



**FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

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DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rose Fitzgerald Kennedy Greenway Conservancy, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. as of December 31, 2020 and 2019, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 21 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

AAFCPAs, Inc.

Westborough, Massachusetts
March 30, 2021

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
CURRENT ASSETS:						
Cash and cash equivalents	\$ 1,529,882	\$ 364,017	\$ 1,893,899	\$ 1,879,891	\$ 286,792	\$ 2,166,683
Accounts receivable	188,409	-	188,409	195,093	-	195,093
Current portion of grants and pledges receivable (Note 5)	168,136	165,775	333,911	124,051	32,200	156,251
Prepaid expenses and other	98,037	-	98,037	127,732	-	127,732
Total current assets	1,984,464	529,792	2,514,256	2,326,767	318,992	2,645,759
RESTRICTED CASH (Note 3)	-	1,031,266	1,031,266	-	258,908	258,908
GRANTS AND PLEDGES RECEIVABLE, net of current portion (Note 5)	-	-	-	-	10,000	10,000
INVESTMENTS (Note 4)	1,228,703	17,763,445	18,992,148	1,002,610	16,153,663	17,156,273
PROPERTY AND EQUIPMENT, net (Note 8)	5,337,994	-	5,337,994	5,220,505	-	5,220,505
Total assets	<u>\$ 8,551,161</u>	<u>\$ 19,324,503</u>	<u>\$ 27,875,664</u>	<u>\$ 8,549,882</u>	<u>\$ 16,741,563</u>	<u>\$ 25,291,445</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable, accrued expenses and other	\$ 529,956	\$ -	\$ 529,956	\$ 577,993	\$ -	\$ 577,993
NET ASSETS:						
Without donor restrictions (Note 2):						
Operating	1,828,776	-	1,828,776	1,997,563	-	1,997,563
Board Designated	909,684	-	909,684	785,431	-	785,431
Property and equipment	5,282,745	-	5,282,745	5,188,895	-	5,188,895
Total without donor restrictions	8,021,205	-	8,021,205	7,971,889	-	7,971,889
With donor restrictions (Notes 2 and 6)	-	19,324,503	19,324,503	-	16,741,563	16,741,563
Total net assets	8,021,205	19,324,503	27,345,708	7,971,889	16,741,563	24,713,452
Total liabilities and net assets	<u>\$ 8,551,161</u>	<u>\$ 19,324,503</u>	<u>\$ 27,875,664</u>	<u>\$ 8,549,882</u>	<u>\$ 16,741,563</u>	<u>\$ 25,291,445</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE AND SUPPORT:						
Contributions, BID	\$ -	\$ 1,005,450	\$ 1,005,450	\$ -	\$ 1,252,000	\$ 1,252,000
Contributed income	501,390	356,487	857,877	403,727	506,248	909,975
Government support, MassDOT	-	750,000	750,000	-	625,000	625,000
Endowment draw for current operations	700,876	-	700,876	697,321	-	697,321
Government support, grants	603,000	60,000	663,000	-	16,500	16,500
Earned revenue	350,584	-	350,584	1,643,639	-	1,643,639
In-kind operating support, MassDOT (see Note 12)	265,561	-	265,561	252,727	-	252,727
Government support, City of Boston	-	246,686	246,686	-	281,741	281,741
In-kind operating support, private (see Note 12)	228,291	-	228,291	304,556	-	304,556
Other income	165,597	-	165,597	123,126	-	123,126
Net assets released from restrictions:						
Satisfaction of time restrictions	42,671	(42,671)	-	10,000	(10,000)	-
Satisfaction of purpose restrictions	2,310,944	(2,310,944)	-	2,677,575	(2,677,575)	-
Subtotal	<u>5,168,914</u>	<u>65,008</u>	<u>5,233,922</u>	<u>6,112,671</u>	<u>(6,086)</u>	<u>6,106,585</u>
Fundraising event contributions	381,830	-	381,830	694,854	-	694,854
Less - fundraising event expenses	(26,485)	-	(26,485)	(201,962)	-	(201,962)
Fundraising events, net	<u>355,345</u>	<u>-</u>	<u>355,345</u>	<u>492,892</u>	<u>-</u>	<u>492,892</u>
Total operating revenue and support	<u>5,524,259</u>	<u>65,008</u>	<u>5,589,267</u>	<u>6,605,563</u>	<u>(6,086)</u>	<u>6,599,477</u>
OPERATING EXPENSES:						
Programmatic	4,238,933	-	4,238,933	4,918,779	-	4,918,779
Fundraising	731,837	-	731,837	759,341	-	759,341
Administration	695,544	-	695,544	560,232	-	560,232
Total operating expenses before depreciation	<u>5,666,314</u>	<u>-</u>	<u>5,666,314</u>	<u>6,238,352</u>	<u>-</u>	<u>6,238,352</u>
Changes in net assets from operations before depreciation	(142,055)	65,008	(77,047)	367,211	(6,086)	361,125
Depreciation	<u>497,117</u>	<u>-</u>	<u>497,117</u>	<u>439,116</u>	<u>-</u>	<u>439,116</u>
Changes in net assets from operations	<u>(639,172)</u>	<u>65,008</u>	<u>(574,164)</u>	<u>(71,905)</u>	<u>(6,086)</u>	<u>(77,991)</u>
NON-OPERATING REVENUE AND SUPPORT:						
Investment income, net of fees	222,648	2,717,360	2,940,008	193,311	2,737,690	2,931,001
Contributions, BID - Enhancements	-	494,550	494,550	-	248,000	248,000
Government support, MassDOT - capital	-	288,197	288,197	-	243,040	243,040
Contributed income - capital	-	194,200	194,200	-	190,480	190,480
In-kind capital support - private (see Note 12)	-	-	-	104,825	-	104,825
Net assets released from capital restrictions	475,499	(475,499)	-	501,143	(501,143)	-
Loss on disposal of property and equipment	(9,659)	-	(9,659)	(27,993)	-	(27,993)
Endowment release for current operations	-	(700,876)	(700,876)	-	(697,321)	(697,321)
Total non-operating revenue and support	<u>688,488</u>	<u>2,517,932</u>	<u>3,206,420</u>	<u>771,286</u>	<u>2,220,746</u>	<u>2,992,032</u>
