles River at Charlesgate. The Conservancy and the Charlesgate Alliance commend MassDOT for these investments and look forward to working alongside our public partners as these projects come to fruition over the next several years.
- The Conservancy continued to advocate that 13-acres of land be returned to Franklin Park as parkland after the Commonwealth's planned demolition of Shattuck Hospital and community engagement in parkland planning and decision making. The Conservancy collaborated with various community groups and leaders concerned about the proposal for the reuse of parkland for housing for the formally homeless and other services in the park and within the neighboring environmental justice communities.
- In partnership with DCR, the Conservancy advocated for safety improvements to the Arborway for improved cyclist and pedestrian access. DCR worked on the preferred alternative and its associated traffic report, including making adjustments based on feedback that they received over the last few months from stakeholder meetings. Once the preferred alternative and traffic report are finalized, DCR expects to advance the project into design development.
- As a member of the Muddy River Maintenance and Management Oversight Committee ("MMOC"), the Conservancy continued to provide monitoring of the Muddy River Restoration Phase II project being conducted by the United States Army Corps of Engineers. The phase II project was completed in November 2023, the MMOC will continue to monitor the final steps including temporary fence removals and new plantings.

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

*(Continued)*

- The Conservancy continued to advocate for increased local, state and federal investment in parks maintenance and capital improvements. This advocacy work by the Conservancy and many others is critical in our efforts to encourage more critical funding of our parks.
- The Project Review Committee, a committee with members from both the Board of Directors and Park Advisors, reviewed development projects around the Emerald Necklace to provide feedback and comment in order to encourage and support development that is least impactful and most supportive to the Emerald Necklace.
- The Conservancy advocated in FY 2023 for the development of systematic guidelines that could apply to development citywide, which, unlike many cities, Boston does not have. On January 19, 2023, the Boston Planning and Development Agency approved the Longwood Place project which will provide \$1M in funds for a study on the effects of shadow on parks. The Conservancy looks forward to continuing to advocate for this important effort which aims to protect all parks. For more about sunshine policy advocacy, see here: <https://www.emeraldnecklace.org/restoration/advocacy/>

***Park Care “Field” Volunteer Programs:***

The Conservancy’s corporate volunteer days, *Day in the Dirt*, and our free public volunteer opportunities, *Tuesdays with Roses* and *Second Saturdays*, remained a popular offering for individuals and groups in FY 2023. Over 770 people volunteered with the Conservancy from October 2022 - September 2023 and helped maintain and restore the Emerald Necklace by raking leaves, picking up garbage, removing invasive plants, or planting new trees and shrubs. Volunteers spent 2,636 hours caring for the Emerald Necklace-work that is critical to the Conservancy’s mission.

The annual *Muddy River Cleanup* was held on April 22 and drew over 400 volunteers, who removed over 6,700 pounds of trash and invasive plants from the parks. Despite gloomy weather on the day of the event, the 2023 Muddy River Cleanup had record-breaking attendance and was the Conservancy’s largest park cleanup to date. A total of ten companies and sixteen community groups from around Greater Boston joined the cleanup.

***Cultural Partnerships and Parks Equity:***

In FY 2023 the Conservancy continued the work started in 2022 during *Olmsted Now: Greater Boston’s Olmsted Bicentennial*. During the bicentennial year, the Emerald Necklace Conservancy partnered with the Frederick Law Olmsted National Historic Site (Fairsted) in Brookline to honor Olmsted’s legacy and the ideals with which he imbued the public spaces he designed: as sites of shared use, shared health and shared power. This coalition formed *Olmsted Now: Greater Boston’s Olmsted Bicentennial*.

Part of the Conservancy’s effort for the bicentennial year was stewarding a newly formed *Committee of Neighborhoods*, comprised of BIPOC leaders across neighborhood associations and councils. In FY 2023, the Committee of Neighborhoods reconvened to explore inequities in the permitting process and to develop suggestions for future improvements. This work will continue in FY 2024.

In FY 2023, the Conservancy partnered with organizations already hosting events in the parks to offer more opportunities for inclusive programming elements like American sign-language (“ASL”) interpretation, BIPOC-led musical performances, and signage in multiple languages. Partners included: BAMSfest, Jamaica Plain (JP) Porchfest and Fenway Porchfest. The Conservancy also partnered with the Brookline Community Foundation to develop and execute *ParkFest* in Olmsted Park in Brookline which was a day of family-friendly activities, dance performance and music, and informational booths from local organizations.

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

*(Continued)*

***Youth Education and Connecting Boston's Youth to their Public Parks:***

The Conservancy's *Green Team* is a summer youth workforce development program which provides environmental education, leadership training and real work experience in the parks during an intensive six weeks through a partnership with the Boston Office of Youth Employment and Opportunity. In FY 2023, 16 Boston teens from Boston Public Schools participated in this paid educational employment program. Two part-time Crew Leaders were hired and trained to assist education staff in program implementation. Participants regularly worked in various Emerald Necklace parks maintaining the landscape; took field trips and educational tours within the Necklace and beyond; participated in lessons on food justice, anti-bullying, and settler colonialism; explored career pathways in environmental fields; and participated in team-building exercises.

*Canopy Classroom* is a place-based, environmental education program that is consistent with Boston Public School curriculum and state standards. The field-trip program held in Emerald Necklace parks connects Boston 3<sup>rd</sup> graders with the importance of science in the real world and their daily lives. In FY 2023, the Conservancy worked with 11 schools and provided 686 student engagements through Canopy Classroom, reaching 200 more students this year than last year.

In FY 2023, the Conservancy added a pilot program called *Natural Ways* and facilitated 45 student engagements. Students in the program participate in after-school activities including fishing, shelter building, campfire building, nature walks and games, all designed to develop their connection to the natural world, build an increased awareness of their senses, and deepen connections in their communities.

