



MATTAPOISETT LAND TRUST, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023



TREEFUL DAMASO ANICETO, INC.
CERTIFIED PUBLIC ACCOUNTANTS

MATTAPOISETT LAND TRUST, INC.
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Mattapoissett Land Trust, Inc.
Mattapoissett, MA 02739

We have reviewed the accompanying financial statements of Mattapoissett Land Trust, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets-modified cash basis as of December 31, 2024, and the related statements of revenues, expenses and changes in net assets- modified cash basis, statements of functional expenses- modified cash basis for the year then ended, and the related notes to the financial statements.

The prior year summarized comparative information has been derived from Mattapoissett Land Trust, Inc.'s statements of assets, liabilities, and net assets- modified cash basis as of December 31, 2023, the statements of revenues, expenses, and changes in net assets- modified cash basis, and the statements of functional expenses for the year then ended. In the report dated July 11, 2024, Ulshoeffter CPAs, PLLC stated that they were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with the modified cash basis of accounting.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting the entity uses is an acceptable basis for the preparation of financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

To the Board of Directors
Mattapoissett Land Trust, Inc.
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Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Mattapoissett Land Trust, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Treeful Damasso Ariceto, Inc.

December 18, 2025

MATTAPOISETT LAND TRUST, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2024 AND 2023

| | ASSETS | |
|---|---------------------------|---------------------------|
| | <u>2024</u> | <u>2023</u> |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 316,500 | \$ 200,130 |
| Total current assets | <u>316,500</u> | <u>200,130</u> |
| Property and equipment: | | |
| Land | 6,486,188 | 6,467,615 |
| Land improvements | 135,347 | 129,143 |
| Buildings | 13,814 | 13,814 |
| Computers and equipment | <u>18,789</u> | <u>18,789</u> |
| Total Property and equipment | 6,654,138 | 6,629,361 |
| Less: accumulated depreciation | <u>(111,828)</u> | <u>(105,323)</u> |
| Property and equipment, net | <u>6,542,310</u> | <u>6,524,038</u> |
| Other assets: | | |
| Investments, at market value | 848,770 | 659,113 |
| Security Deposits | <u>5,000</u> | <u>7,592</u> |
| Total other assets | <u>853,770</u> | <u>666,705</u> |
| Total assets | <u><u>\$7,712,580</u></u> | <u><u>\$7,390,873</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Credit Cards Payable | \$ 1,895 | \$ 470 |
| Total current liabilities | <u>1,895</u> | <u>470</u> |
| Total liabilities | 1,895 | 470 |
| Net assets: | | |
| Net assets without donor restrictions | | |
| Undesignated | 402,575 | 348,741 |
| Board designated endowment | <u>338,834</u> | <u>293,290</u> |
| Total net assets without donor restrictions | 741,409 | 642,031 |
| Net assets with donor restrictions | | |
| Restricted for specific purpose | 6,840,639 | 6,605,202 |
| Donor restricted endowment | <u>128,637</u> | <u>143,170</u> |
| Total net assets with donor restrictions | <u>6,969,276</u> | <u>6,748,372</u> |
| Total net assets | <u>7,710,685</u> | <u>7,390,403</u> |
| Total liabilities and net assets | <u><u>\$7,712,580</u></u> | <u><u>\$7,390,873</u></u> |

See accompanying notes and independent accountants' review report.

MATTAPOISETT LAND TRUST, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2024 AND 2023

| | 2024 | | | 2023 | | |
|---|---------------------------------|------------------------------|--------------|---------------------------------|------------------------------|--------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total |
| SUPPORT AND REVENUE | | | | | | |
| Grants and contributions | \$ 126,273 | \$ 361,123 | \$ 487,396 | \$ 210,815 | \$ 51,045 | \$ 261,860 |
| Memberships | 23,783 | - | 23,783 | 24,212 | - | 24,212 |
| Special events | 14,381 | 15,050 | 29,431 | 8,069 | 25,591 | 33,660 |
| Donated goods and services | 5,850 | 260 | 6,110 | 350 | 1,337 | 1,687 |
| Investment income | 22,007 | 1,324 | 23,331 | 15,127 | 730 | 15,857 |
| Realized and unrealized gains on investments, net | 60,628 | 786 | 61,414 | 61,899 | 1,111 | 63,010 |
| Total support and revenue | 252,922 | 378,543 | 631,465 | 320,472 | 79,814 | 400,286 |
| Reclassification of net assets | | | | | | |
| Net assets released from restrictions | 157,639 | (157,639) | - | 101,670 | (101,670) | - |
| Total reclassification of net assets | 157,639 | (157,639) | - | 101,670 | (101,670) | - |
| Total revenues (losses) | 410,561 | 220,904 | 631,465 | 422,142 | (21,856) | 400,286 |
| FUNCTIONAL EXPENSES: | | | | | | |
| Program services | 244,442 | - | 244,442 | 152,736 | - | 152,736 |
| Management and general | 40,973 | - | 40,973 | 42,850 | - | 42,850 |
| Fundraising | 25,768 | - | 25,768 | 25,633 | - | 25,633 |
| Total expenses | 311,183 | - | 311,183 | 221,219 | - | 221,219 |
| Change in net assets | 99,378 | 220,904 | 320,282 | 200,923 | (21,856) | 179,067 |
| Net Assets , Beginning of Year | 642,031 | 6,748,372 | 7,390,403 | 441,108 | 6,770,228 | 7,211,336 |
| Net Assets , End of Year | \$ 741,409 | \$ 6,969,276 | \$ 7,710,685 | \$ 642,031 | \$ 6,748,372 | \$ 7,390,403 |

See accompanying notes and independent accountants' review report.