Changes in net assets	49,316	2,582,940	2,632,256	699,381	2,214,660	2,914,041
NET ASSETS, beginning of year	<u>7,971,889</u>	<u>16,741,563</u>	<u>24,713,452</u>	<u>7,272,508</u>	<u>14,526,903</u>	<u>21,799,411</u>
NET ASSETS, end of year	<u>\$ 8,021,205</u>	<u>\$ 19,324,503</u>	<u>\$ 27,345,708</u>	<u>\$ 7,971,889</u>	<u>\$ 16,741,563</u>	<u>\$ 24,713,452</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 2,632,256	\$ 2,914,041
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Loss on disposal of property and equipment	9,659	27,993
In-kind capital support - private	-	(104,825)
Net realized and unrealized gains on investments	(2,862,180)	(2,648,831)
Capital grants	(976,947)	(681,520)
Depreciation	497,117	439,116
Changes in operating assets and liabilities:		
Accounts receivable	6,684	(158,041)
Grants and pledges receivable	19,100	60,300
Prepaid expenses and other	29,695	(35,871)
Accounts payable, accrued expenses and other	(71,676)	123,859
Net cash used in operating activities	<u>(716,292)</u>	<u>(63,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,082,880	587,135
Proceeds from sale of property and equipment	1,251	2,000
Purchase of investments	(56,575)	(434,885)
Acquisition of property and equipment	(601,877)	(821,434)
Net cash provided by (used in) investing activities	<u>425,679</u>	<u>(667,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital grants	<u>790,187</u>	<u>788,479</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	499,574	57,516
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>2,425,591</u>	<u>2,368,075</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u><u>\$ 2,925,165</u></u>	<u><u>\$ 2,425,591</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH REPORTED WITHIN THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 1,893,899	\$ 2,166,683
Restricted cash	<u>1,031,266</u>	<u>258,908</u>
Total cash and cash equivalents and restricted cash	<u><u>\$ 2,925,165</u></u>	<u><u>\$ 2,425,591</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Property and equipment additions included in accounts payable, accrued expenses and other	<u><u>\$ 55,249</u></u>	<u><u>\$ 31,610</u></u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020							2019
	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 1,342,120	\$ 439,054	\$ 236,348	\$ 209,135	\$ 2,226,657	\$ 417,615	\$ 619,045	\$ 3,263,317
Direct expense (see Note 12)	371,469	20,108	373,282	36,742	801,601	1,832	80,524	883,957
Contracted services	774,339	-	-	9,952	784,291	30,477	-	814,768
Legal and accounting (see Note 12)	58,318	19,711	24,528	42,080	144,637	135,617	-	280,254
Office and other	34,150	15,595	6,065	6,146	61,956	78,250	15,886	156,092
Occupancy (see Note 12)	59,610	24,520	7,911	10,103	102,144	20,474	16,382	139,000
Insurance	114,725	2,922	-	-	117,647	11,279	-	128,926
Fundraising event expenses	-	-	-	-	-	-	26,485	26,485
Total expenses before depreciation	2,754,731	521,910	648,134	314,158	4,238,933	695,544	758,322	5,692,799
Less - fundraising event expenses included with revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	(26,485)	(26,485)
Total expenses included in the statement of activities and changes in net assets before depreciation	2,754,731	521,910	648,134	314,158	4,238,933	695,544	731,837	5,666,314
Depreciation	452,743	11,320	5,134	9,254	478,451	6,036	12,630	497,117
Total expenses included in the statement of activities and changes in net net assets after depreciation	<u>\$ 3,207,474</u>	<u>\$ 533,230</u>	<u>\$ 653,268</u>	<u>\$ 323,412</u>	<u>\$ 4,717,384</u>	<u>\$ 701,580</u>	<u>\$ 744,467</u>	<u>\$ 6,163,431</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 1,373,121	\$ 531,523	\$ 233,576	\$ 191,896	\$ 2,330,116	\$ 407,335	\$ 534,949	\$ 3,272,400
Direct expense (see Note 12)	444,939	96,942	558,431	96,536	1,196,848	2,912	195,078	1,394,838
Contracted services	876,103	-	-	17,500	893,603	1,440	7,600	902,643
Legal and accounting (see Note 12)	55,850	39,663	18,174	105,611	219,298	84,443	-	303,741
Office and other	39,969	9,827	5,490	5,623	60,909	31,075	9,558	101,542
Occupancy (see Note 12)	63,317	28,500	7,621	7,880	107,318	19,526	12,156	139,000
Insurance	110,687	-	-	-	110,687	13,501	-	124,188
Fundraising event expenses	-	-	-	-	-	-	201,962	201,962
Total expenses before depreciation	2,963,986	706,455	823,292	425,046	4,918,779	560,232	961,303	6,440,314
Less - fundraising event expenses included with revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	(201,962)	(201,962)
Total expenses included in the statement of activities and changes in net assets before depreciation	2,963,986	706,455	823,292	425,046	4,918,779	560,232	759,341	6,238,352
Depreciation	211,189	200,542	6,434	8,537	426,702	2,874	9,540	439,116
Total expenses included in the statement of activities and changes in net net assets after depreciation	<u>\$ 3,175,175</u>	<u>\$ 906,997</u>	<u>\$ 829,726</u>	<u>\$ 433,583</u>	<u>\$ 5,345,481</u>	<u>\$ 563,106</u>	<u>\$ 768,881</u>	<u>\$ 6,677,468</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 - OPERATIONS AND NONPROFIT STATUS