***Signage and Navigation:***

In FY 2023, the Conservancy continued to add content and new information for the public in the Shattuck Visitor Center and on its free Mobile Tour Guide which invites users to explore new Emerald Necklace destinations while providing history and information about the parks. In FY 2023, the Conservancy's dynamic signage and communication program continued to welcome visitors with changing content and information throughout the Necklace, updated for special programs such as *Lights in the Necklace* and *Parks as Platform*.

Additional signage was added around the area of the Muddy River Restoration Phase II, a project through the United States Army Corps of Engineers, to explain to park users what the restoration project is and why it's so important to the river's storm water management capabilities.

**Administration:**

In FY 2023, the Conservancy added capacity by hiring a Finance Manager to improve processes in the accounting department and to reduce the expense of a consulting financial firm. The addition of two administrative positions in FY 2022, an Administrative Assistant to the President and a Director of Conservancy Operations, have continued to be instrumental in FY 2023. These positions were critical in leading the successful process of developing our next 5-year strategic plan. They have continued to aid in the Conservancy's recent growth by allowing other staff members to spend more time on critical fundraising and on programmatic, and advocacy projects that further the Conservancy's mission.

**Fundraising:**

In FY 2023, the Conservancy had its most successful fundraising year to date, securing a total of \$4,809,629 in contributed revenue from individuals, foundations, corporations, government grants and fiscal sponsorship income. This comprehensive giving total included annual operating revenue (\$2,808,379), donations to the Charlesgate Park Revitalization Project (\$1,250) and two gifts to establish a general operating endowment for the Conservancy (\$2,000,000). 100% of the Conservancy's Board of Directors once again participated in its success with a philanthropic gift.

EMERALD NECKLACE CONSERVANCY, INC.

MANAGEMENT DISCUSSION OF ACTIVITIES AND STRATEGIC GOALS

SEPTEMBER 30, 2023

*(Continued)*

The Conservancy's fundraising program achieved several new records in this fiscal year. In December 2022, the Conservancy received the organization's largest single philanthropic commitment to date: \$1,500,000 from an anonymous donor to help establish a general endowment to support the mission of the Conservancy; underwrite the Conservancy's strategic plan; support capacity building through the work of a growth strategist; and invest in cultural partnerships and programs as a continuation of the work initiated as part of 2022's Olmsted Now: Greater Boston's Olmsted Bicentennial. This was closely followed in February 2023 by the Conservancy's second-largest commitment to date, a \$1,200,000 gift in support of the nascent general endowment and the Conservancy's cultural partnerships and park equity work.

In 2023, the Conservancy began working with a growth strategist to strengthen budgeting and fundraising practices by articulating the organization's full financial need, communicating with external stakeholders in a way best focuses staff time to maximize support of the work. The Conservancy team is better tailoring communications, time and donor experiences to best meet the organization's need and mission. In line with this focus and growth in articulation of fundraising priorities and activities, the Conservancy staff underwent a restructure by creating Director of Marketing and Communications position, allowing the previous Director of Development and External Relations to change to the Director of Development. This allows the organization to optimize its fundraising to focus on the ambitious fundraising plan to underwrite the implementation of the organization's forthcoming strategic plan in 2024.

**In conclusion, FY 2023 was a year of robust planning for the Conservancy as it prepares for the next five years of strategic growth and priorities.** The Conservancy developed a 5-year strategic plan that outlines objectives for park maintenance and improvements, advocacy and community engagement. The Conservancy also laid the groundwork for another seven-year pruning and care cycle of the more than 10,000 trees in the Conservancy's inventory, while sharpening its communication plan with donors and external stakeholders to articulate the full organizational fundraising need. At the end of FY 2023, the Conservancy is well-positioned to realize its ambitious growth plans, strategic objectives and mission.

Karen Mauney-Brodek  
President



EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2023

*(With Summarized Comparative Totals for 2022)*

<u>ASSETS</u>	<u>GENERAL OPERATIONS</u>	<u>SHATTUCK VISITOR CENTER</u>	<u>LIFF FUND</u>	<u>CHARLESGATE PROJECT</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
<u>CURRENT ASSETS:</u>						
Cash and Cash Equivalents	\$ 573,223	\$ -	\$ -	\$ 1,915,334	\$ 2,488,557	\$ 1,384,690
Gifts and Grants Receivable	110,167	-	-	-	110,167	560,040
Curley House Receivable	64,270	-	-	-	64,270	64,270
Prepaid Expenses	58,196	-	-	-	58,196	45,741
Short-Term Investments	197,729	-	-	-	197,729	169,864
Total Current Assets	<u>1,003,585</u>	<u>-</u>	<u>-</u>	<u>1,915,334</u>	<u>2,918,919</u>	<u>2,224,605</u>
<u>NET PROPERTY AND EQUIPMENT</u>	<u>31,518</u>	<u>617,828</u>	<u>-</u>	<u>-</u>	<u>649,346</u>	<u>682,524</u>
<u>NON-CURRENT ASSETS:</u>						
Gifts and Grants Receivable, Non-Current	25,000	-	-	-	25,000	16,500
Curley House Receivable, Non-Current	-	-	-	-	-	64,270
Long-Term Investments	-	-	3,443,096	-	3,443,096	3,275,402
Endowment Investments	2,055,739	833,947	-	-	2,889,686	778,869
Total Non-Current Assets	<u>2,080,739</u>	<u>833,947</u>	<u>3,443,096</u>	<u>-</u>	<u>6,357,782</u>	<u>4,135,041</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,115,842</u>	<u>\$ 1,451,775</u>	<u>\$ 3,443,096</u>	<u>\$ 1,915,334</u>	<u>\$ 9,926,047</u>	<u>\$ 7,042,170</u>
 <u>LIABILITIES AND NET ASSETS</u>						
<u>CURRENT LIABILITIES:</u>						
Accounts Payable and Accrued Expenses	\$ 83,044	\$ -	\$ -	\$ -	\$ 83,044	\$ 98,037
Accrued Payroll and Related Costs	88,087	-	-	-	88,087	91,090
Total Current Liabilities	<u>171,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,131</u>	<u>189,127</u>
<u>TOTAL LIABILITIES</u>	<u>171,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,131</u>	<u>189,127</u>
<u>NET ASSETS:</u>						
Net Assets Without Donor Restrictions:						
Undesignated	784,473	617,828	-	-	1,402,301	1,046,758
Board Designated	-	-	3,443,096	-	3,443,096	3,275,402
Total Net Assets Without Donor Restrictions	<u>784,473</u>	<u>617,828</u>	<u>3,443,096</u>	<u>-</u>	<u>4,845,397</u>	<u>4,322,160</u>
Net Assets With Donor Restrictions	2,160,238	833,947	-	1,915,334	4,909,519	2,530,883
Total Net Assets	<u>2,944,711</u>	<u>1,451,775</u>	<u>3,443,096</u>	<u>1,915,334</u>	<u>9,754,916</u>	<u>6,853,043</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 3,115,842</u>	<u>\$ 1,451,775</u>	<u>\$ 3,443,096</u>	<u>\$ 1,915,334</u>	<u>\$ 9,926,047</u>	<u>\$ 7,042,170</u>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2022

