



**FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

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DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (a Massachusetts nonprofit corporation) (the Conservancy), which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 22 through 25 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

AAFCPA, Inc.

Westborough, Massachusetts
March 22, 2022

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
CURRENT ASSETS:						
Cash and cash equivalents	\$ 2,252,035	\$ 723,950	\$ 2,975,985	\$ 1,529,882	\$ 364,017	\$ 1,893,899
Accounts receivable	15,997	-	15,997	188,409	-	188,409
Grants and pledges receivable (Note 5)	332,872	651,081	983,953	168,136	165,775	333,911
Prepaid expenses and other	184,161	-	184,161	98,037	-	98,037
Total current assets	2,785,065	1,375,031	4,160,096	1,984,464	529,792	2,514,256
RESTRICTED CASH (Note 3)	82,500	679,423	761,923	-	1,031,266	1,031,266
INVESTMENTS (Note 4)	1,448,606	19,508,079	20,956,685	1,228,703	17,763,445	18,992,148
PROPERTY AND EQUIPMENT , net (Note 8)	5,565,366	-	5,565,366	5,337,994	-	5,337,994
Total assets	<u>\$ 9,881,537</u>	<u>\$ 21,562,533</u>	<u>\$ 31,444,070</u>	<u>\$ 8,551,161</u>	<u>\$ 19,324,503</u>	<u>\$ 27,875,664</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable, accrued expenses and other	\$ 632,727	\$ -	\$ 632,727	\$ 529,956	\$ -	\$ 529,956
CONDITIONAL GRANT ADVANCES (Note 19)	185,500	-	185,500	-	-	-
Total liabilities	818,227	-	818,227	529,956	-	529,956
NET ASSETS:						
Without donor restrictions (Note 2):						
Operating	2,614,621	-	2,614,621	1,828,776	-	1,828,776
Board Designated	938,258	-	938,258	909,684	-	909,684
Property and equipment	5,510,431	-	5,510,431	5,282,745	-	5,282,745
Total without donor restrictions	9,063,310	-	9,063,310	8,021,205	-	8,021,205
With donor restrictions (Notes 2 and 6)	-	21,562,533	21,562,533	-	19,324,503	19,324,503
Total net assets	9,063,310	21,562,533	30,625,843	8,021,205	19,324,503	27,345,708
Total liabilities and net assets	<u>\$ 9,881,537</u>	<u>\$ 21,562,533</u>	<u>\$ 31,444,070</u>	<u>\$ 8,551,161</u>	<u>\$ 19,324,503</u>	<u>\$ 27,875,664</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, 2021 AND 2020