Operations

Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (the Conservancy) is the non-profit responsible for the management and care of The Greenway. The Greenway is the 17-acre contemporary public park in the heart of Boston, stretching 1.5 miles from Chinatown through the Financial and Wharf districts, to the North End. The Greenway welcomes millions of visitors annually to gather, play, unwind, and explore.

The Conservancy's Maintenance, Horticulture and Rangers departments maintain the hardscape, furnishings, and special features; use organic practices to care for the lawns, beds, and trees; and interface with the public, ensuring a safe and welcoming park experience for all visitors. The Programs Department provides operational support to hundreds of free events annually, including markets, concerts and, festivals; additionally, the department oversees the food truck program, the beer gardens, and The Greenway Carousel at The Tiffany & Co. Foundation Grove. The Public Art Department is led by a curator, who selects and oversees installation of rotating exhibitions of contemporary public art. The Outreach Department serves as liaison to stakeholders and community members while coordinating communication, marketing, owned media, and branding. The Fundraising Department works to cultivate donors and raise funding support for the Conservancy, and Administration includes finance, accounting, human resources, and information technology.

Nonprofit Status

The Conservancy is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from Federal and state income taxes pursuant to Section 501(a) of the Code. Donors may deduct contributions made to the Conservancy within the requirements of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies followed by the management of the Conservancy in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The Conservancy prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and support and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenue and support includes investment, capital and endowment activity.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations which the Conservancy may use at its discretion. The Conservancy has grouped its net assets without donor restrictions into the following categories:

Operating net assets - represent funds available to carry on the operations of the Conservancy.

Board Designated net assets - represent net assets without donor restrictions whose use is subject to designation for specific purposes either as a capital reserve or by action of the Conservancy's Board of Directors.

Property and equipment net assets - represent the amounts expended for property and equipment, net of related liabilities.

Net assets with donor restrictions include net assets whose use is limited by state law or donor-imposed stipulations that may or will be met with the passage of time and/or by the actions of the Conservancy (see Notes 6 and 7). Transfers are made to net assets without donor restrictions from net assets with donor restrictions as costs are incurred or time restrictions have lapsed (see Note 6). Net appreciation (depreciation) of long-term investments with donor restrictions is recognized within net assets with donor restrictions until such funds are available to be spent under the Conservancy's spending policy (see Notes 6 and 7).

Net assets with donor restrictions also include net assets that are subject to donor-imposed stipulations that they be maintained in perpetuity by the Conservancy. Generally, donors of these assets allow the Conservancy to use all or part of the income, and the realized or unrealized gain, if any, on related investments for general or specific purposes (see Notes 6 and 7).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 vary from the estimates that were used.

Cash and Cash Equivalents

The Conservancy considers highly liquid investments with maturities of three (3) months or less at the date of purchase to be cash equivalents. Cash not subjected to either donor-imposed stipulations or restrictions under state law is included in the accompanying financial statements as cash without donor restrictions; all other cash is treated as cash with donor restrictions (see Note 3).

Cash equivalents held by investment managers are considered part of investments and are categorized according to any donor-imposed restrictions or as required by state law.

For the purposes of the statements of cash flows, cash and cash equivalents does not include cash equivalents held by investment managers (see above). The statements of cash flows does include restricted cash (see Note 3).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end. Management estimates the allowance for doubtful accounts based on historical collections together with a review of the current status of the existing accounts receivable. As of December 31, 2020 and 2019, there was no allowance for uncollectible accounts receivable deemed necessary.