<u>ASSETS</u>	<u>GENERAL PROGRAMS/ OPERATIONS</u>	<u>SHATTUCK VISITOR CENTER</u>	<u>LIFF FUND</u>	<u>CHARLES GATE PROJECT</u>	<u>TOTAL</u>
<u>CURRENT ASSETS:</u>					
Cash and Cash Equivalents	\$ 75,344	\$ -	\$ -	\$ 1,309,346	\$ 1,384,690
Gifts and Grants Receivable	257,790	-	-	302,250	560,040
Curley House Receivable	64,270	-	-	-	64,270
Prepaid Expenses	45,741	-	-	-	45,741
Short-Term Investments	169,864	-	-	-	169,864
Total Current Assets	<u>613,009</u>	<u>-</u>	<u>-</u>	<u>1,611,596</u>	<u>2,224,605</u>
<u>NET PROPERTY AND EQUIPMENT</u>	<u>42,023</u>	<u>640,501</u>	<u>-</u>	<u>-</u>	<u>682,524</u>
<u>NON-CURRENT ASSETS:</u>					
Gifts and Grants Receivable, Non-Current	16,500	-	-	-	16,500
Curley House Receivable, Non-Current	64,270	-	-	-	64,270
Long-Term Investments	-	-	3,275,402	-	3,275,402
Shattuck Endowment Investments	-	778,869	-	-	778,869
Total Non-Current Assets	<u>80,770</u>	<u>778,869</u>	<u>3,275,402</u>	<u>-</u>	<u>4,135,041</u>
<u>TOTAL ASSETS</u>	<u>\$ 735,802</u>	<u>\$ 1,419,370</u>	<u>\$ 3,275,402</u>	<u>\$ 1,611,596</u>	<u>\$ 7,042,170</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>CURRENT LIABILITIES:</u>					
Accounts Payable and Accrued Expenses	\$ 98,037	\$ -	\$ -	\$ -	\$ 98,037
Accrued Payroll and Related Costs	91,090	-	-	-	91,090
Total Current Liabilities	<u>189,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,127</u>
<u>TOTAL LIABILITIES</u>	<u>189,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,127</u>
<u>NET ASSETS:</u>					
Net Assets Without Donor Restrictions:					
Undesignated	406,257	640,501	-	-	1,046,758
Board Designated	-	-	3,275,402	-	3,275,402
Total Net Assets Without Donor Restrictions	<u>406,257</u>	<u>640,501</u>	<u>3,275,402</u>	<u>-</u>	<u>4,322,160</u>
Net Assets With Donor Restrictions	140,418	778,869	-	1,611,596	2,530,883
Total Net Assets	<u>546,675</u>	<u>1,419,370</u>	<u>3,275,402</u>	<u>1,611,596</u>	<u>6,853,043</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 735,802</u>	<u>\$ 1,419,370</u>	<u>\$ 3,275,402</u>	<u>\$ 1,611,596</u>	<u>\$ 7,042,170</u>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
*(With Summarized Comparative Totals for 2022)*