	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE AND SUPPORT:						
Contributions, BID	\$ -	\$ 1,256,257	\$ 1,256,257	\$ -	\$ 1,005,450	\$ 1,005,450
Earned revenue	906,169	-	906,169	350,584	-	350,584
Contributed income	422,983	339,057	762,040	501,390	356,487	857,877
Government support, MassDOT	-	750,000	750,000	-	750,000	750,000
Endowment draw for current operations	740,090	-	740,090	700,876	-	700,876
Government support, grants	612,218	2,500	614,718	603,000	60,000	663,000
Government support, City of Boston	-	271,533	271,533	-	246,686	246,686
In-kind operating support, MassDOT (see Note 12)	236,893	-	236,893	265,561	-	265,561
In-kind operating support, private (see Note 12)	123,359	-	123,359	228,291	-	228,291
Other income	14,673	-	14,673	165,597	-	165,597
Net assets released from restrictions:						
Satisfaction of time restrictions	227,329	(227,329)	-	42,671	(42,671)	-
Satisfaction of purpose restrictions	2,483,192	(2,483,192)	-	2,310,944	(2,310,944)	-
Subtotal	<u>5,766,906</u>	<u>(91,174)</u>	<u>5,675,732</u>	<u>5,168,914</u>	<u>65,008</u>	<u>5,233,922</u>
Fundraising event contributions	469,124	-	469,124	381,830	-	381,830
Less - fundraising event expenses	<u>(40,815)</u>	<u>-</u>	<u>(40,815)</u>	<u>(26,485)</u>	<u>-</u>	<u>(26,485)</u>
Fundraising events, net	<u>428,309</u>	<u>-</u>	<u>428,309</u>	<u>355,345</u>	<u>-</u>	<u>355,345</u>
Total operating revenue and support	<u>6,195,215</u>	<u>(91,174)</u>	<u>6,104,041</u>	<u>5,524,259</u>	<u>65,008</u>	<u>5,589,267</u>
OPERATING EXPENSES:						
Programmatic	4,261,695	-	4,261,695	4,238,933	-	4,238,933
Fundraising	672,079	-	672,079	731,837	-	731,837
Administration	646,770	-	646,770	695,544	-	695,544
Total operating expenses before depreciation	<u>5,580,544</u>	<u>-</u>	<u>5,580,544</u>	<u>5,666,314</u>	<u>-</u>	<u>5,666,314</u>
Changes in net assets from operations before depreciation	614,671	(91,174)	523,497	(142,055)	65,008	(77,047)
Depreciation	<u>552,313</u>	<u>-</u>	<u>552,313</u>	<u>497,117</u>	<u>-</u>	<u>497,117</u>
Changes in net assets from operations	<u>62,358</u>	<u>(91,174)</u>	<u>(28,816)</u>	<u>(639,172)</u>	<u>65,008</u>	<u>(574,164)</u>
NON-OPERATING REVENUE AND SUPPORT:						
Investment income, net of fees	217,753	2,450,788	2,668,541	222,648	2,717,360	2,940,008
Contributed income - capital	-	868,071	868,071	-	194,200	194,200
Government support, MassDOT - capital	-	268,686	268,686	-	288,197	288,197
Contributions, BID - Enhancements	-	243,743	243,743	-	494,550	494,550
Net assets released from capital restrictions	761,994	(761,994)	-	475,499	(475,499)	-
Loss on disposal of property and equipment	-	-	-	(9,659)	-	(9,659)
Endowment release for current operations	-	(740,090)	(740,090)	-	(700,876)	(700,876)
Total non-operating revenue and support	<u>979,747</u>	<u>2,329,204</u>	<u>3,308,951</u>	<u>688,488</u>	<u>2,517,932</u>	<u>3,206,420</u>
Changes in net assets	1,042,105	2,238,030	3,280,135	49,316	2,582,940	2,632,256
NET ASSETS, beginning 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>
NET ASSETS, end of year	<u>\$ 9,063,310</u>	<u>\$ 21,562,533</u>	<u>\$ 30,625,843</u>	<u>\$ 8,021,205</u>	<u>\$ 19,324,503</u>	<u>\$ 27,345,708</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 3,280,135	\$ 2,632,256
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Loss on disposal of property and equipment	-	9,659
Net realized and unrealized gains on investments	(2,422,103)	(2,862,180)
Capital grants	(1,380,500)	(976,947)
Depreciation	552,313	497,117
Changes in operating assets and liabilities:		
Accounts receivable	172,412	6,684
Grants and pledges receivable	(393,520)	19,100
Prepaid expenses and other	(86,124)	29,695
Accounts payable, accrued expenses and other	103,085	(71,676)
Conditional grant advance	185,500	-
Net cash provided by (used in) operating activities	<u>11,198</u>	<u>(716,292)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	695,771	1,082,880
Proceeds from sale of property and equipment	-	1,251
Purchase of investments	(238,205)	(56,575)
Acquisition of property and equipment	(779,999)	(601,877)
Net cash provided by (used in) investing activities	<u>(322,433)</u>	<u>425,679</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital grants	<u>1,123,978</u>	<u>790,187</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	812,743	499,574
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>2,925,165</u>	<u>2,425,591</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u><u>\$ 3,737,908</u></u>	<u><u>\$ 2,925,165</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH REPORTED WITHIN THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 2,975,985	\$ 1,893,899
Restricted cash	<u>761,923</u>	<u>1,031,266</u>
Total cash and cash equivalents and restricted cash	<u><u>\$ 3,737,908</u></u>	<u><u>\$ 2,925,165</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Property and equipment additions included in accounts payable, accrued expenses and other	<u><u>\$ 54,935</u></u>	<u><u>\$ 55,249</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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021							2020
	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 1,265,498	\$ 411,584	\$ 209,147	\$ 207,905	\$ 2,094,134	\$ 398,026	\$ 565,753	\$ 3,057,913
Contracted services	879,123	107,576	-	1,865	988,564	29,188	-	1,017,752
Direct expense (see Note 12)	357,331	54,835	382,351	26,080	820,597	771	77,288	898,656
Legal and accounting (see Note 12)	46,560	11,298	692	616	59,166	130,097	3,215	192,478
Insurance	126,441	2,827	-	-	129,268	12,376	-	141,644
Occupancy (see Note 12)	63,545	21,531	6,749	10,432	102,257	21,538	15,205	139,000
Office and other	39,662	16,734	4,555	6,758	67,709	54,774	10,618	133,101
Fundraising event expenses	-	-	-	-	-	-	40,815	40,815
Total expenses before depreciation	2,778,160	626,385	603,494	253,656	4,261,695	646,770	712,894	5,621,359
Less - fundraising event expenses included with revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	(40,815)	(40,815)
Total expenses included in the statement of activities and changes in net assets before depreciation	2,778,160	626,385	603,494	253,656	4,261,695	646,770	672,079	5,580,544
Depreciation	510,059	9,790	4,994	9,445	534,288	5,962	12,063	552,313
Total expenses included in the statement of activities and changes in net net assets after depreciation	<u>\$ 3,288,219</u>	<u>\$ 636,175</u>	<u>\$ 608,488</u>	<u>\$ 263,101</u>	<u>\$ 4,795,983</u>	<u>\$ 652,732</u>	<u>\$ 684,142</u>	<u>\$ 6,132,857</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