Grants and Pledges Receivable and Allowance for Uncollectible Pledges

When an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give, the corresponding pledges receivable are recorded as revenue at the present value of expected proceeds. Management estimates the allowance for doubtful pledges (see Note 5) based on historical collections together with a review of the current status of the existing pledges receivable.

Revenue Recognition

The Conservancy generally measures revenue based on the amount of consideration the Conservancy expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Conservancy satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Conservancy evaluates its revenue from contracts with customers (i.e. earned revenue) based on the five-step model under ASC Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Contributed income is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of restrictions on net assets due to either the Conservancy fulfilling donor-imposed restrictions or the passage of time, are reported as net assets released from restrictions (see Note 6).

Contributed income may include gifts of cash, collection items, or promises to give. Contributions, grants, and government support, including unconditional promises to give, are recognized as revenues in the period received and recorded in the appropriate net asset category in accordance with donor imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are substantially met. Contributions of assets other than cash are reported at their estimated fair value. When considered material, contributions and grants to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

Earned revenue is recognized as services are provided. Other income is recognized as it is earned.

The Conservancy recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation (see Note 12).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Conservancy must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Conservancy should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Property and Equipment

All property and equipment (see Note 8) are stated at cost or, if donated, at the fair market value at the date of receipt. Major renewals, additions and betterments are charged to the property accounts, while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred.

Once property and equipment are acquired and placed into service, depreciation is provided for by using the straight-line method over the estimated useful lives of the related assets, as follows:

	<u>Depreciable Life</u>
Greenway improvements and Greenway Carousel	4 - 20 years
Motor vehicles	4 - 7 years
Website, office and computer equipment	5 - 7 years

Investments and Spending Policy

Investments are reported at their fair value. The realized and unrealized appreciation (depreciation) in the fair market value of such investments is included in the statements of activities and changes in net assets in the appropriate net asset categories. Dividends and interest are recorded when earned. Gains and losses are recognized as incurred upon sale or based on fair value changes during the period.

- As increases in net assets with donor restrictions, if the donor-imposed stipulation requires that they be added to the corpus of an endowment fund with donor restrictions.
- As increases (decreases) in net assets with donor restrictions, net of related investment fees, if the terms of the contribution or relevant state law impose restrictions of current use of income or net gains.
- As increases (decreases) in net assets without donor restrictions, net of related investment fees, in all other cases.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Spending Policy (Continued)

The Conservancy adheres to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Subject to the intent of a donor, an institution may appropriate for expenditure or accumulate so much of an endowment fund with donor restrictions as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund with donor restrictions is established. The assets in an endowment fund with donor restrictions are donor-restricted assets until appropriated according to the donor stipulation for expenditure by the Conservancy.

The Conservancy has adopted an investment and spending policy for its endowment assets and for any Board Designated net assets that are designed to preserve capital through downside risk management while providing a level of support for the Conservancy and its programs in accordance with UPMIFA. Under its investment policy, the endowment assets are to be invested to provide a total rate of return commensurate with prudent diversification and moderate risk. Risk and diversification parameters have been established and the endowment is maintained and rebalanced accordingly.

The Conservancy relies on a total rate of return strategy that targets 4.5% plus the rate of inflation over a full seven-year business cycle. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). While it is understood that the endowment assets are to be managed with a long-term focus, endowment performance is monitored quarterly in relation to several appropriate benchmarks.

The Conservancy has a policy of appropriating for operations each year up to 4.5% of the rolling average of the prior twelve quarter-end fair values. These amounts are reflected as endowment draw for current operations in the accompanying statements of activities and changes in net assets. In establishing this policy, the Conservancy considered the expected returns plus an adjustment for inflation. This is consistent with the stated goal of enhancing the purchasing power of the endowment over time, while providing necessary funds for operations. In the event of a significant market decline, the Conservancy will consider all factors relevant to the stated goal in determining any change to the appropriation as allowed by UPMIFA.

From time-to-time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Conservancy has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law (see Note 7).

Functional Allocation of Expenses

The costs of providing the Conservancy's various programs and activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, expenses related directly to a function are distributed to that function. Certain categories of non-specific expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related expenses, which are allocated on the basis of estimates of time and effort; occupancy costs, office equipment and supplies, processing fees, IT costs and depreciation, which are allocated based on headcount.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Conservancy accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Conservancy has determined that there are no uncertain tax positions which qualify for recognition or disclosure in the financial statements at December 31, 2020 and 2019. The Conservancy's information returns are subject to examination by the Federal and state jurisdictions.

Fair Value Measurements

The Conservancy determines the fair value of investments and other assets using a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three (3) levels of the fair value hierarchy under U.S. GAAP are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See Note 4.

