



**TOWN OF CONCORD  
COMMUNITY PRESERVATION COMMITTEE**

141 KEYES ROAD, CONCORD, MA 01742  
TEL. (978) 318-3290 FAX (978) 318-3291

**Application for CPA Funding**  
**Due no later than 4:00pm on Friday, September 17, 2021**

Applicant: The Trustees of Reservations

Co-Applicant (if applicable): \_\_\_\_\_

Project Name: The Old Manse Exterior Preservation Project: Repainting and Carpentry Repairs

Project Location/Address: 269 Monument Street

Purpose: (Select all that apply)

- Open Space       Community Housing       Historic Preservation       Recreation

Project Budget:

Amount of CPA Funds Requested:      \$ 38,500

Amount from Other Funding Sources:      \$ 14,527.60

Total Project Budget:      \$ 53,027.60

(If multi-year project, note current phase only)

Please check which of the following is included with this Application:

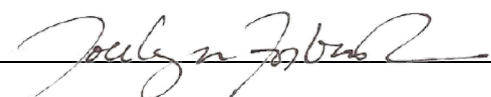
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> One Paragraph Project Summary *         | <input checked="" type="checkbox"/> Timeline *  |
| <input checked="" type="checkbox"/> Map (if applicable)                     | <input type="checkbox"/> Architectural plans, site plans, photographs<br>(if appropriate)   |
| <input checked="" type="checkbox"/> Narrative *                             | <input checked="" type="checkbox"/> Copy of Audit or most recent Financial<br>Information ( <u>Non Profit Organizations Only</u> )* |
| <input checked="" type="checkbox"/> Selection Criteria and Needs Assessment | <input type="checkbox"/> Letters of Support (if any)  |
| <input checked="" type="checkbox"/> Detailed Project Budget *               |   |
| <input checked="" type="checkbox"/> Feasibility Assessment                  |   |
| <input type="checkbox"/> Statement of Sustainability (if applicable)        |   |

\* Required Documentation

The Contact Person for this Project is: Michael Busack

All Correspondence should be mailed to: 200 High Street, 4th Floor, Boston, MA 02110

The Contact Person can be reached by phone at: 413-247-4233 or by email at: mbusack@thetrustees.org

Signature of Applicant:  Acting President & CEO, The Trustees

Signature of Property Owner (if different): \_\_\_\_\_

**For Historic Preservation Projects Only** – please check the box below left and acknowledge:

- I/We have read the **U.S. Secretary of the Interior’s Standards for the Treatment of Historic Properties** and understand that planning for and execution of this project must meet these standards.

## Brief Project Summary

The Trustees of Reservations (The Trustees) respectfully requests a grant of \$38,500 from the Concord Community Preservation Committee to support a Historic Preservation Project (total budget of \$53,027.60) treating the exterior envelope of the Old Manse, a National Historic Landmark and treasured community icon within the Local Historic District. Built in 1770 for patriot minister William Emerson, the Old Manse became the center of Concord's political, literary, and social revolutions over the course of the next century. Since 1939, The Trustees has operated the Old Manse as a house museum representing local and national history with its connections to the Battle of Concord on April 19, 1775, and the Transcendentalist movement. Today the property welcomes more than 100,000 visitors a year from within the community and beyond, for both guided tours and public programs offered by The Trustees, as well as to simply enjoy the picturesque grounds of the historic home. CPA funds are sought to support the painting of the entire structure (main block, summer kitchen, shop, Shay shed, and shutters) and related carpentry work that must be addressed prior to painting, including repairs to trim, doors, and window frames. The goals of this critical work are to help ensure the integrity of the building's exterior envelope, preventing the deterioration of the clapboards, trim, windows, shutters, and doors, and to improve the appearance while retaining the character of the Old Manse so that it may be enjoyed for decades to come.

## Map

The Old Manse is located at 269 Monument Street, Concord, and is indicated by the yellow outline on the Town GIS map below.

mapsonline.net/concordma/index.html#x=-7944864.84258,5230379.933402,-7940278.620884,5232481.95168

Apps Canopy - Home PATTERN Drawstrin... Grants Green Sheet... Grants - All Docum... NAWCA Great Mars... Ecology Team - Pro... Hub - Planner Amelia Peabody Ch...

Quick Zooms

Find Properties

Owner: trustees of reservations

Parcel ID: 1267

Address: Enter Street Name # Clear

Results Summary

Parcel ID	Address	Owner
1267	269 MONUMENT ST	TRUSTEES OF RESE

Detail Information Zoom To

Image	
Property Record	Open
Parcel ID	1267
PID	1067
Vision ID	1067
Address	269 MONUMENT ST
Street Name	MONUMENT ST
Street Number	269
Unit Number	
Account Number	1067
Map	7H
Map Cut	
Block	1267
Block Cut	
Lot	
Lot Cut	
Unit	
Unit Cut	
GIS ID Vision	F_696818_2995795
RE Use Code	9050
Site Index	5
Use Code	9050
Use Description	P/HOS CHAR MDL-01
Use Code2	
Use Description2	
Use Code3	

Find Butters

Simplicity by PeopleGIS

## **Narrative**

### *Background*

The Old Manse was originally built in 1770 for Reverend William Emerson on the eastern bank of the Concord River in Concord, Massachusetts. The property was acquired by The Trustees in 1939, as a purchase from the Ripley family, descendants of the builder Reverend William Emerson. The Old Manse was individually listed as a National Historic Landmark in 1963 and was a contributing resource in a Nation Register Historic District created in 1966. The Old Manse became part of a Local (Concord) Historic District in 1973.

Since 1939, The Trustees has operated The Old Manse as a house museum representing local and national history with its connections to the Battle of Concord on April 19, 1775, and the Transcendentalist movement. Ralph Waldo Emerson drafted his essay *Nature* at The Old Manse and the Transcendentalist leaders Bronson Alcott, Margaret Fuller and Henry David Thoreau are all strongly associated with the history of the property. Nathaniel Hawthorne and his wife, Sophia, lived here from 1842 to 1845. Hawthorne named the house in 1846 when a collection of his short stories was published as "Mosses from an Old Manse."

The Trustees has maintained the structure, completing general maintenance, component renewal, and in-depth preservation projects over the past 80 years. This work has included but is not limited to roof replacement, sill repair and framing repairs, the installation of an alarm system, the conservation of first-floor dining room and second-floor study windowpanes inscribed with messages by Sophia and Nathaniel Hawthorne, and painting the exterior. Generous funding from the Concord Community Preservation Committee has supported critical interior restoration which included bringing in and working with experts on historic paint and wallpaper analysis, furniture conservation projects, and work on interior surfaces in order to preserve the period character of this historic home. The project helped us to better understand and interpret our spaces.

### *The Need*

The building's exterior was last painted in 2010 with funding from the Massachusetts Historical Commission. While the work completed then has largely held up well over time, the exterior's condition is beginning to deteriorate. More specifically, much of the windows now need reglazing, there are areas of rot and woodpecker damage that need repair, and the building is showing signs of mildew and moss growth on the north and west sides. Funding from the Concord Community Preservation Committee will help us to address the necessary repairs and repaint the exterior, helping to preserve the building's integrity and improve the aesthetic appearance of this important historic home.

### *Community Support*

The Trustees has been fortunate to receive prior funding from the Concord CPC to complete important interior restoration work at the Old Manse, and we have been encouraged to reapply by members of the Committee. Formal letters of support will be forthcoming ahead of the November 19, 2021 deadline.

### *Implementation Plan*

- Remove and number the shutters
- Handwash exterior surfaces with a mild bleach solution and soft brush and rinse thoroughly with a hose

- Lightly scrape and hand sand surfaces
- Re-glaze all window sash as necessary
- Limited replacement of badly damaged clapboards (mostly on the north elevation), with quarter-sawn pine clapboards with feathered lap joints. Back prime the clapboards prior to installing and secure with rose head nails
- The original rake boards on the north side of the house have damage from woodpeckers and will be repaired with a two-part epoxy system
- The bulkhead doors to the Shay Shed basement will be rebuilt to match existing
- Spot prime bare wood with alkyd-based primer
- All siding, trim, window sash, shutters and exterior doors will receive a finished latex topcoat
- Shutters remounted in their original locations

The completed work will include repainting the exterior clapboards, trim, doorways, window sash and shutters in one color to replicate the way the house was painted up to the mid-19<sup>th</sup> century. Evidence supporting this was found in the historic paint analysis completed prior to repainting the structure in 2010. The Trustees worked with Bill Finch of Finch & Rose, Architectural Historian who was hired to complete a thorough exterior paint analysis to help determine the most appropriate paint color and scheme for the house. Samples of historic paint from clapboards and trim original to the house were examined under microscope to build a paint history. Samples dating back to the late 18th century to the middle of the 20th century were reviewed. The locations of the paint samples were compared with historic photographs.