	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
Contracted services	774,339	-	-	9,952	784,291	30,477	-	814,768
Direct expense (see Note 12)	371,469	20,108	373,282	36,742	801,601	1,832	80,524	883,957
Legal and accounting (see Note 12)	58,318	19,711	24,528	42,080	144,637	135,617	-	280,254
Insurance	114,725	2,922	-	-	117,647	11,279	-	128,926
Occupancy (see Note 12)	59,610	24,520	7,911	10,103	102,144	20,474	16,382	139,000
Office and other	34,150	15,595	6,065	6,146	61,956	78,250	15,886	156,092
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.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020
(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 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, 2021 AND 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, *Revenue from Contracts with Customers*: (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 and reported under ASC Topic 958 Not-For-Profit Entities. 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. Interest and other income are recognized as earned.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earned Revenue

The Conservancy recognizes revenue when, or as, performance obligations under the terms of a contract are satisfied, which generally occurs when, or as, control of promised goods or services are transferred to customers. Revenue is measured as the amount that reflects the consideration the Conservancy expects to be entitled to in exchange for those goods or services ("transaction price"). To the extent the transaction price includes variable consideration, the Conservancy estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount to which the Conservancy expects to be entitled. Variable consideration is included in the transaction price if, in the Conservancy's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and the determination of whether to include such estimated amounts in the transaction price are based largely on an assessment of the Conservancy's anticipated performance and all information that is reasonably available. The Conservancy accounts for taxes collected from customers and remitted to governmental authorities on a net basis and excludes these amounts from revenues.

Earned revenue is primarily comprised of a beer garden, city winery, food trucks and a carousel. The Conservancy has contracts with customers that contain multiple performance obligations. Payment terms for such arrangements can vary by contract, but payments are generally due in installments throughout the contractual term. The performance obligation included in each agreement vary and may include rental costs for usage of the space, license fees and revenue sharing based on the number of units sold.