Subsequent Events

The Conservancy has evaluated events and transactions subsequent to December 31, 2020, for potential recognition or disclosure in the financial statements through March 30, 2021, which is the date the financial statements were available for issuance. Events that met the criteria for subsequent event disclosure are described in Notes 14 and 20. There were no other events that met the criteria for recognition or disclosure in the financial statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 3 - RESTRICTED CASH

Restricted cash is restricted for the following purposes as of December 31:

	<u>2020</u>	<u>2019</u>
Capital projects	\$ 622,859	\$ 258,908
Endowment	<u>408,407</u>	<u>-</u>
	<u>\$ 1,031,266</u>	<u>\$ 258,908</u>

NOTE 4 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy (see Note 2), the Conservancy's invested assets at fair value as of December 31:

<u>Investment Type</u>	<u>2020</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds - stock funds	<u>\$ 8,887,898</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 8,887,898
Other investments:				
TIFF Multi Asset Fund*				<u>10,104,250</u>
Total investments				<u>\$ 18,992,148</u>

<u>Investment Type</u>	<u>2019</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds - stock funds	<u>\$ 7,703,811</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 7,703,811
Other investments:				
TIFF Multi Asset Fund*				<u>9,452,462</u>
Total investments				<u>\$ 17,156,273</u>

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds: Valued at the daily closing prices as reported by the funds. The funds held by the Conservancy are deemed to be actively traded and are valued using Level 1 inputs (see Note 2).

***TIFF Multi Asset Fund (the Fund):** The provisions of Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* allow the Conservancy to measure the fair value of these investments using the value per share of the investments. For the Fund, this is valued at the monthly closing price as reported by the Fund, a cooperative style investment organization that supports non-profit organizations by using an asset mix that seeks to achieve long-term returns that exceeds inflation plus 5% per annum through a globally diversified portfolio that includes domestic and foreign equities and fixed income instruments as well as hedging and futures vehicles. Shares in the Fund may be redeemed by the Conservancy at its request. However, the shares held by the Conservancy are deemed not to be actively traded. The fair value amounts presented in the investment tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 4 - INVESTMENTS (Continued)

Investment income, net of fees, for the years ended December 31, 2020 and 2019, is \$2,940,008 and \$2,931,001, respectively.

Substantially all investments are components of the Conservancy's endowment (see Note 7). Accordingly, these investments have been classified as non-current assets in the accompanying statements of financial position regardless of maturity or liquidity of the individual securities held. Investments are not insured and are subject to ongoing market fluctuations.

NOTE 5 - GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable are due as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Due in one year	\$ 333,911	\$ 156,251
Due in two to five years	<u>-</u>	<u>10,000</u>
	<u>\$ 333,911</u>	<u>\$ 166,251</u>

As of December 31, 2020 and 2019, all grants and pledges receivable are deemed to be fully collectible and, as a result, no allowance has been recorded. The Conservancy has not recorded a discount on long-term grants and pledges receivable as the amount is not material.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following as of December 31:

	<u>2020</u>	<u>2019</u>
General endowment - corpus	\$ 12,319,020	\$ 12,319,020
Appreciation on endowment	3,721,575	1,731,871
Park specific endowment - corpus	1,487,000	1,487,000
Capital projects	951,145	429,239
Education endowment - corpus	348,750	348,750
General operations - time restricted	252,329	20,000
Maintenance, Horticulture and Rangers	225,423	180,939
Public art	12,486	224,687
Administration	6,775	-
Programs	<u>-</u>	<u>57</u>
	<u>\$ 19,324,503</u>	<u>\$ 16,741,563</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended December 31, 2020 and 2019, net assets were released from restrictions for the following programs and purposes and other restrictions:

	<u>2020</u>	<u>2019</u>
Maintenance, Horticulture and Rangers	\$ 1,960,462	\$ 2,261,678
Endowment draw for current operations	700,876	697,321
Capital projects	475,499	501,143
Public art	327,200	330,657
General operations - time restricted	42,671	10,000
Administration	23,225	-
Programs	57	60,240
Outreach	-	25,000
	<u>\$ 3,529,990</u>	<u>\$ 3,886,039</u>

NOTE 7 - ENDOWMENTS

The composition of endowment net assets and the changes in endowment net assets by class are as follows for the years ended December 31, 2020 and 2019:

	<u>With Donor Restrictions</u>		
	<u>Appreciation on Endowment (Underwater Endowment)</u>	<u>Endowment</u>	<u>Total</u>
Endowment net assets, December 31, 2018	\$ (265,924)	\$ 14,154,770	\$ 13,888,846
Investment return	2,695,116	-	2,695,116
Endowment draw for current operations	<u>(697,321)</u>	<u>-</u>	<u>(697,321)</u>
Endowment net assets, December 31, 2019	1,731,871	14,154,770	15,886,641
Investment return	2,690,580	-	2,690,580
Endowment draw for current operations	<u>(700,876)</u>	<u>-</u>	<u>(700,876)</u>
Endowment net assets, December 31, 2020	<u>\$ 3,721,575</u>	<u>\$ 14,154,770</u>	<u>\$ 17,876,345</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)**

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Greenway Carousel at The Tiffany & Co. Foundation Grove	\$ 3,733,203	\$ 3,684,723
Greenway improvements and capital repairs	3,629,653	3,181,118
Motor vehicles	359,011	279,432
Website, office and computer equipment	<u>299,581</u>	<u>267,999</u>
	8,021,448	7,413,272
Less - accumulated depreciation	<u>2,683,454</u>	<u>2,192,767</u>
	<u>\$ 5,337,994</u>	<u>\$ 5,220,505</u>

NOTE 9 - AGREEMENT WITH THE MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

The Greenway is owned by the Massachusetts Department of Transportation (Mass DOT), the successor of the Massachusetts Turnpike Authority (MTA). Chapter 306 of the Acts of 2008, as amended, authorizes the Conservancy to lease The Greenway from the MTA, and under that lease, to operate, preserve, maintain, program, manage, and improve The Greenway.