The research determined that the house, window sash, and shutters were all painted the same color up to the time of the last building additions circa 1875. This single-color paint scheme continues to be seen in historic photographs dating to the early 20th century. It is only later in the 20th century that the windows are painted a different color (black). The research also determined that the most appropriate color for the house is putty grey. This color was in the samples taken from around the house dating to the mid-nineteenth century, a time of great social activity and historical importance that is central to the interpretation of the property. Benjamin Moore #AF-395 was chosen as the best match to the color selected by Bill Finch in his historic paint analysis and we anticipate using the same or similar color to repaint the exterior now.

An Architectural Conservation Assessment was conducted for the Old Manse by Preservation Technology Associates in 1993. The documentation and preservation recommendations are still relevant today and inform our work on the building. The report states that, *“The Old Manse is especially valuable because of its fabric and settings has many subtle details and nuances that communicate its associations to the visitor with an effectiveness that rarely happens in our historic houses.”* It continues to say that the weathered and uneven character of the siding are important features that capture some of the romantic qualities that Hawthorne references in his writings that should be preserved.

We will pursue preserving the original fabric of the house to the greatest extent possible, making repairs only where needed. On the north elevation we are proposing limited clapboard replacement where several boards are badly compromised and no longer weather-tight. Following the recommendations of the report we would use radially sawn pine clapboards of short lengths with skived ends to match the historical lap.

A significant part of the project will include reglazing of windows, where necessary. Fortunately, the sashes with the historic etchings are protected with a storm window and are in good condition. Based

on the report's recommendations, glazing work would be limited to removal of loose putty, priming and application of new putty without the removal of glass, to avoid handling the fragile crown glass.

The Assessment report concluded that the paint build-up on the building was not sufficient enough to require the effort of broad scale paint removal. Another goal is to preserve historic paint treatments in situ where possible for historic documentation. They suggested that routine preparation with hand scraping should be sufficient. This would be our approach and will follow "The National Park Service Brief #10 on Exterior Paint Problems on Historic Woodwork."

### *Project Goals*

The goal of this project is to retain the historic integrity of the Old Manse as a National Historic Landmark by maintaining the paint covering of the historic fabric and restoring the exterior envelope of the structure so it can provide a physical barrier to the elements. This will enable the exterior envelope to avoid moisture penetration that can lead to deterioration of the siding and ultimately the structural members of the building.

Through thoughtful and careful preparation of the surface we seek to:

- Ensure the best adhesion and greatest durability of the new paint
- Avoid damaging the original fabric and architectural details
- Maintain historic record of underlaying layers
- Maintain the historic character of the building by preserving the original fabric and architectural details of the building
- Through paint analysis maintain the historic color of the building during its period of significance, i.e., much of the 19<sup>th</sup> century

### **CPC's Selection Criteria and Needs Assessment**

The Old Manse figures prominently in the Town of Concord's history, having important connections to the events of April 19, 1775, and the Transcendental movement. For this reason, the site is a **High Priority Historic Site** as identified in several town documents. The Concord Historical Commission's *Survey of Historical and Architectural Resources* lists the Old Manse and includes an excerpt from the *National Survey of Historic Sites and Buildings* which says, "Few houses in America today carry so strong a conviction of undisturbed age and authenticity." In addition, the Old Manse is referenced in the *Concord Reconnaissance Report* (2006), where it is noted that the property has a historic preservation restriction and is considered part of Concord's heritage landscapes.

Restoring the exterior of the Old Manse aligns well with Concord's 2018 Comprehensive Long Range Plan which includes as a core priority to "Protect Concord's Assets and Character." By helping to maintain the exterior and protect the structural integrity of the Old Manse, the proposed project will support, preserve, and protect the historical character, cultural heritage, and historical assets of the town. In doing so, it will celebrate Concord as a cultural destination within the Greater Boston Area and beyond, helping to drive visitation particularly as tourism increases in the wake of the early closures of such cultural resources and institutions demanded by the Covid-19 pandemic.

This proposal meets the following **criteria for historic preservation projects**: (1) Address objectives or projects identified in existing Town documents; (2) Supplement project funding for historic buildings that provide public access, allow public functions, and depend on public funding for their preservation;

(3) Provide funds for historic resources that are eligible for National Register status, for demolition delay bylaw list protection, or are within the historic districts; (4) Include an historic preservation restriction; and (5) Meet the Secretary of the Interior's Standards for the Treatment of Historic Properties. The organization has completed several historic preservation projects at properties across the state and is well versed in the Secretary of the Interior's Standards and Guidelines for Treatment of Historic Properties. The proposed project aligns concisely with a number of the Standards for Preservation it defines: maximizes the retention of distinctive materials, features; the historic character of a property will be retained; work needed to stabilize and conserve historic materials and features will be physically and visually compatible; distinctive materials, features and finishes and construction techniques or examples of craftsmanship that characterize a property will be preserved; treatments that cause damage to historic materials will not be used; and, paint color based on historic paint analysis.

The proposed restoration of the exterior of the Old Manse meets many of the **General Selection Criteria** described in the 2022 Community Preservation Plan. In particular, the project is eligible for CPA funding under the CPA legislation because it will preserve and rehabilitate/restore historic resources. The project is consistent with the Town's Comprehensive Long Range Plan and other reports that have received broad-based scrutiny and input, as described above.

The Trustees has the necessary capabilities to undertake the administrative and financial management of the project. The Trustees has successfully completed CPC projects in the towns of Stockbridge, North Andover, Easton, and Concord, and is currently completing a CPC project for the Town of New Bedford and the City of Boston.

The Trustees is a statewide cultural preservation and land conservation organization caring for 120 diverse properties across the Commonwealth of Massachusetts for the public in perpetuity. With 6 National Historic Landmarks and 10 National Register of Historic Places sites, a National Natural Landmark, two art museums, and 340 buildings (20 of which are historical buildings with collections), our cultural sites are an important aspect of our ongoing work. Our properties represent a dynamic timeline of architecture, designed and natural landscapes, arts and artifacts, ruins, and fascinating stories of former inhabitants and their place in our state and national history. Collectively these properties require enormous resources, and while The Trustees does raise funds from individual donors and foundations, we also rely on grants from local, state, and federal agencies to preserve these important historical landmarks. As described below in the budget, The Trustees will leverage staff time, administrative support services, and funding from our operating budget to conduct the project.

### **Budget**

The total cost of the project is \$53,027.60. The Trustees is requesting \$38,500 from the Concord CPC. Funding from the Concord CPC will support a contractor hired to complete the repainting of the Old Manse as well as support administrative expenses incurred in completing the work including financial tracking and reporting. The Trustees will leverage staff time and funding from the organization's budget to complete the necessary carpentry and repainting work. Staff time will include preparation of site (pruning and clean up); project management (bidding, procurement, contractor selection, and oversight); and site management (contractor supervision, site management, and vendor coordination). A contractor will be hired to complete the carpentry work prior to repainting. See budget below.

	<b>CPA Funds</b>	<b>Other Funds</b>	<b>Total</b>
Personnel	\$0.00	\$4,116.00	\$4,116.00
Painting - contractor	\$35,000.00	\$5,000.00	\$40,000.00
Carpentry - contractor	\$0.00	\$5,000.00	\$5,000.00
Administration 10%	\$3,500.00	\$411.60	\$3,911.60
<b>Total</b>	<b>\$38,500.00</b>	<b>\$14,527.60</b>	<b>\$53,027.60</b>

**Feasibility**

The Old Manse was individually listed as a National Historic Landmark in 1963 and was a contributing resource in a Nation Register Historic District created in 1966. The Old Manse became part of a Local (Concord) Historic District in 1973. Additionally, the structure has a Historic Preservation Restriction on it. As such, the proposed work will need to be reviewed and approved by Massachusetts Historical Commission, and the local Historic District Commission. We anticipate using the same or similar paint color from the last repainting project in 2010: Benjamin Moore #AF-395. This color was chosen as the best match to the color selected by Bill Finch in his historic paint analysis. The color and single paint scheme were brought to the Concord Historic District Commission and approval was given by the commission on August 2, 2010, to repaint The Old Manse in one color using Benjamin Moore #AF-395 (putty grey). We anticipate following a similar process for this repainting.