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS	TOTAL ACTIVITIES	
	UNDESIGNATED	BOARD DESIGNATED LIFF FUND	TOTAL WITHOUT DONOR RESTRICTIONS		2023	2022
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
<i>Public Support and Event Revenues:</i>						
Gifts, Grants and Contributions	\$ 2,089,632	\$ 14,152	\$ 2,103,784	\$ 2,225,359	\$ 4,329,143	\$ 2,730,769
Special Event Proceeds <i>(Note 8)</i>	-	599,610	599,610	-	599,610	547,534
Less: Cost of Direct Benefits to Donors	-	(301,837)	(301,837)	-	(301,837)	(379,610)
Donated Goods and Services	57,991	-	57,991	-	57,991	69,285
<i>Other Revenues:</i>						
Fiscally Sponsored Projects	-	-	-	382,465	382,465	286,059
Investment Return	131,790	248,589	380,379	112,242	492,621	(1,131,788)
<i>Reclassification of Net Assets:</i>						
Net Assets Released from Restrictions	734,250	(392,820)	341,430	(341,430)	-	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>3,013,663</u></b>	<b><u>167,694</u></b>	<b><u>3,181,357</u></b>	<b><u>2,378,636</u></b>	<b><u>5,559,993</u></b>	<b><u>2,122,249</u></b>
<b><u>EXPENSES:</u></b>						
Program Services	1,297,819	-	1,297,819	-	1,297,819	1,956,629
Administrative	616,115	-	616,115	-	616,115	751,476
Fund Raising	744,186	-	744,186	-	744,186	335,066
<b><u>TOTAL EXPENSES</u></b>	<b><u>2,658,120</u></b>	<b><u>-</u></b>	<b><u>2,658,120</u></b>	<b><u>-</u></b>	<b><u>2,658,120</u></b>	<b><u>3,043,171</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>355,543</u></b>	<b><u>167,694</u></b>	<b><u>523,237</u></b>	<b><u>2,378,636</u></b>	<b><u>2,901,873</u></b>	<b><u>(920,922)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>1,046,758</u></b>	<b><u>3,275,402</u></b>	<b><u>4,322,160</u></b>	<b><u>2,530,883</u></b>	<b><u>6,853,043</u></b>	<b><u>7,773,965</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 1,402,301</u></b>	<b><u>\$ 3,443,096</u></b>	<b><u>\$ 4,845,397</u></b>	<b><u>\$ 4,909,519</u></b>	<b><u>\$ 9,754,916</u></b>	<b><u>\$ 6,853,043</u></b>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS	TOTAL ACTIVITIES
	UNDESIGNATED	BOARD DESIGNATED LIFF FUND	TOTAL WITHOUT DONOR RESTRICTIONS		
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>					
<i>Public Support and Event Revenues:</i>					
Gifts, Grants and Contributions	\$ 1,020,508	\$ 1,000	\$ 1,021,508	\$ 1,709,261	\$ 2,730,769
Special Event Proceeds <i>(Note 8)</i>	-	547,534	547,534	-	547,534
Less: Cost of Direct Benefits to Donors	-	(379,610)	(379,610)	-	(379,610)
Donated Goods and Services	69,285	-	69,285	-	69,285
<i>Other Revenues:</i>					
Fiscally Sponsored Projects	-	-	-	286,059	286,059
Investment Return	(10,431)	(928,224)	(938,655)	(193,133)	(1,131,788)
<i>Reclassification of Net Assets:</i>					
Net Assets Released from Restrictions	1,511,898	(256,462)	1,255,436	(1,255,436)	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>2,591,260</u></b>	<b><u>(1,015,762)</u></b>	<b><u>1,575,498</u></b>	<b><u>546,751</u></b>	<b><u>2,122,249</u></b>
<b><u>EXPENSES:</u></b>					
Program Services	1,956,629	-	1,956,629	-	1,956,629
Administrative	751,476	-	751,476	-	751,476
Fund Raising	335,066	-	335,066	-	335,066
<b><u>TOTAL EXPENSES</u></b>	<b><u>3,043,171</u></b>	<b><u>-</u></b>	<b><u>3,043,171</u></b>	<b><u>-</u></b>	<b><u>3,043,171</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>(451,911)</u></b>	<b><u>(1,015,762)</u></b>	<b><u>(1,467,673)</u></b>	<b><u>546,751</u></b>	<b><u>(920,922)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>1,498,669</u></b>	<b><u>4,291,164</u></b>	<b><u>5,789,833</u></b>	<b><u>1,984,132</u></b>	<b><u>7,773,965</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 1,046,758</u></b>	<b><u>\$ 3,275,402</u></b>	<b><u>\$ 4,322,160</u></b>	<b><u>\$ 2,530,883</u></b>	<b><u>\$ 6,853,043</u></b>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

(Page 1 of 2)

	<u>TOTAL</u>		<u>FUND RAISING AND EVENTS</u>			<u>TOTAL</u>
	<u>PROGRAM</u>		<u>ADMINI-</u>	<u>FUND</u>	<u>EVENTS</u>	<u>SUB-</u>
	<u>SERVICES</u>	<u>STRATIVE</u>	<u>RAISING</u>	<u>EVENTS</u>	<u>TOTAL</u>	<u>EXPENSES</u>
Personnel Costs	\$ 704,124	\$ 186,695	\$ 347,012	\$ 85,426	\$ 432,438	\$ 1,323,257
Consultants and Professional Fees	311,034	278,670	94,768	61,790	156,558	746,262
Forestry/Arborist/Horticulture Fees	14,976	-	-	-	-	14,976
Fiscally Sponsored Projects	18,624	-	-	-	-	18,624
Grant Expense	32,000	-	-	-	-	32,000
Program Costs and Event Expenses	21,174	38,698	15,036	25,593	40,629	100,501
Donated Curley House Rent <i>(Note 12)</i>	34,931	8,310	16,848	4,181	21,029	64,270
Occupancy	42,978	7,708	15,629	3,878	19,507	70,193
Insurance	14,255	9,044	6,856	1,701	8,557	31,856
Depreciation and Amortization	18,033	4,290	8,698	2,158	10,856	33,179
Office Supplies and Expenses	16,157	9,776	6,329	588	6,917	32,850
Minor Equipment Purchases and Rentals	40,430	771	363	15,584	15,947	57,148
Communications and Technology	15,102	24,195	26,237	1,442	27,679	66,976
Staff Travel and Mileage	12,857	7,357	579	153	732	20,946
Staff Recruitment and Development	835	14,712	90	-	90	15,637
Advertising	309	349	247	3,000	3,247	3,905
Dues, Subscriptions and Fees	-	25,540	-	-	-	25,540
<b>Total Expenses Per Statement of Activities</b>	<b>1,297,819</b>	<b>616,115</b>	<b>538,692</b>	<b>205,494</b>	<b>744,186</b>	<b>2,658,120</b>
Costs of Direct Benefits to Donors	-	-	-	301,837	301,837	301,837
<b>Total Functional Expenses</b>	<b>\$ 1,297,819</b>	<b>\$ 616,115</b>	<b>\$ 538,692</b>	<b>\$ 507,331</b>	<b>\$ 1,046,023</b>	<b>\$ 2,959,957</b>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

(Page 2 of 2)