The Conservancy's management and care of The Greenway, through agreements with MassDOT, began on February 9, 2009, and will continue through June 30, 2027, with two follow-on renewal options of ten years each. In conjunction with the agreement, MassDOT provides funding to the Conservancy (see Note 13) for care of the public park under an agreement that currently ends on June 30, 2023. The Conservancy received \$1,038,197 (\$750,000 operating and \$288,197 capital) and \$868,040 (\$625,000 operating and \$243,040 capital) in 2020 and 2019, respectively, and anticipates that it will receive an additional \$3,162,970 (\$1,875,000 operating and \$1,287,970 capital) for maintenance and horticultural care, in accordance with the current funding agreement through June 30, 2023. This future funding is conditional on certain factors.

The Conservancy has its offices within a building operated by MassDOT. The Conservancy is not required to pay rent for use of the premises during the term of the agreement. The estimated fair market value of the occupancy was \$11,583 per month for the years ended December 31, 2020 and 2019, and has been reported in the accompanying financial statements as both in-kind revenue and expense. For the years ended December 31, 2020 and 2019, in-kind support and occupancy expense related to the offices was \$139,000 in each year (see Note 12). The subsidy agreement also provides for other continued in-kind support (see Note 12).

NOTE 10 - AGREEMENT WITH THE GREENWAY BUSINESS IMPROVEMENT DISTRICT (BID)

Through an agreement with the Greenway Business Improvement District (BID) dated November 6, 2018, and ending on June 30, 2023, the Conservancy receives funding for The Greenway. In 2020, the Conservancy received \$1,000,000 for maintenance and horticultural care and \$500,000 for Enhancements (including \$5,450 used for Enhancements project management). In 2019, the BID funded \$1,250,000 for maintenance and horticultural care and \$250,000 for Enhancements (including \$2,000 used for Enhancements project management). The Conservancy anticipates that it will receive an additional \$2,500,000 for maintenance and horticultural care, plus \$1,250,000 for Enhancements, in accordance with the current funding agreement through June 30, 2023. This future funding is conditional on certain factors.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)**

NOTE 11 - AGREEMENT WITH THE CITY OF BOSTON

Through an agreement with the City of Boston executed on January 30, 2019, and ending on June 30, 2023, the Conservancy estimates that it will receive approximately \$1,153,000 for The Greenway. This future funding is conditional on certain factors and is based on the balance of a \$5,000,000 investment fund held by the City of Boston. The Conservancy received \$246,686 and \$281,741 in 2020 and 2019, respectively, from the City of Boston under this agreement. Remaining payments per the funding agreement total approximately \$625,000 through June 30, 2023.

NOTE 12 - IN-KIND SUPPORT - GOODS, SERVICES AND USE OF FACILITIES

Organizations may contribute goods, services and use of facilities to the Conservancy in support of its programs. These goods, services and use of facilities are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donors, agencies or by management.

The value of these goods and services is as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Occupancy - MassDOT (see Note 9)	\$ 139,000	\$ 139,000
Direct expense, utilities – MassDOT	<u>126,561</u>	<u>113,727</u>
Total in-kind operating support – MassDOT	<u>265,561</u>	<u>252,727</u>
Legal – private	193,713	206,863
Other direct expense – private	<u>34,578</u>	<u>97,693</u>
Total in-kind operating support – private	<u>228,291</u>	<u>304,556</u>
In-kind capital support – private	<u>-</u>	<u>104,825</u>
Total	<u>\$ 493,852</u>	<u>\$ 662,108</u>

NOTE 13 - CONCENTRATIONS

For the years ended December 31, 2020 and 2019, MassDOT (see Note 9) provided \$1,038,197 and \$868,040, respectively, in government support and an additional \$265,561 and \$252,727, respectively, of in-kind support (see Note 12). Government support is recorded as contributions with donor restrictions and the funds are released to net assets without donor restrictions as the Conservancy expends the funds as stipulated by MassDOT. In-kind support is recorded as revenue without donor restrictions (see Note 12).

For the years ended December 31, 2020 and 2019, the BID (see Note 10) provided \$1,500,000 in support in each year, which was recorded as contributions with donor restrictions. The funds are released to net assets without donor restrictions as the Conservancy expends the funds as stipulated by the BID.

MassDOT comprised 22% and 34% of the balance in accounts, grants and pledges receivable as of December 31, 2020 and 2019, respectively, related to funding of capital repairs. A funder made up an additional 36% and a customer made up another 32% of the balance in accounts, grants and pledges receivable as of December 31, 2020. Two other individuals made up an additional 37% of the balance in accounts, grants and pledges receivable as of December 31, 2019.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 13 - CONCENTRATIONS (Continued)

The Conservancy has a potential concentration of credit risk in that it sometimes maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is \$250,000 per depositor at each bank after aggregating both non-interest and interest bearing accounts. At times, cash and cash equivalents and restricted cash exceeded the insured limits. The Conservancy has not experienced any losses in these accounts. The Conservancy believes it is not exposed to any significant credit risk on cash and cash equivalents and restricted cash.