**Timeline**

**July 2022** – Allocation of Trustees staff time planned; contractors selected

**August 2022** – Work begins; site prep (pruning, clean up) and carpentry

**Late August / Early September 2022** – Painting begins

**Late September / Early October 2022** – Painting complete

CPA funds required for payment, October-December 2022 on production of invoices

**Consolidated Financial Statements  
and Supplemental Information**

**The Trustees of  
Reservations and Affiliates**

**March 31, 2021 and 2020**

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Consolidated Financial Statements and Supplemental Information*

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## *Independent Auditors' Report*

To the Board of Directors  
The Trustees of Reservations and Affiliates

We have audited the accompanying consolidated financial statements of The Trustees of Reservations and Affiliates (collectively "The Trustees"), which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Trustees as of March 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the consolidated financial statements, effective April 1, 2020, The Trustees adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

August 16, 2021  
Boston, Massachusetts

(000's Omitted)

**The Trustees of Reservations and Affiliates**  
**Consolidated Statements of Financial Position**  
**March 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 20,988	\$ 13,420
Other assets	2,230	1,947
Pledges receivable, net of discount and allowance for uncollectible accounts	2,428	2,038
Investments	183,285	122,210
Funds held in trust by others	46,627	34,177
Assets held and expected residual interests under split-interest agreements	4,619	3,539
Fixed assets, net	25,433	27,248
Properties	99,587	98,197
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 385,197</u>	<u>\$ 302,776</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,568	\$ 2,085
Deferred revenues	5,794	1,518
Liability under split-interest agreements	2,347	2,028
Note payable	1,700	1,763
Other annuity obligation	310	388
	<u>          </u>	<u>          </u>
Total liabilities	<u>12,719</u>	<u>7,782</u>
Net assets:		
Without donor restrictions	63,207	58,007
With donor restrictions	309,271	236,987
	<u>          </u>	<u>          </u>
Total net assets	<u>372,478</u>	<u>294,994</u>
	<u>          </u>	<u>          </u>
Total liabilities and net assets	<u>\$ 385,197</u>	<u>\$ 302,776</u>

See accompanying notes to the consolidated financial statements.

**The Trustees of Reservations and Affiliates**  
**Consolidated Statement of Activities**  
**For the year ended March 31, 2021**  
**(with comparative totals for 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenues and support:				
Endowment support appropriated for operations	\$ 7,764	\$ -	\$ 7,764	\$ 7,684
Property and other revenues	11,832	-	11,832	15,870
Contributions	7,489	30,305	37,794	20,476
Memberships	7,420	-	7,420	5,986
Grant income	4,074	-	4,074	-
Net assets released from restrictions	3,432	(3,432)	-	-
Total revenues and support	<u>42,011</u>	<u>26,873</u>	<u>68,884</u>	<u>50,016</u>
Expenses:				
Program Services:				
Property stewardship	16,345	-	16,345	15,111
Visitor amenities and engagement	8,890	-	8,890	9,598
Agriculture	2,175	-	2,175	1,817
Land conservation	1,465	-	1,465	1,374
Historic and structural resources	1,565	-	1,565	1,466
Subtotal program services	<u>30,440</u>	<u>-</u>	<u>30,440</u>	<u>29,366</u>
Supporting Services:				
Fundraising	3,192	-	3,192	3,523
Member services	1,580	-	1,580	1,369
Marketing and communications	1,465	-	1,465	1,330
Subtotal fundraising	<u>6,237</u>	<u>-</u>	<u>6,237</u>	<u>6,222</u>
Administrative	4,449	-	4,449	4,533
Subtotal supporting services	<u>10,686</u>	<u>-</u>	<u>10,686</u>	<u>10,755</u>
Total expenses	<u>41,126</u>	<u>-</u>	<u>41,126</u>	<u>40,121</u>
Change in net assets from operations	885	26,873	27,758	9,895
Non-operating activities:				
Endowment support appropriated for non-operating	26	-	26	26
Property and other revenues	1,225	-	1,225	22
Capital contributions	454	-	454	1,172
Net assets released from restrictions	5,829	(5,829)	-	-
Non-operating expenses	(9,486)	-	(9,486)	(9,403)
Contributions and change in value of split-interest agreements	-	761	761	(107)
Investment return, net of amounts appropriated for operations and fees	9,229	49,782	59,011	(20,130)
Net asset transfers	(697)	697	-	-
Total change in net assets	<u>7,465</u>	<u>72,284</u>	<u>79,749</u>	<u>(18,525)</u>
<b>NET ASSETS</b> , beginning of year, as previously reported	58,007	236,987	294,994	297,547
Cumulative impact of change in accounting principles	<u>(2,265)</u>	<u>-</u>	<u>(2,265)</u>	<u>-</u>
<b>NET ASSETS</b> , beginning of year, as restated	<u>55,742</u>	<u>236,987</u>	<u>292,729</u>	<u>297,547</u>
Acquisition of deCordova	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,972</u>
<b>NET ASSETS</b> , end of year	<u>\$ 63,207</u>	<u>\$ 309,271</u>	<u>\$ 372,478</u>	<u>\$ 294,994</u>

**The Trustees of Reservations and Affiliates**  
**Consolidated Statement of Activities**  
**For the year ended March 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Revenues and support:			
Endowment support appropriated for operations	\$ 7,668	\$ 16	\$ 7,684
Property and other revenues	15,870	-	15,870
Contributions	5,555	14,921	20,476
Memberships	5,986	-	5,986
Net assets released from restrictions	4,925	(4,925)	-
Total revenues and support	<u>40,004</u>	<u>10,012</u>	<u>50,016</u>
Expenses:			
Program Services:			
Property stewardship	15,111	-	15,111
Visitor amenities and engagement	9,598	-	9,598
Agriculture	1,817	-	1,817
Land conservation	1,374	-	1,374
Historic and structural resources	1,466	-	1,466
Subtotal program services	<u>29,366</u>	<u>-</u>	<u>29,366</u>
Supporting Services:			
Fundraising	3,523	-	3,523
Member services	1,369	-	1,369
Marketing and communications	1,330	-	1,330
Subtotal fundraising	<u>6,222</u>	<u>-</u>	<u>6,222</u>
Administrative	4,533	-	4,533
Subtotal supporting services	<u>10,755</u>	<u>-</u>	<u>10,755</u>
Total expenses	<u>40,121</u>	<u>-</u>	<u>40,121</u>
Change in net assets from operations	(117)	10,012	9,895
Non-operating activities:			
Endowment support appropriated for non-operating	26	-	26
Property and other revenues	22	-	22
Capital contributions	1,172	-	1,172
Net assets released from restrictions	6,039	(6,039)	-
Non-operating expenses	(9,403)	-	(9,403)
Contributions and change in value of split-interest agreements	(11)	(96)	(107)
Investment return, net of amounts appropriated for operations and fees	(3,222)	(16,908)	(20,130)
Net asset transfers	(206)	206	-
Total change in net assets	(5,700)	(12,825)	(18,525)
Acquisition of deCordova	2,674	13,298	15,972
<b>NET ASSETS</b> , beginning of year	<u>61,033</u>	<u>236,514</u>	<u>297,547</u>
<b>NET ASSETS</b> , end of year	<u>\$ 58,007</u>	<u>\$ 236,987</u>	<u>\$ 294,994</u>

The Trustees of Reservations and Affiliates  
Consolidated Statement of Functional Expenses  
For the year ended March 31, 2021  
(with comparative totals for 2020)

	2021								2020		
	Property Stewardship	Visitor Amenities and Engagement	Agriculture	Land Conservation	Historic & Structural Resources	Supporting Services Management and General Fundraising		Total Operating	Non-Operating	Total	
Salaries, benefits and taxes	\$ 10,404	\$ 6,588	\$ 1,209	\$ 1,162	\$ 1,336	\$ 1,713	\$ 4,158	\$ 26,570	\$ 509	\$ 27,079	\$ 25,228
Contractual non-stewardship	436	546	24	199	105	711	789	2,810	3,018	5,828	6,271
Property maintenance and repair	1,400	171	119	16	38	206	1	1,951	3,800	5,751	4,698
Occupancy	1,100	63	59	-	39	667	1	1,929	3	1,932	1,970
Finance, legal and insurance	260	211	4	62	-	857	154	1,548	11	1,559	1,209
Postage and printing	66	65	5	-	14	37	893	1,080	18	1,098	1,257
Travel, vehicles and fuel	305	32	52	9	7	14	51	470	127	597	1,003
Public programming	364	708	3	-	1	2	110	1,188	32	1,220	1,831
Depreciation and amortization	430	68	65	9	-	93	5	670	1,795	2,465	2,394
Access fees	653	27	8	2	-	33	10	733	18	751	756
Cost of goods	341	155	325	-	-	-	1	822	-	822	940
Communications and information technology	338	43	6	5	23	112	7	534	3	537	753
Farm expenses	211	41	289	-	-	-	-	541	122	663	609
Meetings, meals and entertainment	15	3	2	1	2	1	11	35	-	35	250
Advertising and publicity	22	169	5	-	-	3	46	245	30	275	355
<b>Total functional expenses</b>	<b>\$ 16,345</b>	<b>\$ 8,890</b>	<b>\$ 2,175</b>	<b>\$ 1,465</b>	<b>\$ 1,565</b>	<b>\$ 4,449</b>	<b>\$ 6,237</b>	<b>\$ 41,126</b>	<b>\$ 9,486</b>	<b>\$ 50,612</b>	<b>\$ 49,524</b>