	PROGRAM SERVICES							
	<u>EDUCATION</u>				<u>MAINT./</u>			<u>TOTAL</u>
	<u>AND VISITOR</u>	<u>COMMUNITY</u>	<u>YOUTH</u>	<u>VOLUNTEER</u>	<u>RESTORATION/</u>	<u>PARK</u>	<u>CHARLESGATE</u>	<u>PROGRAM</u>
	<u>SERVICES</u>	<u>PROGRAMS</u>	<u>PROGRAMS</u>	<u>PROGRAM</u>	<u>PRESERVATION</u>	<u>ADVISORS</u>	<u>PROJECT</u>	<u>SERVICES</u>
Personnel Costs	\$ 140,211	\$ 138,897	\$ 28,558	\$ 65,882	\$ 127,776	\$ 175,048	\$ 27,752	\$ 704,124
Consultants and Professional Fees	83,570	82,364	17,722	15,448	38,259	46,620	27,051	311,034
Forestry/Arborist/Horticulture Fees	-	-	-	-	14,976	-	-	14,976
Fiscally Sponsored Projects	-	-	-	-	1,650	-	16,974	18,624
Grant Expense	-	32,000	-	-	-	-	-	32,000
Program Costs and Event Expenses	7,704	7,131	395	2,375	2,367	1,202	-	21,174
Donated Curley House Rent (Note 12)	6,884	6,858	1,415	3,264	6,399	8,726	1,385	34,931
Occupancy	13,060	6,361	1,313	3,028	9,836	8,095	1,285	42,978
Insurance	2,801	2,791	576	1,328	2,644	3,551	564	14,255
Depreciation and Amortization	3,554	3,540	731	1,685	3,303	4,505	715	18,033
Office Supplies and Expenses	2,274	3,619	1,978	1,978	2,003	2,327	1,978	16,157
Minor Equipment Purchases and Rentals	11,604	27,039	-	962	825	-	-	40,430
Communications and Technology	2,448	2,512	1,196	1,613	3,300	2,844	1,189	15,102
Staff Travel and Mileage	11,758	273	-	92	323	324	87	12,857
Staff Recruitment and Development	710	-	-	-	75	50	-	835
Advertising	-	309	-	-	-	-	-	309
Dues, Subscriptions and Fees	-	-	-	-	-	-	-	-
<b>Total Program Expenses</b>	<b>\$ 286,578</b>	<b>\$ 313,694</b>	<b>\$ 53,884</b>	<b>\$ 97,655</b>	<b>\$ 213,736</b>	<b>\$ 253,292</b>	<b>\$ 78,980</b>	<b>\$ 1,297,819</b>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

(Page 1 of 2)

	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND RAISING AND EVENTS</u>			<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
			<u>FUND</u> <u>RAISING</u>	<u>EVENTS</u>	<u>SUB-</u> <u>TOTAL</u>	
Personnel Costs	\$ 700,635	\$ 163,591	\$ 118,081	\$ 111,861	\$ 229,942	\$ 1,094,168
Consultants and Professional Fees	235,521	428,937	23,745	-	23,745	688,203
Forestry/Arborist/Horticulture Fees	289,326	-	-	-	-	289,326
Fiscally Sponsored Projects	305,064	-	-	-	-	305,064
Grant Expense	172,000	-	-	-	-	172,000
Program Costs and Event Expenses	101,937	18,760	9,091	-	9,091	129,788
Donated Curley House Rent <i>(Note 12)</i>	41,143	9,624	6,934	6,569	13,503	64,270
Occupancy	27,854	6,515	4,694	4,447	9,141	43,510
Insurance	21,859	8,800	2,458	2,328	4,786	35,445
Depreciation and Amortization	21,240	4,968	3,579	3,391	6,970	33,178
Office Supplies and Expenses	1,350	14,858	25,464	1,369	26,833	43,041
Minor Equipment Purchases and Rentals	29,331	4,515	-	-	-	33,846
Communications and Technology	1,227	47,393	10,876	-	10,876	59,496
Staff Travel and Mileage	6,520	3,813	139	40	179	10,512
Meetings and Conferences	-	2,413	-	-	-	2,413
Staff Recruitment and Development	-	19,186	-	-	-	19,186
Advertising	1,622	2,008	-	-	-	3,630
Dues, Subscriptions and Fees	-	16,095	-	-	-	16,095
	<u>1,956,629</u>	<u>751,476</u>	<u>205,061</u>	<u>130,005</u>	<u>335,066</u>	<u>3,043,171</u>
<b>Total Expenses Per Statement of Activities</b>						
Costs of Direct Benefits to Donors	-	-	-	379,610	379,610	379,610
	<u>1,956,629</u>	<u>751,476</u>	<u>205,061</u>	<u>509,615</u>	<u>714,676</u>	<u>3,422,781</u>
<b>Total Functional Expenses</b>						

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

(Page 2 of 2)

	PROGRAMS							<u>TOTAL PROGRAM SERVICES</u>
	<u>EDUCATION AND VISITOR SERVICES</u>	<u>COMMUNITY PROGRAMS</u>	<u>YOUTH PROGRAMS</u>	<u>VOLUNTEER PROGRAM</u>	<u>MAINT./ RESTORATION/ PRESERVATION</u>	<u>PARK ADVISORS</u>	<u>CHARLESGATE PROJECT</u>	
Personnel Costs	\$ 51,440	\$ 301,802	\$ 52,640	\$ 2,966	\$ 112,619	\$ 17,898	\$ 161,270	\$ 700,635
Consultants and Professional Fees	4,746	149,428	10,974	-	2,400	7,806	60,167	235,521
Forestry/Arborist/Horticulture Fees	-	-	-	-	289,326	-	-	289,326
Fiscally Sponsored Projects	-	-	-	-	245,006	-	60,058	305,064
Grant Expense	-	172,000	-	-	-	-	-	172,000
Program Costs and Event Expenses	4,237	89,568	2,139	828	3,827	-	1,338	101,937
Donated Curley House Rent (Note 12)	3,021	17,723	3,091	174	6,613	1,051	9,470	41,143
Occupancy	2,045	11,998	2,093	118	4,477	712	6,411	27,854
Insurance	1,071	6,281	1,096	62	9,620	373	3,356	21,859
Depreciation and Amortization	1,559	9,149	1,596	90	3,414	543	4,889	21,240
Office Supplies and Expenses	467	876	-	-	7	-	-	1,350
Minor Equipment Purchases and Rentals	-	28,831	-	-	500	-	-	29,331
Communications and Technology	-	207	74	-	946	-	-	1,227
Staff Travel and Mileage	4,486	1,183	15	175	81	513	67	6,520
Meetings and Conferences	-	-	-	-	-	-	-	-
Staff Recruitment and Development	-	-	-	-	-	-	-	-
Advertising	77	270	-	-	1,275	-	-	1,622
Dues, Subscriptions and Fees	-	-	-	-	-	-	-	-
<b>Total Program Expenses</b>	<b>\$ 73,149</b>	<b>\$ 789,316</b>	<b>\$ 73,718</b>	<b>\$ 4,413</b>	<b>\$ 680,111</b>	<b>\$ 28,896</b>	<b>\$ 307,026</b>	<b>\$ 1,956,629</b>