The timing of revenue recognition for each performance obligation is dependent upon the facts and circumstances surrounding the Conservancy's satisfaction of its respective performance obligation. The Conservancy allocates the transaction price for such arrangements to each performance obligation within the arrangement based on the estimated relative standalone selling price of the performance obligation. The Conservancy's process for determining its estimated standalone selling prices involves management's judgment and considers multiple factors including Conservancy specific and market specific factors that may vary depending upon the unique facts and circumstances related to each performance obligation. Key factors considered by the Conservancy in developing an estimated standalone selling price for its performance obligations include, but are not limited to, the Conservancy's ongoing pricing strategy and policies, and consideration of pricing of similar performance obligations sold in other arrangements with multiple performance obligations.

The Conservancy may incur costs such as commissions to obtain its multi-year agreements. The Conservancy assesses such costs for capitalization on a contract by contract basis. Commission costs were immaterial in relation to the contract and were expensed as incurred.

Carousel revenue is derived principally from ticket sales which are recognized as the ride occurs. The Conservancy's revenues also include revenue from license fees associated with the food truck vendors. License and usage fees are recognized at the later of when (a) the subsequent sale or usage occurs, or (b) the performance obligation to which some or all of the sales or usage-based fees have been allocated and are satisfied. In addition, the Conservancy recognizes a percentage of gross proceeds up to \$1,500,000 and an additional percentage over \$1,500,000 of gross revenue for the beer garden according to thresholds specified in the contract.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earned Revenue (Continued)

The Conservancy's earned revenue consists of revenue from contracts with customers and are recognized as follows:

	<u>2021</u>	<u>2020</u>
Point in time (carousel)	\$ 475,899	\$ 34,831
Point in time (other)	124,831	65,441
Over time (beer garden and city winery)	111,745	27,789
Over time (food trucks)	110,765	140,176
Over time (other)	<u>82,929</u>	<u>82,347</u>
Total earned revenue	<u>\$ 906,169</u>	<u>\$ 350,584</u>

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 (see Note 19). 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.

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).

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	3 - 20 years
Motor vehicles	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 in the fair market value of such investments is included in the accompanying statements of activities and changes in net assets in the appropriate net asset categories. Dividends and interest are recorded when earned.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Spending Policy (Continued)

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.

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).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, information technology (IT) costs and depreciation, which are allocated based on headcount.

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, 2021 and 2020. 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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Conservancy has evaluated events and transactions subsequent to December 31, 2021, for potential recognition or disclosure in the financial statements through March 22, 2022, which is the date the financial statements were available for issuance. There were no events that met the criteria for recognition or disclosure in the financial statements.

NOTE 3 - RESTRICTED CASH

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

	<u>2021</u>	<u>2020</u>
Capital projects	\$ 395,767	\$ 622,859
Endowment	<u>366,156</u>	<u>408,407</u>
	<u>\$ 761,923</u>	<u>\$ 1,031,266</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>2021</u>			
<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds - stock funds	<u>\$ 10,267,901</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 10,267,901
Other investments:				
TIFF Multi Asset Fund*				<u>10,688,784</u>
Total investments				<u>\$ 20,956,685</u>

	<u>2020</u>			
<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</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>

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).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

NOTE 4 - INVESTMENTS (Continued)

***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.

Investment income, net of fees, for the years ended December 31, 2021 and 2020, is \$2,668,541 and \$2,940,008, 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 due in one year are \$983,953 and \$333,911 of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, all grants and pledges receivable are deemed to be fully collectible and, as a result, no allowance has been recorded.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
General endowment - corpus	\$ 12,319,020	\$ 12,319,020
Appreciation on endowment	5,380,079	3,721,575
Capital projects	1,597,950	951,145
Park specific endowment - corpus	1,487,000	1,487,000
Education endowment - corpus	348,750	348,750
Public art	204,986	12,486
Maintenance, Horticulture and Rangers	193,686	225,423
General operations - time restricted	25,000	252,329
Programs	6,062	-
Administration	-	6,775
	<u>\$ 21,562,533</u>	<u>\$ 19,324,503</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended December 31, 2021 and 2020, net assets were released from restrictions for the following programs and purposes and other restrictions:

	<u>2021</u>	<u>2020</u>
Maintenance, Horticulture and Rangers	\$ 2,387,479	\$ 1,960,462
Capital projects	761,994	475,499
Endowment draw for current operations	740,090	700,876
General operations - time restricted	227,329	42,671
Programs	56,438	57
Public art	32,500	327,200
Administration	<u>6,775</u>	<u>23,225</u>
	<u>\$ 4,212,605</u>	<u>\$ 3,529,990</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, 2021 and 2020:

	<u>With Donor Restrictions</u>		
	<u>Appreciation on Endowment</u>	<u>Endowment</u>	<u>Total</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	3,721,575	14,154,770	17,876,345
Investment return	2,398,594	-	2,398,594
Endowment draw for current operations	<u>(740,090)</u>	<u>-</u>	<u>(740,090)</u>
Endowment net assets, December 31, 2021	<u>\$ 5,380,079</u>	<u>\$ 14,154,770</u>	<u>\$ 19,534,849</u>

NOTE 8 - PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Greenway Carousel at The Tiffany & Co. Foundation Grove	\$ 3,740,497	\$ 3,733,203
Greenway improvements and capital repairs	4,380,412	3,629,653
Motor vehicles	359,011	359,011
Website, office and computer equipment	<u>321,213</u>	<u>299,581</u>
	8,801,133	8,021,448
Less - accumulated depreciation	<u>3,235,767</u>	<u>2,683,454</u>
	<u>\$ 5,565,366</u>	<u>\$ 5,337,994</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

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 recognized revenue of \$1,018,686 (\$750,000 operating and \$268,686 capital) and \$1,038,197 (\$750,000 operating and \$288,197 capital) in 2021 and 2020, respectively, and anticipates that it will receive an additional \$2,159,637 (\$1,125,000 operating and \$1,034,637 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, 2021 and 2020, and has been reported in the accompanying financial statements as both in-kind revenue and expense. For the years ended December 31, 2021 and 2020, 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 2021, the Conservancy recognized revenue of \$1,250,000 for maintenance and horticultural care and \$250,000 for Enhancements (including \$6,257 used for Enhancements project management). In 2020, the BID funded \$1,000,000 for maintenance and horticultural care and \$500,000 for Enhancements (including \$5,450 used for Enhancements project management). The Conservancy anticipates that it will receive an additional \$1,500,000 for maintenance and horticultural care, plus \$750,000 for Enhancements, in accordance with the current funding agreement through June 30, 2023. This future funding is conditional on certain factors.

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 \$1,190,000 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 \$271,533 and \$246,686 in 2021 and 2020, respectively, from the City of Boston under this agreement. Remaining payments per the funding agreement total approximately \$390,000 through June 30, 2023.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

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>2021</u>	<u>2020</u>
Occupancy - MassDOT (see Note 9)	\$ 139,000	\$ 139,000
Direct expense, utilities - MassDOT	<u>97,893</u>	<u>126,561</u>
Total in-kind operating support - MassDOT	<u>\$ 236,893</u>	<u>\$ 265,561</u>
Legal - private	\$ 112,845	\$ 193,713
Other direct expense - private	<u>10,514</u>	<u>34,578</u>
Total in-kind operating support - private	<u>\$ 123,359</u>	<u>\$ 228,291</u>

NOTE 13 - CONCENTRATIONS

For the years ended December 31, 2021 and 2020, MassDOT (see Note 9) provided \$1,018,686 and \$1,038,197, respectively, in government support and an additional \$236,893 and \$265,561, 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, 2021 and 2020, 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 26% and 34% of the balance in grants and pledges receivable as of December 31, 2021 and 2020, respectively, related to funding of capital repairs. Three funders made up an additional 65% of the balance in grants and pledges receivable as of December 31, 2021. One funder made up an additional 57% of the balance in grants and pledges receivable as of December 31, 2020. One customer made up 88% of the balance of accounts receivable as of December 31, 2020.

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.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

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, which was renewed in 2021 (see below). During 2021 and 2020, the Conservancy paid this vendor an average of \$61,643 and \$53,257 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 \$739,718 and \$639,087 for the years ended December 31, 2021 and 2020, 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 will 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:

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, 2021.