The Trustees of Reservations and Affiliates  
Consolidated Statement of Functional Expenses  
For the year ended March 31, 2020

	2020									
	Property Stewardship	Visitor Amenities and Engagement	Agriculture	Land Conservation	Historic & Structural Resources	Supporting Services Management and General		Fundraising	Total Operating	Non-Operating
Salaries, benefits and taxes	\$ 9,589	\$ 6,131	\$ 1,125	\$ 1,081	\$ 1,243	\$ 1,780	\$ 4,014	\$ 24,963	\$ 265	\$ 25,228
Contractual non-stewardship	250	383	10	151	68	603	623	2,088	4,183	6,271
Property maintenance and repair	1,419	334	58	28	38	151	75	2,103	2,595	4,698
Occupancy	1,020	251	33	-	43	605	10	1,962	8	1,970
Finance, legal and insurance	119	65	-	38	-	905	13	1,140	69	1,209
Postage and printing	38	106	2	1	9	58	1,001	1,215	42	1,257
Travel, vehicles and fuel	488	93	56	24	19	43	61	784	219	1,003
Public programming	252	1,201	5	12	3	11	272	1,756	75	1,831
Depreciation and amortization	383	18	71	21	-	109	2	604	1,790	2,394
Access fees	642	55	7	2	-	2	2	710	46	756
Cost of goods	257	503	178	-	-	-	2	940	-	940
Communications and information technology	332	150	20	14	26	144	65	751	2	753
Farm expenses	257	58	232	-	-	-	2	549	60	609
Meetings, meals and entertainment	41	27	2	2	16	122	28	238	12	250
Advertising and publicity	24	223	18	-	1	-	52	318	37	355
<b>Total functional expenses</b>	<b>\$ 15,111</b>	<b>\$ 9,598</b>	<b>\$ 1,817</b>	<b>\$ 1,374</b>	<b>\$ 1,466</b>	<b>\$ 4,533</b>	<b>\$ 6,222</b>	<b>\$ 40,121</b>	<b>\$ 9,403</b>	<b>\$ 49,524</b>

(000's Omitted)

**The Trustees of Reservations and Affiliates**  
**Consolidated Statements of Cash Flows**  
**For the years ended March 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	\$ 79,749	\$ (18,525)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,495	2,405
Contributions for long-term investments	14,529	2,446
Donated properties	(610)	(947)
Net realized and unrealized (gains) losses on investments	(78,906)	12,474
Loss on sale/disposal of fixed assets	-	64
Gain on sale of properties	(39)	(623)
(Increase) decrease in assets:		
Other assets	(283)	977
Pledges receivable	(390)	(238)
Assets held under split-interest agreements	(1,080)	(149)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	483	(160)
Deferred revenues	2,011	(310)
Liability under split-interest agreements	319	256
Other annuity obligation	(78)	(78)
Net cash provided by (used in) operating activities	<u>18,200</u>	<u>(2,408)</u>
Cash flows from investing activities:		
Purchases of investments	(58,033)	(2,066)
Proceeds from sale of investments	63,414	7,924
Cash paid for acquisition of properties	(780)	(222)
Proceeds from the sale of properties	39	623
Cash assumed from acquisition of deCordova	-	1,398
Cash paid for fixed assets	(683)	(764)
Net cash provided by investing activities	<u>3,957</u>	<u>6,893</u>
Cash flows from financing activities:		
Contributions restricted for long-term investments	(14,529)	(2,446)
Payments on line of credit	-	(280)
Payments on notes payable	(60)	(38)
Net cash used in financing activities	<u>(14,589)</u>	<u>(2,764)</u>
Net increase in cash and cash equivalents	7,568	1,721
Cash and cash equivalents at beginning of year	<u>13,420</u>	<u>11,699</u>
Cash and cash equivalents at end of year	<u>\$ 20,988</u>	<u>\$ 13,420</u>

See accompanying notes to the consolidated financial statements.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies**

#### ***Nature of Operations***

The Trustees of Reservations (TTOR) is a nonprofit corporation founded in 1891. TTOR's purpose is to preserve, for public use and enjoyment, properties of exceptional scenic, historical and ecological value primarily within the Commonwealth of Massachusetts. TTOR also educates the public with regard to natural and historic resources and their conservation and stewardship. The Trustees of Reservations also consolidates a number of entities for which it is the sole corporate member including: The Massachusetts Land Conservation Trust, Inc. (MLCT), Hilltown Land Trust, Inc. (HLT), Fruitlands Museum, Inc. (Fruitlands) and DeCordova and Dana Museum and Park (DeCordova). Each of these entities are nonprofit corporations with separate Boards of Directors with representation from TTOR. The organizations are collectively referred to as the "Trustees".

#### ***Basis of Accounting***

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America which require that The Trustees reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions. The Board of Directors has designated from net assets without donor restrictions, net assets to function as endowment. Net assets without donor restrictions also include the investment in plant, net of accumulated depreciation and related debt obligations, loan funds, properties and undesignated funds.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. This includes accumulated unspent gains on endowment funds that are subject to spending policies as discussed later in these notes. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity such as in the case of the properties and endowment type funds.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents represent highly liquid debt instruments, bank deposits and other such accounts with original maturities of three months or less. Such accounts are carried at cost plus earned interest. Certain of these accounts have deposit insurance, however balances may exceed federal insurance limits. The Trustees monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts. Cash and cash equivalents held by investment managers are considered part of investments.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)**

#### ***Pledges Receivable***

Pledges receivable represent contributions verifiably committed by donors that are scheduled for payment in the future. They are initially recorded at fair value using Level 2 inputs as described elsewhere in these policies. An allowance is provided for uncollectable amounts based upon management's estimates including factors such as historical experience, specific review of circumstances relative to major pledges and other factors.

#### ***Investments***

Investments are carried at fair value consistent with the fair value policies described elsewhere in these policies.

Net investment return (loss) is reported in the Consolidated Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Such returns are allocated ratably to the various funds invested within the portfolio.

The investment objective of The Trustees is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund its board approved spending policy and to increase investment values after inflation. Major investment decisions are authorized by the Investment Subcommittee of the Board of Directors that oversees The Trustees' investments mindful of diversification among asset classes.

#### ***Fair Value Measurements***

The Trustees reports required types of financial instruments in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted market prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The fair value standards also provide for a practical expedient of fair value allowing for the use of net asset value per share ("NAV") when certain requirements are met. Items reported at fair value on a recurring basis include investments and funds held in trust by others. Non-recurring fair values include items such as the initial recording of pledges.

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories (except those items valued at NAV) as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that The Trustees has the ability to access at measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### ***Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)***

#### ***Fair Value Measurements (Continued)***

Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these consolidated financial statements.

#### ***Funds Held in Trust by Others***

Funds held in trust by others are carried at fair value as per the fair value policies described elsewhere in this section. Amounts appropriated for expenditure from funds held in trust are requested by management and must be approved by the trustees of the respective trusts. The Trustees is the sole beneficiary of these trusts and thus the value is deemed equal to the assets of the trusts.

#### ***Assets Held and Expected Residual Interest under Split-Interest Agreements***

The Trustees is the beneficiary of various giving agreements. Split-interest agreements generally provide for payments to a beneficiary for life with TTOR benefiting from the remaining amounts. Assets of split-interest agreements are recorded at fair value as per the fair value policies elsewhere in this section. Contributions are recognized as the difference between fair value of donated assets less the initial estimated fair value of the liability for amounts estimated to be payable to the donor or the donor's designee. The initially recorded fair value of these gifts is determined based on the nature of interests received which are generally Level 1 measurements when assets are held by TTOR with the obligations being a non-recurring Level 2 method. Arrangements that are held by third parties are recorded on a net basis at their estimated fair value using Level 3 methods at inception with subsequent adjustments for actuarial and other factors.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)**

#### ***Fixed Assets and Depreciation***

Fixed assets are recorded when the useful life is over one year at cost when such amounts exceed a management established capitalization threshold. In the case of donated fixed assets, such amounts are recorded at fair value at the date of gift which would normally entail a Level 3 fair value assessment as per the fair value standards elsewhere in this section. Expenditures for maintenance and repairs are expensed as incurred. Betterments, which increase the value or materially extend the life of the related assets, are capitalized.

Fixed assets are depreciated using the straight-line method over the following estimated useful lives:

Property improvements	20 - 40 years
Vehicles	5 - 20 years
Equipment	3 - 5 years

#### ***Properties***

Properties are recorded at cost when purchased or fair value when donated. Fair value is determined as per the fair value policies elsewhere in this section using Level 3 fair value methods. Properties primarily consist of land and, as such, are not depreciated. Properties held for permanent conservation by TTOR are classified as net assets with donor restrictions. MLCT acquires properties, which might be transferred to TTOR to hold as a reservation or might be conveyed to other unrelated entities, in pursuit of its conservation objectives. Net assets associated with these MLCT properties are classified as net assets without donor restrictions unless it is restricted by the donor. Net asset transfers are reported to the extent that determination is made which impacts classification.