EMERALD NECKLACE CONSERVANCY, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ <u>2,901,873</u>	\$ <u>(920,922)</u>
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Donated Stock	(44,118)	(42,751)
Donated Curley House Rent	64,270	64,270
Depreciation and Amortization	33,179	33,178
Endowment Contributions	(2,000,000)	-
Investment Return	(492,621)	1,131,788
<i>(Increase) Decrease in Current Assets:</i>		
Gifts and Grants Receivable	449,873	(468,090)
Employee Retention Tax Credits Due	-	265,584
Prepaid Expenses	(12,455)	5,340
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(14,993)	(120,192)
Accrued Payroll and Related Costs	(3,003)	31,658
<i>(Increase) Decrease in Non-Current Assets:</i>		
Gifts and Grants Receivable	<u>(8,500)</u>	<u>47,770</u>
Net Adjustment	<u>(2,028,368)</u>	<u>948,555</u>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b><u>873,505</u></b>	<b><u>27,633</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Property and Equipment	-	(6,529)
Investment Purchases	(2,958,521)	(982,155)
Net Proceeds from Sales of Investments	<u>1,188,883</u>	<u>1,063,251</u>
Net Cash Flows from Investing Activities	<u>(1,769,638)</u>	<u>74,567</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Endowment Contributions	<u>2,000,000</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>2,000,000</u>	<u>-</u>
<b><u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u></b>	<b><u>1,103,867</u></b>	<b><u>102,200</u></b>
<b><u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u></b>	<b><u>1,384,690</u></b>	<b><u>1,282,490</u></b>
<b><u>CASH AND CASH EQUIVALENTS - END OF YEAR</u></b>	<b><u>\$ 2,488,557</u></b>	<b><u>\$ 1,384,690</u></b>

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

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 is a community-supported nonprofit founded in 1997 to steward and champion the Emerald Necklace, Boston’s largest park system of six distinct parks - Back Bay Fens, including Charlesgate, Riverway, Olmsted Park, Jamaica Pond, Arnold Arboretum and Franklin Park - designed by Frederick Law Olmsted to connect over fifteen neighborhoods with 1,100 acres of meadows, woodlands, waterways, paths and four parkways: Fenway, Riverway, Jamaicaaway and Arborway.

The Conservancy collaborates with the three primary public partners that oversee the Emerald Necklace: 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. Working with its partners, the Conservancy strengthens parks, people and policy by advocating for the Emerald Necklace and advancing access, maintenance and restoration, park stewardship and education through volunteer and youth programs and inclusive public programming. The parks serve as a healing respite from the city, a valuable commuting connector and a community convener.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:**

The financial statements of the Emerald Necklace Conservancy, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) and accordingly, reflect all significant receivables, payables and other liabilities.

**Estimates:**

The preparation of financial statements in conformity with GAAP 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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 3 (Continued)

**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.

**Financial Statement Presentation:**

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 defined below.

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

*Net Assets With Donor Restrictions* - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. For the years presented, the Wendy Shattuck Endowment Fund ("Shattuck Endowment") is required to be maintained in perpetuity, but the Conservancy is permitted to expend part of the income derived from this asset as outlined in the endowment policy. In FY 2023, the Organization received donor restricted funds to establish The Endowment, a general endowment fund. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 3 (Continued)

**Cash and Cash Equivalents:**

For the purpose of these financial statements, the Organization considers equivalent to cash all money market funds and similar deposit accounts. For the year ended September 30, 2023, *Cash and Cash Equivalents* includes a Fidelity Investments Money Market Account.

**Receivables:**

*Gifts and Grants Receivable* reflects amounts due from unconditional promises to give and grant commitments. *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, 2023 and 2022, all non-current receivables were due within two years. 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.

**Leases:**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the Statements of Financial Position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As most of the leases do not provide an implicit rate, the Organization has elected to use a risk-free rate since the rate inherent in the lease is unknown. The Organization has also elected the practical expedient to not separate lease and non-lease components for its leases.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 3 (Continued)

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. In addition, management has evaluated its existing leases for small equipment and determined that their ROU asset and lease liability is not material to the financial statements and, therefore, has not applied the standard to certain equipment. Lease payments for short-term leases are recognized on a straight-line basis.

**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. 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:**

*Wendy Shattuck Endowment Fund:*

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

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 Endowment:*

During FY 2023, the Organization received contributions of \$2,000,000 to establish a donor-restricted general operating endowment fund known as The Endowment (the "Fund"). The purpose of the Fund is to utilize income and growth in furtherance of the Organization's mission. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 3 (Continued)

The Fund will be administered by the Organization's Investment Committee, subject to the oversight of the Board of Directors, and the Investment Committee may annually appropriate an amount that is determined to be prudent in light of the purposes of the Fund and the intent that the Fund continue in perpetuity. The spending rate will be between 3.5% and 7%, as determined by the Investment Committee each year, of the average quarterly fair market value of the Fund over the preceding three years.

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 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 *Endowment Investments* in the accompanying Statements of Financial Position.