During 2020 and continuing through 2021, 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, the Organization paid the Conservancy for maintenance, horticulture, snow removal, and related work done at the park. This payment totaled approximately \$72,000 for the year ended December 31, 2020.

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 \$22,000 and \$44,000 for the years ended December 31, 2021 and 2020, respectively. This organization also provides in-kind services to the Conservancy (see Note 12).

A member of the Conservancy's Board of Directors is also a Board member for an organization that holds approximately half of the Conservancy's investments. This member was voted into the Board of Directors during 2021. Investments held in this organization totaled approximately \$10,268,000 as of December 31, 2021.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

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, 2021 and 2020, the Conservancy made matching contributions to the Plan totaling \$43,680 and \$42,273, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,975,985	\$ 1,893,899
Accounts receivable	15,997	188,409
Grants and pledges receivable	983,953	333,911
Expected subsequent year endowment draw for current operations	<u>759,500</u>	<u>740,090</u>
Total financial assets	4,735,435	3,156,309
Contractual or donor-imposed restrictions:		
Funds restricted by donors	<u>(1,375,031)</u>	<u>(529,792)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,360,404</u>	<u>\$ 2,626,517</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 ADVANCES

In fiscal year 2020, the Conservancy applied for and was awarded a loan of \$603,000 from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The funds were used to pay certain payroll costs, including benefits during a covered period as defined in the CARES Act. The Conservancy accounted for the loan as a conditional grant under ASC Subtopic 958-605. Amounts received are recognized as revenue when the Conservancy has incurred expenditures in compliance with the loan application and CARES Act requirements. As of September 29, 2021, the Conservancy received full forgiveness of the first PPP loan.

In fiscal year 2021, the Conservancy applied for and was awarded a second loan of \$603,000 from PPP established by the CARES Act. These funds were used to pay for 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 five-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 Small Business Administration (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, 2021, 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, 2021 AND 2020
(Continued)

NOTE 19 - CONDITIONAL GRANT ADVANCES (Continued)

The Conservancy believes a portion of this loan will be forgiven, and therefore, is accounting for it as a conditional grant under ASC Subtopic 958-605. The remaining amount that may not be forgiven has been recorded as a conditional grant advance as of December 31, 2021. 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. During 2021 and 2020, the Conservancy recognized \$500,000 and \$603,000 of grant revenue that is included in government support, grants, on the accompanying statements of activities and changes in net assets. The Conservancy has recognized \$103,000 of conditional grants advance as of December 31, 2021, that is included in the accompanying statements of financial position. The Conservancy has not accrued interest as of December 31, 2021, since it expects the principal and interest to be forgiven.

The Employee Retention Tax Credit (ERTC) was first established by the CARES Act and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first \$10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 (2020 ERTC), and 70% of the first \$10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021 (2021 ERTC). To be eligible, the Conservancy must meet certain conditions as described in applicable laws and regulations.

The Conservancy has determined that it qualifies for the 2020 ERTC and therefore is accounting for the 2020 ERTC as a conditional grant under ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met as of December 31, 2021, and therefore, the entire refund of \$112,218 that the Conservancy expects to receive is included in grants and pledges receivable and government support, grants without donor restrictions in the accompanying financial statements. Eligibility for the credit and the credit calculations are subject to review and approval by the Federal government. In the opinion of management, the results of such reviews and audit will not have a material effect on the financial position of the Conservancy as of December 31, 2021, and on the changes in its net assets for the year then ended.

During 2021, the Conservancy was awarded a government contract totaling \$250,000 that contained funder-imposed conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. Amounts awarded are due back to the government agency if the property is sold at any time before 2036. If the property is sold, the following portions of the grant are due back to the government agency:

Prior to year 5	100%
Prior to year 10	75%
Prior to year 15	50%

As of December 31, 2021, \$82,500 was advanced on this conditional grant and is included in restricted cash and conditional grant advances in the accompanying 2021 statement of financial position.