Properties acquired in connection with the acquisition of an organization are recorded at the net book value on the date of acquisition. The properties have significant restrictions on the use which impacts the value.

Contributed funds used to acquire properties are reported as increases in net assets with restrictions until the disposition of the related property is determined. At such time as the property is acquired, the restricted funds are released into net assets without donor restrictions. Any gain or loss on the property transaction appears in other unrestricted activity as special projects expense on the Consolidated Statements of Activities.

#### ***Collections***

Collections, which were acquired through purchases and contributions since The Trustees' inception, are not recognized as assets on the Consolidated Statements of Financial Position. The collections are made up of artwork and art objects that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)**

#### ***Deferred Revenues***

A contract liability (“deferred revenues”) is recorded when cash is received in advance of The Trustees performance and is recognized as revenue as The Trustees fulfills the respective performance obligation. Deposits for function rentals, room rentals, campgrounds, programs, and gift certificates are deferred and recorded as revenues without donor restrictions in the year in which the services are provided.

#### ***Notes Payable***

Notes payable are reported at the face value of the remaining obligations under the related debt, net of issuance costs. Debt issuance costs are amortized over the term of the related debt on a straight-line basis.

#### ***Other Annuity Obligation***

The Trustees has a single life annuity obligation associated with a land transaction. The agreement calls for The Trustees to make annual payments of \$78,000 over the life of the beneficiary. In exchange, consideration of \$1.3 million of resources was transferred to The Trustees. The present value of such obligation has been reflected in the Consolidated Statements of Financial Position.

#### ***Income Tax Status***

TTOR, MLTC, HLT, Fruitlands and DeCordova are generally exempt from Federal and state income taxes on related income as publicly supported organizations formed for charitable purposes under Section 501(c)(3) or related sections of the Internal Revenue Code. Given the limited taxable activities of the various entities, management concluded that disclosures relative to tax provisions are not necessary.

#### ***Uncertain Tax Positions***

The Trustees accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Trustees has identified its tax status as a tax-exempt entity and its determination as to its income being related or unrelated as its only significant tax positions and has determined that such tax positions do not result in an uncertainty requiring recognition. The Trustees is not currently under examination by any taxing jurisdiction. Federal and state income tax returns are generally open for examination for three years following the date filed.

#### ***Revenue Recognition***

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. The Trustees has both earned revenues and contributed support. Earned revenues are under arrangements that are one year or less in length.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### *Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)*

#### *Revenue Recognition (Continued)*

##### *Earned Revenues*

Under accounting standards, earned revenue measurement is driven via a principles-based process that requires the entities: 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 the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied. Contributed support follows different standards. A summary of each of the earned revenue and support flows are as follows:

Property and other revenues are generally recorded upon sale or completion of the service, depending upon the activity. Sales consist primarily of property admission fees, farm sales from community-supported agriculture programs, public programming and tours, property events and rental income from campgrounds, inns and events. Deposits and prepayments for campground and inn reservations and event rentals are reflected as deferred support until the performance obligation is satisfied, which is the date of reservation or event.

Memberships are recorded as earned over a one-year period from the date of receipt as the performance obligations are satisfied. Management believes that recognizing revenue over time is the best measure of services rendered based on the length of the membership. Management does not consider there to be significant judgment involved in the timing of satisfaction of performance obligations as those are directly linked to the length of the membership.

Investment returns are reported as revenue based on the fair value of such investments at year end. Such returns are allocated ratably based on the relative proportion of funds invested with donor restrictions and those without donor restrictions. Investment returns allocated to net assets with donor restrictions remain in such category until appropriated by the board under the board approved spending policy unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

##### *Contributed Support*

Gifts and grants, including written unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Gifts and grants of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in this section. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in gift and grant revenue in accordance with the donor-imposed restrictions, if any, on the gifts or grants. Gifts or grants with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied. Conditional promises are recorded as revenue when the barriers to performance are met.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### ***Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)***

#### ***Revenue Recognition (Continued)***

##### ***Contributed Support (Continued)***

The Trustees applied for and received a forgivable Paycheck Protection Loan of \$4,028,077 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 18, 2020 which was considered a conditional contribution. The Trustees followed the grant accounting model in that revenue is recorded as qualified costs are incurred which resulted in the entire amount being recorded as revenue in fiscal 2021. A request for forgiveness was submitted on December 11, 2020 and formally approved on June 8, 2021.

Gifts of property, plant and equipment are recorded as without donor restrictions unless the donor explicitly states how such assets should be used. Gifts of cash or other assets that must be used to acquire long lived assets are reported as net assets with donor restrictions. The Trustees reports expirations of donor restrictions when the donated or acquired long lived asset is placed into service.

A substantial number of unpaid volunteers have made significant contributions of their time to The Trustees. The value of this contributed time is not reflected in these consolidated financial statements.

Expenses are reported as decreases in net assets without donor restrictions. The Consolidated Statements of Activities present expenses by functional classification

#### ***Estimates***

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Operating and Non-operating Activity***

The Consolidated Statements of Activities report the change in net assets from operating and non-operating activities. Operating revenues consist of endowment support appropriated for operations, property and other revenues, annual fund contributions, contributions, memberships, and net assets released from restrictions. Non-operating activities include investment return, net of amounts appropriated for operations and fees, non-operating expenses such as capital and maintenance projects and land conservation deals funded through restricted funds, capital contributions received for endowment, contributions and the change in the value of split-interest agreements and net asset transfers.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)**

#### ***Functional Allocation of Expenses***

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities. The Consolidated Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation of fixed assets and operation and maintenance of fixed assets have been allocated to functional classifications based on location.

#### ***Newly Adopted Accounting Pronouncement***

Effective April 1, 2020, The Trustees adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, associated with revenue recognition. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard addresses inconsistency in revenue recognition by outlining a principles-based system which requires that there be a contract with a customer, that performance obligations be identified, that transaction price be determined, that transaction price is allocated to performance obligations and that revenue be recorded when or as the performance obligations are satisfied over the contract term. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract.

The majority of The Trustees’ existing contracts were unaffected by the new standard. However, in The Trustees’ analysis of its membership program, it was determined that a portion of all memberships are accompanied with an expectation of performance on the part of The Trustees, with amounts paid above and beyond a baseline amount considered to be donative. Accordingly, The Trustees is required to systematically recognize a ratable amount of membership revenue over the life of the individual’s membership in conjunction with their completion of performance, with the remaining membership amount recorded in deferred revenues until The Trustees’ performance obligation has been satisfied. This analysis represents a significant estimate with regard to the timing of The Trustees’ performance obligations and consequent recording of revenue. Effective April 1, 2020, The Trustees recorded \$2,265,000 of deferred revenue which would otherwise have been recorded as membership revenue in prior periods. This amount is recorded as a change in accounting policy in the consolidated financial statements.

Associated with the adoption of this standard, consideration was given to the accounting treatment of certain costs to obtain and fulfill a contract. Certain incremental costs of obtaining a contract with a customer and costs incurred in fulfilling a contract with a customer, that are not in the scope of other existing guidance, should be analyzed for capitalization. There were no costs incurred to obtain and fulfill contracts and, accordingly, no change was made to this accounting.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)**

#### ***Accounting Pronouncements Effective in Future Years***

ASU No. 2016-02, *Leases*, is pending adoption and requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its statement of financial position. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal year 2023 for The Trustees and management is currently evaluating this and other pending standards for potential impact.

#### ***Reclassifications***

Certain amounts from the prior year's financial statements were reclassified in order to conform to the current year's financial statements.

#### ***Subsequent Events***

The Trustees has evaluated subsequent events through August 16, 2021, the date the consolidated financial statements were authorized to be issued. As indicated in Note 1, forgiveness was formally received after year-end associated with the Payroll Protection Loan. No other events were identified that required recognition or disclosure during that evaluation.

### **Note 2 - Liquidity and Availability**

The Trustees regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Trustees has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, The Trustees considers all expenditures related to its ongoing activities for program services as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, The Trustees generally seeks to operate with a balanced budget and anticipates collecting sufficient revenue, contributions, endowment support and other resources to cover general expenditures.