**Gifts, Grants and Contributions:**

The Organization is the beneficiary of contributions in the form of grants from other organizations, governmental agencies, donations of cash and financial assets from individuals and contributions of nonfinancial assets. Contributions, including promises to give, without donor conditions are recognized as revenue at their estimated fair value at the date of donation and classified as either with or without donor restrictions depending on the donor's stipulations or lack thereof. Unconditional, multi-year commitments are recognized in the year during which the initial commitment is made at the amount that the Organization reasonably expects to collect. 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. Amounts receivable from donors are evaluated yearly for collectability and an allowance for uncollectible pledges is recorded as necessary.

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

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met is reported as a refundable grant advance. When the conditions are met the revenue is reported as contributions without donor restrictions unless there are further restrictions over and above those associated with the donor conditions. In such cases, when the conditions and restrictions are met within the same reporting period, the support is recognized as contributions or grants without donor restrictions.

**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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

*(Continued)*

NOTE 3     *(Continued)*

**Donated Goods, Services and Facilities:**

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 years ended September 30, 2023 and 2022, Emerald Necklace Conservancy recorded \$57,991 and \$69,285, respectively, of pro-bono legal services, which are recognized at fair value.

**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, 2023 and 2022, the Organization expended \$18,624 and \$305,064, 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.

**Grants Expense:**

During the years presented, Emerald Necklace Conservancy made grants to individuals to fund projects promoting Parks Equity and Spatial Justice in parks throughout the greater Boston area. The Conservancy's policy is to record grants as an expense and corresponding obligation at the time an unconditional funding commitment is made. Conditional commitments are not recognized in the financial statements until measurable performance or other barriers have substantially been met. Future payments on commitments are contingent upon the grantees' ability to continue to meet the award criteria and is subject to re-evaluation prior to payment.

**Functional Expenses:**

Emerald Necklace Conservancy, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that are common to several functions are allocated based upon space, asset and time usage. Expenses allocated based upon time consist of *Personnel Costs*. *Occupancy* 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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(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.

**Recent Accounting Guidance:**

*Recently Implemented Standards*

The Organization adopted ASC Update No. 2016-02, (Topic 842) *Leases* effective October 1, 2022, which establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. As part of the adoption of the standard, the Organization elected and applied the following practical expedients on the adoption date:

- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

For the years presented, there were no arrangements which met the criteria for application of the new lease accounting standard, or such amounts are considered immaterial to the financial statements as a whole.

NOTE 4 INVESTMENTS

The Organization maintains an Environmental, Social and Corporate Governance ("ESG") compliant investment portfolio. As of September 30, 2023 and 2022, investments consisted of the following components:

<u>Investment Type</u>	<u>September 30, 2023</u>		
	<u>Total Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Money Market Funds (at Cost)	\$ 314,118	\$ -	\$ -
U.S. Treasury Funds	2,053,915	2,053,915	-
Common Stock	1,560,971	1,560,971	-
Mutual Funds - Stock Funds	1,113,104	1,113,104	-
Mutual Funds - Bond Funds	697,077	697,077	-
Exchange Traded Funds - Equity	223,492	223,492	-
Corporate Bonds	297,022	-	297,022
Government Bonds	<u>270,812</u>	<u>-</u>	<u>270,812</u>
Total Investments	<u>\$6,530,511</u>	<u>\$5,648,559</u>	<u>\$567,834</u>

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 4 (Continued)

<u>Investment Type</u>	<u>September 30, 2022</u>		
	<u>Total Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Money Market Funds (at Cost)	\$ 92,336	\$ -	\$ -
Common Stock	1,644,511	1,644,511	-
Mutual Funds - Stock Funds	1,069,902	1,069,902	-
Mutual Funds - Bond Funds	737,969	737,969	-
Exchange Traded Funds - Equity	219,980	219,980	-
Corporate Bonds	226,153	-	226,153
Government Bonds	<u>233,284</u>	<u>-</u>	<u>233,284</u>
Total Investments	<u>\$4,224,135</u>	<u>\$3,672,362</u>	<u>\$459,437</u>

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

Common Stock, Mutual Funds and Exchange Traded Funds: 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.

Investments are classified as follows for the years presented:

<u>Non-Endowment Investments</u>	<u>September 30, 2023</u>		
	<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>
Investments Without Donor Restrictions:			
Operations	\$197,729	\$ -	\$ 197,729
Board Designated - Liff Fund	<u>-</u>	<u>3,443,096</u>	<u>3,443,096</u>
Total Non-Endowment Investments	<u>\$197,729</u>	<u>\$3,443,096</u>	<u>\$3,640,825</u>
<u>Non-Endowment Investments</u>	<u>September 30, 2022</u>		
<u>Non-Endowment Investments</u>	<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>
Investments Without Donor Restrictions:			
Operations	\$169,864	\$ -	\$ 169,864
Board Designated - Liff Fund	<u>-</u>	<u>3,275,402</u>	<u>3,275,402</u>
Total Non-Endowment Investments	<u>\$169,864</u>	<u>\$3,275,402</u>	<u>\$3,445,266</u>
<u>Endowment Investments</u>		<u>2023</u>	<u>2022</u>
Shattuck Endowment Investments		\$ 833,947	\$778,869
The Endowment Investments		<u>2,055,739</u>	<u>-</u>
Total Long-Term Investments - Endowments		<u>\$2,889,686</u>	<u>\$778,869</u>

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

*(Continued)*

NOTE 5     PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 84,907	\$ 84,907
Leasehold Improvements	<u>906,904</u>	<u>906,904</u>
Subtotal	991,811	991,811
Less: Accumulated Depreciation and Amortization	<u>(342,465)</u>	<u>(309,287)</u>
Property and Equipment, Net	<u>\$ 649,346</u>	<u>\$ 682,524</u>

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 was for an initial period of 10 years with three options to renew for ten years each. The lease was renewed through May 31, 2030, 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. The provision for amortization of leasehold improvements was \$22,672 for the years presented.