During 2021, the Conservancy was awarded a conditional grant totaling \$400,000 from a donor, of which \$200,000 was recorded during 2021. The portion of the grant that was recognized during 2021 is included in contributed income with donor restrictions in the accompanying 2021 statement of activities and changes in net assets. The remaining balance of the grant award is conditional upon the Conservancy incurring and reporting qualifying expenditures as required by the grant agreement and, accordingly, is not reflected in the accompanying financial statements, as these conditions were not met as of December 31, 2021.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)**

NOTE 20 - RECLASSIFICATION

Certain amounts in the 2020 financial statements have been reclassified to confirm with the 2021 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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021								2020
	PROGRAMMATIC								
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL	TOTAL
Salaries and related expenses	\$ 379,460	\$ -	\$ -	\$ -	\$ 379,460	\$ -	\$ -	\$ 379,460	\$ 311,634
Contracted services	333,135	-	-	-	333,135	-	-	333,135	296,156
Insurance	50,542	-	-	-	50,542	-	-	50,542	44,686
Direct expense	24,581	-	-	-	24,581	-	-	24,581	58,907
Professional development	703	-	-	-	703	-	-	703	197
Total expenses	788,421	-	-	-	788,421	-	-	788,421	711,580
Capital Plan	268,686	-	-	-	268,686	-	-	268,686	288,197
Other capital	-	-	-	-	-	-	-	-	37,398
Total capital expenditures	268,686	-	-	-	268,686	-	-	268,686	325,595
Total expenses and capital expenditures	<u>\$ 1,057,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,107</u>	<u>\$ 1,037,175</u>

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**

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 311,634	\$ -	\$ -	\$ -	\$ 311,634	\$ -	\$ -	\$ 311,634
Contracted services	296,156	-	-	-	296,156	-	-	296,156
Insurance	44,686	-	-	-	44,686	-	-	44,686
Direct expense	58,907	-	-	-	58,907	-	-	58,907
Professional development	197	-	-	-	197	-	-	197
Total expenses	711,580	-	-	-	711,580	-	-	711,580
Capital Plan	288,197	-	-	-	288,197	-	-	288,197
Other capital	37,398	-	-	-	37,398	-	-	37,398
Total capital expenditures	325,595	-	-	-	325,595	-	-	325,595
Total expenses and capital expenditures	\$ 1,037,175	\$ -	\$ -	\$ -	\$ 1,037,175	\$ -	\$ -	\$ 1,037,175

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, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021							2020
	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 546,660	\$ -	\$ -	\$ -	\$ 546,660	\$ -	\$ -	\$ 546,660
Contracted services	416,559	-	-	-	416,559	-	-	416,559
Insurance	63,176	-	-	-	63,176	-	-	63,176
Direct expense	30,666	-	-	-	30,666	-	-	30,666
Professional development	879	-	-	-	879	-	-	879
Total expenses	1,057,940	-	-	-	1,057,940	-	-	1,057,940
Enhancements - Operating	256,257	-	-	-	256,257	-	-	256,257
Enhancements - Capital	107,403	-	-	-	107,403	-	-	107,403
Total capital expenditures	363,660	-	-	-	363,660	-	-	363,660
Total expenses	\$ 1,421,600	\$ -	\$ -	\$ -	\$ 1,421,600	\$ -	\$ -	\$ 1,421,600
								\$ 1,040,509

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**

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUND- RAISING	TOTAL
Salaries and related expenses	\$ 409,992	\$ -	\$ -	\$ -	\$ 409,992	\$ -	\$ -	\$ 409,992
Contracted services	394,605	-	-	-	394,605	-	-	394,605
Insurance	59,278	-	-	-	59,278	-	-	59,278
Direct expense	77,922	-	-	-	77,922	-	-	77,922
Professional development	262	-	-	-	262	-	-	262
Total expenses	942,059	-	-	-	942,059	-	-	942,059
Enhancements - Operating	5,450	-	-	-	5,450	-	-	5,450
Enhancements - Capital	93,000	-	-	-	93,000	-	-	93,000
Total capital expenditures	98,450	-	-	-	98,450	-	-	98,450
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>