Although not expected to be needed, the spendable yet restricted portion of The Trustees' net assets could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 2 - Liquidity and Availability (Continued)**

The following tables show the total financial assets held by The Trustees and the amounts of those financial assets available within one year of the Consolidated Statement of Financial Position date to meet general expenditures:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 20,988	\$ 13,420
Pledges for general expenditure due in one year or less (Note 3)	999	562
Endowment spending rate appropriation for operations	<u>7,755</u>	<u>7,677</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 29,742</u>	<u>\$ 21,659</u>

### **Note 3 - Pledges Receivable**

Pledges receivable are expected to be realized as follows at March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Within one year	\$ 999	\$ 562
One to five years	1,272	1,298
More than five years	<u>500</u>	<u>500</u>
Total pledges receivable	2,771	2,360
Less: present value discount (at 4%)	(218)	(215)
Less: allowance for uncollectible pledges	<u>(125)</u>	<u>(107)</u>
	<u>\$ 2,428</u>	<u>\$ 2,038</u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 4 - Investments, Funds Held by Others and Fair Value of Financial Instruments

The valuation of The Trustees' investments by the fair value hierarchy consisted of the following at March 31:

<i>(In Thousands)</i>	<b>2021</b>				
	<i>Investments Measured at NAV</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities and funds:					
Domestic	\$ -	\$ 9,272	\$ -	\$ -	\$ 9,272
Global	21,521	32,143	-	-	53,664
Non-U.S.	5,226	12,455	-	-	17,681
Emerging markets	2,681	5,131	-	-	7,812
Growth equity	4,320	-	-	-	4,320
	<u>33,748</u>	<u>59,001</u>	<u>-</u>	<u>-</u>	<u>92,749</u>
Fixed income securities and funds:					
U.S. Treasuries	-	-	12,546	-	12,546
Marketable alternatives:					
Long/short equities	26,660	-	-	-	26,660
Absolute return	5,999	-	-	-	5,999
Open mandate	5,215	-	-	-	5,215
	<u>37,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,874</u>
Non-marketable alternatives:					
Venture capital	20,455	-	-	-	20,455
Private equity	4,705	-	-	-	4,705
International private equity	4,175	-	-	-	4,175
Distressed securities	401	-	-	-	401
Natural resources	2,665	-	-	1,072	3,737
Real estate	313	-	-	-	313
	<u>32,714</u>	<u>-</u>	<u>-</u>	<u>1,072</u>	<u>33,786</u>
Cash and short-term investments	-	6,330	-	-	6,330
Total investments	<u>\$ 104,336</u>	<u>\$ 65,331</u>	<u>\$ 12,546</u>	<u>\$ 1,072</u>	<u>\$ 183,285</u>
Funds held in trust by others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,627</u>	<u>\$ 46,627</u>
Assets held and expected residual interests under split-interest agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,619</u>	<u>\$ 4,619</u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 4 - Investments, Funds Held by Others and Fair Value of Financial Instruments (Continued)

	2020				
<i>(In Thousands)</i>	<i>Investments Measured at NAV</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities and funds:					
Domestic	\$ -	\$ 859	\$ -	\$ -	\$ 859
Global	16,448	13,916	-	-	30,364
Non-U.S.	6,890	6,930	-	-	13,820
Emerging markets	4,204	4,178	-	-	8,382
Growth equity	1,232	-	-	-	1,232
	<u>28,774</u>	<u>25,883</u>	<u>-</u>	<u>-</u>	<u>54,657</u>
Fixed income securities and funds:					
Global bonds	-	323	-	-	323
U.S. Treasuries	-	-	11,077	-	11,077
	<u>-</u>	<u>323</u>	<u>11,077</u>	<u>-</u>	<u>11,400</u>
Marketable alternatives:					
Long/short equities	16,873	-	-	-	16,873
Absolute return	5,054	-	-	-	5,054
Open mandate	6,658	-	-	-	6,658
	<u>28,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,585</u>
Non-marketable alternatives:					
Venture capital	11,441	-	-	-	11,441
Private equity	2,636	-	-	-	2,636
International private equity	3,106	-	-	-	3,106
Distressed securities	414	-	-	-	414
Natural resources	2,482	-	-	4,337	6,819
Real estate	393	-	-	-	393
	<u>20,472</u>	<u>-</u>	<u>-</u>	<u>4,337</u>	<u>24,809</u>
Cash and short-term investments	<u>-</u>	<u>2,759</u>	<u>-</u>	<u>-</u>	<u>2,759</u>
Total investments	<u>\$ 77,831</u>	<u>\$ 28,965</u>	<u>\$ 11,077</u>	<u>\$ 4,337</u>	<u>\$ 122,210</u>
Funds held in trust by others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,177</u>	<u>\$ 34,177</u>
Assets held and expected residual interests under split-interest agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,539</u>	<u>\$ 3,539</u>

The funds held in trust by others are classified as Level 3 given the trust structure holding such assets notwithstanding that the underlying investments may be liquid or with readily determinable fair values. The Trustees' value in assets held under split-interest agreements are classified as Level 3 as a significant portion of the investments underlying these are held by others. Management considered the amounts which could be assigned to other levels immaterial.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 4 - Investments, Funds Held by Others and Fair Value of Financial Instruments (Continued)**

Management has no intentions or plans to liquidate any NAV practical expedient investments at other than NAV per share. There have been no transfers of investments between the fair value levels in 2021 and 2020.

The changes in assets measured at fair value for which The Trustees has used Level 3 inputs to determine fair value are as follows:

	<i>(In Thousands)</i>	
	<b><i>Funds Held by Others</i></b>	<b><i>Natural Resources</i></b>
Balance, April 1, 2019	\$ 30,637	\$ 4,510
Investment return (loss)	(2,618)	28
Purchases/Sales/Withdrawals	(1,572)	(201)
Transfer from DeCordova	8,001	-
Fees	<u>(271)</u>	<u>-</u>
Balance, March 31, 2020	34,177	4,337
Investment return (loss)	14,510	(328)
Purchases/Sales/Withdrawals	(1,705)	(2,937)
Fees	<u>(355)</u>	<u>-</u>
Balance, March 31, 2021	<u>\$ 46,627</u>	<u>\$ 1,072</u>

Net investment return (loss), including activity related to funds held in trust by others, consisted of the following for the years ended March 31:

	<i>(In Thousands)</i>	
	<b><i>2021</i></b>	<b><i>2020</i></b>
Net investment return	\$ 66,775	\$ (12,420)
Total return appropriated for operations and non-operating	<u>(7,790)</u>	<u>(7,710)</u>
Investment returns, net of amounts appropriated for operations	<u>\$ 58,985</u>	<u>\$ (20,130)</u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 4 - Investments, Funds Held by Others and Fair Value of Financial Instruments (Continued)**

Unfunded investment commitments amounted to approximately \$14.3 million as of March 31, 2021.

Investments may be redeemed as follows at March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Investment redemption or sale period:		
Daily	\$ 36,343	\$ 22,250
Weekly	9,078	8,606
Monthly	31,968	18,272
Quarterly	52,950	33,611
Semi-annually	3,777	2,279
Annually	3,093	4,030
More than annually	2,138	2,655
Illiquid	43,938	30,507
	<u>\$ 183,285</u>	<u>\$ 122,210</u>

### **Note 5 - Fixed Assets**

Fixed assets consist of the following at March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Property improvements	\$ 52,984	\$ 52,985
Vehicles	5,697	5,320
Equipment	4,138	4,130
Construction in progress	152	106
	<u>62,971</u>	<u>62,541</u>
Less accumulated depreciation	<u>(37,538)</u>	<u>(35,293)</u>
	<u>\$ 25,433</u>	<u>\$ 27,248</u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 6 - Note Payable**

Note payable consisted of the following at March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
<p>Direct purchase Massachusetts Development Finance Agency Revenue Bonds, DeCordova and Dana Museum and Park Issue Series 2012, interest fixed at 3.49% for ten years. At the end of the ten year term, interest will be variable at 69% of the Federal Home Loan rate plus 2.50%. Principal and interest payments are made monthly on a 30-year amortization schedule with the unpaid principal balance due in full on September 1, 2042.</p>	<u>\$ 1,737</u>	<u>\$ 1,804</u>
Total note payable	<u>1,737</u>	<u>1,804</u>
Less bond issuance costs (net of amortization)	<u>37</u>	<u>41</u>
Note payable	<u><u>\$ 1,700</u></u>	<u><u>\$ 1,763</u></u>

In addition to the above, The Trustees has available a \$2,000,000 unsecured demand line of credit with a bank which management expects to extend annually. Interest on borrowings under the line of credit is payable at the one-month LIBOR rate, plus 2.5%. There were no outstanding borrowings under this agreement at March 31, 2021 and 2020.

Interest expense under these arrangements are modest and thus management has elected to omit further disclosure.

Principal maturities on debt and other obligations are as follows:

	<i>(In Thousands)</i>	
2022	\$	55
2023		57
2024		59
2025		61
2026		64
Thereafter		<u>1,441</u>
	<u>\$</u>	<u><u>1,737</u></u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 7 - Employee Benefit Plan**

The Trustees contributes to a defined contribution retirement plan covering all eligible employees. Employees become eligible to participate after completing one year of service of 1,000 hours worked and attaining the age of 21. The plan currently provides for an employer matching contribution of up to 5% of an employee's eligible compensation. Contributions are immediately vested. Expenses under the plan were \$612,000 and \$553,000 for the years ended March 31, 2021 and 2020, respectively.