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 (9.5% and 6.25% as of September 30, 2023 and 2022, respectively). As of September 30, 2023 and 2022, 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, 2023 and 2022, the Board appropriated funds for operating support in the amount of \$185,000 and \$172,500, respectively.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(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, 2023 and 2022:

<u>Nature of Restriction</u>	<u>2023</u>	<u>2022</u>
The Endowment	\$2,055,739	\$ -
Shattuck Endowment	833,947	778,869
Curley House Lease (Note 12)	64,270	128,540
Charlesgate Park Restoration	1,409,331	1,441,084
Fiscally Sponsored Projects - Charlesgate Alliance	506,003	170,512
Fiscally Sponsored Projects - Other	<u>40,229</u>	<u>11,878</u>
Total	<u>\$4,909,519</u>	<u>\$2,530,883</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:

<u>Nature of Restriction</u>	<u>2023</u>	<u>2022</u>
Olmsted Now	\$ 32,785	\$ 577,735
Charlesgate Park Restoration	32,102	260,329
Curley House Lease (Note 12)	64,270	64,270
Fiscally Sponsored Projects - Charlesgate Alliance	16,974	60,058
Fiscally Sponsored Projects - Other	1,650	249,007
Olmsted Tree Society	32,399	44,037
Program Support	29,198	-
Park Support	<u>132,052</u>	<u>-</u>
Total	<u>\$341,430</u>	<u>\$1,255,436</u>

**Shattuck Endowment:**

All Shattuck Endowment net assets represent donor designated funds. The following schedule summarizes the change in Shattuck Endowment net assets for the years ended September 30, 2023 and 2022:

	<u>Subject to Endowment's Spending Policy</u>	<u>Restricted In Perpetuity</u>	<u>Total Endowment Net Assets With Donor Restrictions</u>
Shattuck Endowment Net Assets, September 30, 2021	\$ 434,427	\$25,730	\$ 960,157
Investment Return, Net	<u>(181,288)</u>	<u>-</u>	<u>(181,288)</u>
Shattuck Endowment Net Assets, September 30, 2022	253,139	525,730	778,869
Investment Return, Net	<u>55,078</u>	<u>-</u>	<u>55,078</u>
Shattuck Endowment Net Assets, September 30, 2023	<u>\$ 308,217</u>	<u>\$25,730</u>	<u>\$ 833,947</u>

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

(Continued)

NOTE 7 (Continued)

**The Endowment:**

The Endowment net assets represent donor designated funds. The following schedule summarizes the change in The Endowment net assets for the year ended September 30, 2023:

	<u>Total Endowment Net Assets With Donor Restrictions</u>
The Endowment Net Assets, September 30, 2022	\$ -
Contributions	2,000,000
Investment Return, Net	<u>55,739</u>
The Endowment Net Assets, September 30, 2023	<u>\$2,055,739</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. For the years presented, the Conservancy held its *Party in the Park* event, the results of which are summarized below:

	<u>2023</u>	<u>2022</u>
Gross Proceeds	\$ 599,610	\$ 547,534
Direct Event Costs	<u>(301,837)</u>	<u>(379,610)</u>
Next Event Proceeds	<u>\$ 297,773</u>	<u>\$ 167,924</u>

For the years presented, *Party in the Park* net event proceeds were allocated evenly to the Emerald Fund and the Liff Fund.

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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

*(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 which automatically renews every year unless terminated by either party per the agreements.

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 GRANTS

Emerald Necklace Conservancy is party to several multi-year conditional grant commitments from various foundations and municipalities. Amounts paid to Organization and recognized as revenue under these multi-year grants totaled \$26,000 and \$65,667 for the years ended September 30, 2023 and 2022, respectively, and are reported as *Gifts, Grants and Contributions* in the accompanying Statements of Activities. In FY 2023, the Conservancy received a grant of \$1,500,000, of which amount, \$1,000,000 was restricted to establish a general endowment, and \$500,000 was available to support strategic planning and public programming. The grant also contained a conditional commitment in the form of a challenge grant that will match up to \$1,500,000, in up to three installments of \$500,000 as matching for each \$1,500,000 of endowment funding raised by the Conservancy on or before December 31, 2028.

As of September 30, 2023 and 2022, the aggregate conditional amount of the these commitments was \$1,500,000 and \$26,000, respectively. As the terms of the conditions had not been met, the support has not been recognized in the accompanying financial statements.

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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

*(Continued)*

NOTE 12    *(Continued)*

The Conservancy recognized a contribution for the full amount of the initial five-year lease term in FY 2020, valued at \$321,350. 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    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, 2023 and 2022 cash balances in excess of the FDIC coverage were \$1,995,943 and \$1,134,700, respectively. The Organization has not experienced any losses on uninsured cash balances.

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.

**Gifts and Grants Receivable:**

As of September 30, 2023 and 2022, approximately 57% and 43% of total *Gifts and Grants Receivable* are due from two donors and one donor, respectively.

**Revenue Concentrations:**

For the year ended September 30, 2023 and 2022, donations from two donors represent approximately 49% and 52%, respectively, of total support and revenues.

NOTE 14    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 Conservancy estimated appropriations for \$185,000 from the Liff Fund investment portfolio under the spending policy for the year ending September 30, 2023 and \$190,000 for the year ended September 30, 2024. 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.

EMERALD NECKLACE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

*(Continued)*

NOTE 14 *(Continued)*

The following table reflects the Organization's financial assets as of September 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 2,488,557	\$ 1,384,690
Gifts and Grants Receivable	135,167	576,540
Curley House Receivable	64,270	128,540
Investments	<u>6,530,511</u>	<u>4,224,135</u>
Total Financial Assets as of September 30	9,218,505	6,313,905
Less Amounts Not Available for General Expenditures:		
Gifts and Grants Receivable, Non-current	(25,000)	(16,500)
Charlesgate Project	(1,915,334)	(1,611,596)
Curley House Receivable	(64,270)	(128,540)
Liff Fund Investments, Net of Estimated Appropriation	(3,253,096)	(3,090,402)
Endowment Investments	<u>(2,889,686)</u>	<u>(778,869)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,071,119</u>	<u>\$ 687,998</u>

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.

NOTE 15 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 17, 2024, the date which the financial statements were available for issue and noted no events that met the disclosure criteria.