NOTE 14 - COMMITMENT

In 2019, an agreement was reached with a vendor to provide basic care services (e.g., lawn mowing and trash removal) on The Greenway from October 1, 2019 through March 31, 2021, with one three-year renewal option. During 2020 and 2019, the Conservancy paid this vendor an average of \$53,257 and \$59,827 per month for basic services, respectively. The Conservancy pays additional amounts for additional services on an as-needed basis. Total expenses for basic services under this agreement were \$639,087 and \$179,481 for the years ended December 31, 2020 and 2019, respectively, which are included in contracted services in the accompanying statements of functional expenses.

During 2021, the Conservancy renewed the agreement and the agreement ends on March 31, 2024. This agreement would terminate automatically should the Conservancy's agreement with MassDOT (see Note 9) terminate, and the agreement may be terminated by either party with thirty days written notice. Future payments in accordance with this agreement are as follows:

2021	\$739,719
2022	\$756,240
2023	\$778,812
2024	\$196,125

NOTE 15 - CONTINGENCIES

In the ordinary course of its business, the Conservancy is, from time-to-time, involved in disputes; the Conservancy denies any wrongdoing in these cases and is taking the appropriate legal steps in defense of these disputes. It is management's opinion that any potential settlement would not be material to the accompanying financial statements as of December 31, 2020.

During 2020, COVID-19 was recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Conservancy's operations and financial position. As a result, the adverse impact COVID-19 will have on the Conservancy's business, operating results, cash flows, and financial condition is uncertain. The financial impact to the Conservancy, if any, cannot be reasonably estimated at this time.

NOTE 16 - RELATED PARTY TRANSACTIONS

A not-for-profit organization (the Organization) has a park that is adjacent to the Conservancy's space on The Greenway. A member of the Organization was also on the Conservancy's Board of Directors, and left the Board of Directors as of December 31, 2020. Based on a contract executed before this person became a member of the Conservancy's Board of Directors, the Organization pays the Conservancy for maintenance, horticulture, snow removal, and related work done at the park. When the contract was renewed on December 8, 2017, the member recused himself from discussions. These payments totaled approximately \$72,000 per year for the years ended December 31, 2020 and 2019.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)

NOTE 16 - RELATED PARTY TRANSACTIONS (Continued)

A member of the Conservancy's Board of Directors is also a partner in an organization that provides legal services to the Conservancy. Payments to this organization totaled approximately \$44,000 and \$59,000 for the years ended December 31, 2020 and 2019, respectively. This organization also provides in-kind services to the Conservancy (see Note 12).

NOTE 17 - RETIREMENT PLAN

The Conservancy maintains a defined contribution retirement plan (the Plan) under Section 403(b) of the IRC. The Conservancy matches certain employee contributions for eligible employees, as defined in the Plan. For the years ended December 31, 2020 and 2019, the Conservancy made matching contributions to the Plan totaling \$42,273 and \$38,221, respectively.

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Conservancy's financial assets available within one year from the statements of financial position date for general operating expenses are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,893,899	\$ 2,166,683
Accounts receivable	188,409	195,093
Grants and pledges receivable	333,911	156,251
Expected subsequent year endowment draw for current operations	<u>704,500</u>	<u>700,876</u>
Total financial assets	3,120,719	3,218,903
Contractual or donor-imposed restrictions:		
Funds restricted by donors	<u>(529,792)</u>	<u>(318,992)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,590,927</u>	<u>\$ 2,899,911</u>

The Conservancy receives restricted contributions, which require resources to be used in a particular manner or in a future period, therefore, the Conservancy must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Conservancy'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. Occasionally, the Board designates a portion of any operating surplus to reserves.

NOTE 19 - CONDITIONAL GRANT

In fiscal year 2020, the Conservancy applied for and was awarded a loan of \$603,000 from the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The funds will be used to pay certain payroll costs, including benefits during a covered period as defined in the CARES Act. A portion of these funds may be forgiven, as defined in the agreement, at the end of the covered period and the remainder of the funds will be due over a two-year period with interest at 1%. Any repayment will be deferred for a period of ten months from the end of the covered period, when the note, plus interest, will be due in equal monthly payments through the maturity date as defined by the bank. The forgiveness calculations are subject to review and approval by the lending bank and the SBA. In the opinion of management, the results of such reviews, will not have a material effect on the financial position of the Conservancy as of December 31, 2020, and on the changes in its net assets for the year then ended.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Continued)**

NOTE 19 - CONDITIONAL GRANT (Continued)

The Conservancy believes this loan will be forgiven and, therefore, is accounting for it as a conditional grant under ASC Subtopic 958-605. It is determined that this grant is conditional upon certain performance requirements and the incurrence of eligible expenses. Amounts received are recognized as revenue when the Conservancy has incurred expenditures in compliance with the loan application and CARES Act requirements. As of December 31, 2020, the Conservancy recognized \$603,000 of grant revenue that is included in government support, grants, on the accompanying statement of activities and changes in net assets. The Conservancy has not accrued interest as of December 31, 2020, since it expects the principal and interest to be forgiven.