### **Note 8 - Endowments**

The Trustees endowment consists of approximately 155 individual restricted endowment funds and 25 Board-designated endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted in Massachusetts as requiring the tracking of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, The Trustees tracks in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift and instrument at the time the accumulation is added to the fund, as applicable. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by The Trustees in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, The Trustees considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

- 1) The duration and preservation of the fund;
- 2) The purposes of The Trustees and the donor-restricted endowment fund;
- 3) General economic conditions;
- 4) The possible effect of inflation and deflation;
- 5) The expected total return from income and the appreciation of investments;
- 6) Other resources of The Trustees; and
- 7) The investment policies of The Trustees.

### **Endowment Funds with Deficits**

From time to time, certain donor-restricted endowment funds may have fair values less than the corpus contributed by donors. The Trustees has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 8 - Endowments (Continued)

#### Endowment Funds with Deficits (Continued)

Funds with deficiencies were reported in net assets with donor restrictions as follows at March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Fair value of underwater endowment funds	\$ -	\$ 20,977,336
Original endowment gift amount	-	<u>22,018,861</u>
Deficiencies of underwater endowment funds	<u>\$ -</u>	<u>\$ (1,041,525)</u>

#### Return Objectives and Risk Parameters

The Trustees' investment portfolio is managed to provide for the long-term support of The Trustees. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk. The target for average annual real total return (net of investment management fees and inflation) is at least 5% when measured over rolling periods of not less than five years.

To satisfy its long-term rate-of-return objectives, The Trustees relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trustees targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital.

#### Interpretation of Relevant Law and Spending Policy

The Trustees has interpreted state law as requiring that all gains on endowment funds that have not been appropriated in accordance with the law should be classified as accumulated unspent gains with restrictions unless otherwise indicated by the donor.

The endowment spending policy combines 80% of the prior year spending (plus inflation) plus 20% of the amount derived from applying a 4% spending rate to the average market value of endowment investments for the trailing 4 quarters. In addition, a 1% symmetrical collar is applied to set upper and lower limitations on the resulting calculation.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 8 - Endowments (Continued)**

Endowment net asset composition by type of fund is as follows as of March 31:

<i>(In Thousands)</i>	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 33,055	\$ -	\$ 33,055
Donor-restricted endowment funds:			
Original donor - restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	86,369	86,369
Accumulated gains	-	107,826	107,826
Total endowment funds	\$ 33,055	\$ 194,195	\$ 227,250
	<b>2020</b>		
<i>(In Thousands)</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 24,101	\$ -	\$ 24,101
Donor-restricted endowment funds:			
Original donor - restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	69,733	69,733
Accumulated gains	-	58,168	58,168
Total endowment funds	\$ 24,101	\$ 127,901	\$ 152,002

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 8 - Endowments (Continued)**

The following represents required disclosure relative to the composition and activities of endowment and funds functioning as endowment for the years ended March 31:

<i>(In Thousands)</i>	<b>2021</b>		<b>Total</b>
	<b><i>Without Donor Restrictions</i></b>	<b><i>With Donor Restrictions</i></b>	
Endowment net assets, beginning of year	\$ 24,101	\$ 127,901	\$ 152,002
Gifts and additions	-	16,188	16,188
Investment return	10,237	56,153	66,390
Appropriation of endowment assets pursuant to spend rate total return policy	-	(6,481)	(6,481)
Distribution from board-designated endowment pursuant to distribution policy	(1,283)	-	(1,283)
Expenditures and transfers	-	434	434
Endowment net assets, end of year	<u>\$ 33,055</u>	<u>\$ 194,195</u>	<u>\$ 227,250</u>
	<b>2020</b>		
<i>(In Thousands)</i>	<b><i>Without Donor Restrictions</i></b>	<b><i>With Donor Restrictions</i></b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 27,035	\$ 131,394	\$ 158,429
Gifts and additions	50	2,426	2,476
Investment return	(1,875)	(10,545)	(12,420)
Appropriation of endowment assets pursuant to spend rate total return policy	-	(6,411)	(6,411)
Distribution from board-designated endowment pursuant to distribution policy	(1,296)	-	(1,296)
Expenditures and transfers	187	11,037	11,224
Endowment net assets, end of year	<u>\$ 24,101</u>	<u>\$ 127,901</u>	<u>\$ 152,002</u>

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 9 - Net Assets

The net assets are summarized as follows as of March 31:

<i>(In Thousands)</i>	2021		<i>Total</i>
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	
<b>Detail of Net Assets</b>			
Operating funds:			
Undesignated	\$ (2,753)	\$ -	\$ (2,753)
Investment in plant	23,696	-	23,696
Properties	6,975	92,612	99,587
Loan funds	2,234	-	2,234
Donor restricted for:			
Property and resource stewardship	-	10,954	10,954
Land and community conservation	-	8,266	8,266
Agriculture and the environment	-	1,096	1,096
Visitor engagement and education	-	291	291
Pledges - allowance and discount	-	(415)	(415)
Split-interest agreements	-	2,272	2,272
Endowment funds:			
Board-designated endowment funds	33,055	-	33,055
Funds held in Trust	-	46,627	46,627
Restricted for Property stewardship	-	80,693	80,693
Restricted for Land and community conservation	-	24,382	24,382
Restricted for Historical and structural resources	-	16,601	16,601
Restricted for Agriculture and the environment	-	3,510	3,510
Restricted for Visitor engagement and education	-	12,178	12,178
Restricted for General purposes	-	10,204	10,204
Total endowment funds	33,055	194,195	227,250
Total net assets	\$ 63,207	\$ 309,271	\$ 372,478

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## Notes to Consolidated Financial Statements

### Note 9 - Net Assets (Continued)

<i>(In Thousands)</i>	2020		<i>Total</i>
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	
<b>Detail of Net Assets</b>			
Operating funds:			
Undesignated	\$ (144)	\$ -	\$ (144)
Investment in plant	25,444	-	25,444
Properties	6,974	91,223	98,197
Loan funds	1,632	-	1,632
Donor restricted for:			
Property and resource stewardship	-	8,738	8,738
Land and community conservation	-	6,866	6,866
Agriculture and the environment	-	509	509
Visitor engagement and education	-	628	628
Pledges - allowance and discount	-	(389)	(389)
Split-interest agreements	-	1,511	1,511
Endowment funds:			
Board-designated endowment funds	24,101	-	24,101
Funds held in Trust	-	34,176	34,176
Restricted for Property stewardship	-	63,590	63,590
Restricted for Land and community conservation	-	6,500	6,500
Restricted for Historical and structural resources	-	13,098	13,098
Restricted for Agriculture and the environment	-	2,665	2,665
Restricted for Visitor engagement and education	-	6,574	6,574
Restricted for General purposes	-	1,298	1,298
Total endowment funds	24,101	127,901	152,002
Total net assets	\$ 58,007	\$ 236,987	\$ 294,994

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 9 - Net Assets (Continued)**

Net assets were released from donor restrictions as a result of incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or the occurrence of events specified by the donors. Net assets released from restrictions are for the following purposes for the years ended March 31:

	<i>(In Thousands)</i>	
	<b>2021</b>	<b>2020</b>
Property and resource stewardship	\$ 5,746	\$ 4,081
Land and community conservation	1,646	733
Agriculture and the environment	454	1,017
Visitor engagement and education	1,415	2,791
Historic and structural resources	-	179
Supporting services	-	2,163
	<hr/>	<hr/>
Net assets released from restrictions	<u>\$ 9,261</u>	<u>\$ 10,964</u>

### **Note 10 - Commitments and Contingencies**

The Trustees is involved in legal actions in the ordinary course of business. In the opinion of management, there are no legal proceedings pending against or involving The Trustees whose outcome is likely to have a material adverse effect upon the financial statements.

In the ordinary course of operations, The Trustees routinely enters into agreements to purchase properties for which it has sufficient resources and liquidity. These commitments are not separately disclosed unless they are considered material by management.

# THE TRUSTEES OF RESERVATIONS AND AFFILIATES

## *Notes to Consolidated Financial Statements*

### **Note 11 - Commitments and Contingencies (Continued)**

The Trustees leases certain office and storage facilities under operating lease arrangements that expire at various times through fiscal 2031. The Trustees is also responsible for a proportionate share of direct operating expenses and taxes and increase of such over the lease terms. Lease obligations were as follows at March 31:

	<i>(In Thousands)</i>
<i>Fiscal Year</i>	<i>Lease Obligation</i>
2022	\$ 823
2023	835
2024	822
2025	820
2026	819
Thereafter	985

Rent expense was \$763,000 and \$787,000 for the years ended March 31, 2021 and 2020, respectively.

### **Note 12 - Acquisition**

On July 1, 2019, TTOR acquired the DeCordova and Dana Museum and Park (DeCordova) by being named its sole member.