NOTE 20 - SUBSEQUENT EVENT

Subsequent to year-end, the Conservancy applied for and received a second draw PPP loan totaling \$603,000. The second draw PPP loan has the same general loan terms as the first draw PPP loan (see Note 19). A portion of these funds may be forgiven, as defined in the agreement, at the end of the covered period and the remainder of the funds will be due over a two-year period with interest at 1%.

NOTE 21 - RECLASSIFICATION

Certain amounts in the 2019 financial statements have been reclassified to conform with the 2020 presentation.

SUPPLEMENTAL INFORMATION

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND CAPITAL EXPENDITURES -
SUPPORT FROM THE MASSACHUSETTS DEPARTMENT OF TRANSPORTATION
EXCLUDING IN-KIND

FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020								2019
	PROGRAMMATIC								
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL	TOTAL
Salaries and related expenses	\$ 311,634	\$ -	\$ -	\$ -	\$ 311,634	\$ -	\$ -	\$ 311,634	\$ 259,851
Contracted services	296,156	-	-	-	296,156	-	-	296,156	261,021
Direct expense	58,907	-	-	-	58,907	-	-	58,907	65,682
Insurance	44,686	-	-	-	44,686	-	-	44,686	30,101
Professional development	197	-	-	-	197	-	-	197	369
Total expenses	711,580	-	-	-	711,580	-	-	711,580	617,024
Capital Plan	288,197	-	-	-	288,197	-	-	288,197	243,040
Other capital	37,398	-	-	-	37,398	-	-	37,398	16,811
Total capital expenditures	325,595	-	-	-	325,595	-	-	325,595	259,851
Total expenses and capital expenditures	\$ 1,037,175	\$ -	\$ -	\$ -	\$ 1,037,175	\$ -	\$ -	\$ 1,037,175	\$ 876,875

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND CAPITAL EXPENDITURES -
SUPPORT FROM THE MASSACHUSETTS DEPARTMENT OF TRANSPORTATION
EXCLUDING IN-KIND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 259,851	\$ -	\$ -	\$ -	\$ 259,851	\$ -	\$ -	\$ 259,851
Contracted services	261,021	-	-	-	261,021	-	-	261,021
Direct expense	65,682	-	-	-	65,682	-	-	65,682
Insurance	30,101	-	-	-	30,101	-	-	30,101
Professional development	369	-	-	-	369	-	-	369
Total expenses	617,024	-	-	-	617,024	-	-	617,024
Capital Plan	243,040	-	-	-	243,040	-	-	243,040
Other capital	16,811	-	-	-	16,811	-	-	16,811
Total capital expenditures	259,851	-	-	-	259,851	-	-	259,851
Total expenses and capital expenditures	\$ 876,875	\$ -	\$ -	\$ -	\$ 876,875	\$ -	\$ -	\$ 876,875

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND ENHANCEMENTS -
SUPPORT FROM THE GREENWAY BUSINESS IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020								2019
	PROGRAMMATIC								
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL	TOTAL
Salaries and related expenses	\$ 415,442	\$ -	\$ -	\$ -	\$ 415,442	\$ -	\$ -	\$ 415,442	\$ 573,663
Contracted services	394,605	-	-	-	394,605	-	-	394,605	458,299
Direct expense	77,922	-	-	-	77,922	-	-	77,922	137,229
Insurance	59,278	-	-	-	59,278	-	-	59,278	66,222
Professional development	262	-	-	-	262	-	-	262	924
Total expenses	947,509	-	-	-	947,509	-	-	947,509	1,236,337
Enhancements	93,000	-	-	-	93,000	-	-	93,000	27,131
Other capital	-	-	-	-	-	-	-	-	15,663
Total capital expenditures	93,000	-	-	-	93,000	-	-	93,000	42,794
Total expenses	<u>\$ 1,040,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,040,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,040,509</u>	<u>\$ 1,279,131</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND ENHANCEMENTS -
SUPPORT FROM THE GREENWAY BUSINESS IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2019

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 573,663	\$ -	\$ -	\$ -	\$ 573,663	\$ -	\$ -	\$ 573,663
Contracted services	458,299	-	-	-	458,299	-	-	458,299
Direct expense	137,229	-	-	-	137,229	-	-	137,229
Insurance	66,222	-	-	-	66,222	-	-	66,222
Professional development	924	-	-	-	924	-	-	924
Total expenses	<u>1,236,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236,337</u>	<u>-</u>	<u>-</u>	<u>1,236,337</u>
Enhancements	27,131	-	-	-	27,131	-	-	27,131
Other capital	15,663	-	-	-	15,663	-	-	15,663
Total capital expenditures	<u>42,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,794</u>	<u>-</u>	<u>-</u>	<u>42,794</u>
Total expenses	<u>\$ 1,279,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,279,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,279,131</u>