DeCordova had total assets of \$18,807, total net assets of \$15,972, total revenue of \$1,781 and total expenses of \$1,471 with the net assets acquired being shown via the Consolidated Statements of Activities. The acquisition resulted in the following non-cash additions at March 31, 2020:

	<i>(In Thousands)</i>
Other assets	\$ 1,170
Pledges receivable, net	590
Investments	3,485
Funds held in trust by others	8,001
Fixed assets, net	4,099
Properties	47
Accounts payable and accrued expenses	185
Deferred revenues	523
Note payable	2,110
Net assets	15,972

***Supplemental Information***

*Independent Auditors' Report  
on Supplemental Schedules*

To the Board of Directors  
The Trustees of Reservations and Affiliates

We have audited the consolidated financial statements of The Trustees of Reservations and Affiliates as of and for the years ended March 31, 2021 and 2020, and have issued our report thereon dated August 16, 2021 which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position at March 31, 2021 and consolidating schedule of activities for the year ended March 31, 2021 are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the amount of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

August 16, 2021  
Boston, Massachusetts

**The Trustees of Reservations and Affiliates**  
**Consolidating Schedule of Financial Position**  
**March 31, 2021**

	<u>TTOR</u>	<u>MLCT</u>	<u>HLT</u>	<u>FRUITLANDS</u>	<u>DECORDOVA</u>	<u>TOTAL</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 18,681	\$ -	\$ 347	\$ 867	\$ 1,093	\$ 20,988
Due (to) from	687	(1,400)	(220)	(1,148)	2,081	-
Other assets	1,897	-	4	21	308	2,230
Pledges receivable, net of discount and allowance for uncollectible accounts	2,367	-	-	-	61	2,428
Investments	178,271	-	714	752	3,548	183,285
Funds held in trust by others	17,794	-	-	19,263	9,570	46,627
Assets held and expected residual interest under split-interest agreements	4,619	-	-	-	-	4,619
Fixed assets, net	21,138	-	-	920	3,375	25,433
Properties	91,480	6,964	1,096	-	47	99,587
<b>Total assets</b>	<b>\$ 336,934</b>	<b>\$ 5,564</b>	<b>\$ 1,941</b>	<b>\$ 20,675</b>	<b>\$ 20,083</b>	<b>\$ 385,197</b>
<b>Liabilities and net assets:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 2,529	\$ -	\$ -	\$ -	\$ 39	\$ 2,568
Deferred revenues	5,490	-	-	96	208	5,794
Liability under split-interest agreements	2,347	-	-	-	-	2,347
Note payable	-	-	-	-	1,700	1,700
Other annuity obligation	-	310	-	-	-	310
<b>Total liabilities</b>	<b>10,366</b>	<b>310</b>	<b>-</b>	<b>96</b>	<b>1,947</b>	<b>12,719</b>
<b>Net assets:</b>						
Without donor restrictions	54,802	3,241	1,316	1,443	2,405	63,207
With donor restrictions	271,766	2,013	625	19,136	15,731	309,271
<b>Total net assets</b>	<b>326,568</b>	<b>5,254</b>	<b>1,941</b>	<b>20,579</b>	<b>18,136</b>	<b>372,478</b>
<b>Total liabilities and net assets</b>	<b>\$ 336,934</b>	<b>\$ 5,564</b>	<b>\$ 1,941</b>	<b>\$ 20,675</b>	<b>\$ 20,083</b>	<b>\$ 385,197</b>

The Trustees of Reservations and Affiliates  
Consolidating Schedule of Activities  
For the year ended March 31, 2021

	TTOR			MLCT			HLT			FRUITLANDS			DECORDOVA			TOTAL		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenues and support:																		
Endowment support appropriated for operations	\$ 6,695	\$ -	\$ 6,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540	\$ -	\$ 540	\$ 529	\$ -	\$ 529	\$ 7,764	\$ -	\$ 7,764
Property and other revenues	10,560	-	10,560	-	-	-	20	-	20	256	-	256	996	-	996	11,832	-	11,832
Contributions	6,937	29,311	36,248	-	610	610	104	-	104	3	-	3	445	384	829	7,489	30,305	37,794
Memberships	6,663	-	6,663	-	-	-	-	-	-	17	-	17	740	-	740	7,420	-	7,420
Grant income	4,074	-	4,074	-	-	-	-	-	-	-	-	-	-	-	-	4,074	-	4,074
Net assets released from restrictions	3,418	(3,418)	-	-	-	-	14	(14)	-	-	-	-	-	-	-	3,432	(3,432)	-
Total revenues and support	38,347	25,893	64,240	-	610	610	138	(14)	124	816	-	816	2,710	384	3,094	42,011	26,873	68,884
Expenses:																		
Program Services:																		
Property stewardship	15,323	-	15,323	-	-	-	137	-	137	365	-	365	520	-	520	16,345	-	16,345
Visitor amenities and engagement	6,613	-	6,613	-	-	-	-	-	-	197	-	197	1,880	-	1,880	8,890	-	8,890
Agriculture	2,175	-	2,175	-	-	-	-	-	-	-	-	-	-	-	-	2,175	-	2,175
Land conservation	1,465	-	1,465	-	-	-	-	-	-	-	-	-	-	-	-	1,465	-	1,465
Historic and structural resources	1,365	-	1,365	-	-	-	-	-	-	200	-	200	-	-	-	1,565	-	1,565
Subtotal program services	27,141	-	27,141	-	-	-	137	-	137	762	-	762	2,400	-	2,400	30,440	-	30,440
Supporting Services:																		
Fundraising	3,165	-	3,165	-	-	-	-	-	-	-	-	-	27	-	27	3,192	-	3,192
Member services	1,580	-	1,580	-	-	-	-	-	-	-	-	-	82	-	82	1,580	-	1,580
Marketing and communications	1,383	-	1,383	-	-	-	-	-	-	-	-	-	82	-	82	1,465	-	1,465
Subtotal fundraising	6,128	-	6,128	-	-	-	-	-	-	-	-	-	109	-	109	6,237	-	6,237
Administrative	4,369	-	4,369	-	-	-	-	-	-	-	-	-	80	-	80	4,449	-	4,449
Subtotal supporting services	10,497	-	10,497	-	-	-	-	-	-	-	-	-	189	-	189	10,686	-	10,686
Total expenses	37,638	-	37,638	-	-	-	137	-	137	762	-	762	2,589	-	2,589	41,126	-	41,126
Change in net assets from operations	709	25,893	26,602	-	610	610	1	(14)	(13)	54	-	54	121	384	505	885	26,873	27,758
Non-operating activities:																		
Endowment support appropriated for non-operating	-	-	-	-	-	-	26	-	26	-	-	-	-	-	-	26	-	26
Property and other revenues	1,186	-	1,186	39	-	39	-	-	-	-	-	-	-	-	-	1,225	-	1,225
Capital contributions	376	-	376	78	-	78	-	-	-	-	-	-	-	-	-	454	-	454
Net assets released from restrictions	5,829	(5,829)	-	-	-	-	-	-	-	-	-	-	-	-	-	5,829	(5,829)	-
Non-operating expenses	(9,486)	-	(9,486)	-	-	-	-	-	-	-	-	-	-	-	-	(9,486)	-	(9,486)
Contributions and change in value of split-interest agreements	-	761	761	-	-	-	-	-	-	-	-	-	-	-	-	761	-	761
Investment return, net of amounts appropriated for operations and fees	9,064	41,955	51,019	-	-	-	68	57	125	-	5,153	5,153	97	2,617	2,714	9,229	49,782	59,011
Net asset transfers	(691)	(611)	(1,292)	(39)	-	(741)	283	(283)	-	-	-	-	(260)	811	551	(697)	697	-
Total change in net assets	6,997	62,169	69,166	78	1,390	1,468	378	(240)	138	54	5,153	5,207	(42)	3,812	3,770	7,465	72,284	79,749
NET ASSETS, beginning of year, as previously reported	50,070	209,597	259,667	3,163	623	3,786	938	865	1,803	1,389	13,983	15,372	2,447	11,919	14,366	58,007	236,987	294,994
Cumulative impact of change in accounting principles	(2,265)	-	(2,265)	-	-	-	-	-	-	-	-	-	-	-	-	(2,265)	-	(2,265)
NET ASSETS, beginning of year, as restated	47,805	209,597	257,402	3,163	623	3,786	938	865	1,803	1,389	13,983	15,372	2,447	11,919	14,366	55,742	236,987	292,729
NET ASSETS, end of year	\$ 54,802	\$ 271,766	\$ 326,568	\$ 3,241	\$ 2,013	\$ 5,254	\$ 1,316	\$ 625	\$ 1,941	\$ 1,443	\$ 19,136	\$ 20,579	\$ 2,405	\$ 15,731	\$ 18,136	\$ 63,207	\$ 309,271	\$ 372,478