MATTAPOISETT LAND TRUST, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
DECEMBER 31, 2024 AND 2023

| | 2024 | | | | 2023 | | | |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|------------------|-----------------------------|-----------------------------------|--------------------|------------------|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| Salary | \$ 34,039 | \$ 14,883 | \$ 3,320 | \$ 52,242 | \$ 29,429 | \$ 10,044 | \$ 3,077 | \$ 42,550 |
| Property maintenance and signage | 155,070 | - | - | 155,070 | 39,425 | - | - | 39,425 |
| Awards and grants | 18,365 | - | - | 18,365 | 34,664 | - | - | 34,664 |
| Professional fees | 2,572 | 5,625 | 147 | 8,344 | 15,381 | 15,930 | 92 | 31,403 |
| Special events | 7,999 | 20 | 13,802 | 21,821 | 4,151 | - | 19,313 | 23,464 |
| Office and other expenses | 3,428 | 3,768 | 2,816 | 10,012 | 4,127 | 3,725 | 1,853 | 9,705 |
| Payroll taxes and employee benefits | 2,868 | 7,643 | 279 | 10,790 | 2,657 | 4,834 | 296 | 7,787 |
| Depreciation expense | 6,506 | - | - | 6,506 | 5,909 | - | - | 5,909 |
| Field trip transportation | 6,594 | - | - | 6,594 | 5,181 | - | - | 5,181 |
| Promotional materials | 4,039 | 16 | 5,303 | 9,358 | 3,933 | - | 1,002 | 4,935 |
| Utilities | 1,789 | 170 | 101 | 2,060 | 4,602 | - | - | 4,602 |
| Occupancy | - | 4,700 | - | 4,700 | - | 4,200 | - | 4,200 |
| Insurance | - | 3,694 | - | 3,694 | - | 3,646 | - | 3,646 |
| Travel | 1,164 | 454 | - | 1,618 | 1,637 | 471 | - | 2,108 |
| Taxes | 9 | - | - | 9 | 1,640 | - | - | 1,640 |
| Total expenses | \$ 244,442 | \$ 40,973 | \$ 25,768 | \$311,183 | \$152,736 | \$ 42,850 | \$ 25,633 | \$221,219 |

See accompanying notes and independent accountants' review report.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Mattapoisett Land Trust, Inc. (“MLT” or the “Organization”) was incorporated under Massachusetts General Chapter 180 in 1974. The mission of the Organization is to acquire and preserve natural resources and wildlife areas in and around the Town of Mattapoisett, for the use and enjoyment of present and future generations, to educate the public about the wise use of natural resources, and to work with other organizations having similar purposes. Accordingly, the following are the Organization’s major programs:

Stewardship activities – Improving wildlife habitat on the Organization’s lands, control of invasive species, forest management improving hiking trails, signage, and general park maintenance.

Community engagement program – Recruiting and retaining members, increasing awareness about the benefits of private land conservation and the mission of the Organization, publishing digital and print information about land conservation and the Organization’s activities and mission, sponsoring public events, and awarding funds to other local non-profit organizations with similar missions.

Educational programs – Granting scholarships to a limited number of local graduating public high school students continuing their education and paying transportation cost for several local public school field trips regarding the local environment.

Basis of Accounting

The Organization's policy is to maintain its books and prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than earned, and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Organization has not recognized pledges receivable from donors or accounts payable to vendors and their related effects on the changes in net assets in the accompanying financial statements.

Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes thereof are classified and reported as follows:

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(CONTINUED)**

Basis of Presentation (continued)

Net assets without donor restrictions – Net assets that are not subject to donor- imposed restrictions. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net assets with donor restrictions – Net assets whose use by the Organization has been limited by donors or grantors to a specific time period or purpose. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of revenues, expenses, and changes in net assets– modified cash basis as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents, except for money market funds included in the investment portfolio.

Concentration of Credit Risk

The Organization maintains its cash accounts primarily in one financial institution located in Massachusetts. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at December 31, 2024 exceeded the federally insured limit by approximately \$54,000. Cash at December 31, 2023 did not exceed the federally insured limits. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Property and Equipment

The Organization has received or acquired various parcels of land. All land is held in perpetuity by the Organization for preservation and conservation purposes and is valued at cost for property purchased and fair market value at the date of donation for land contributed to the Organization.

Property, plant, and equipment are stated at cost, if purchased, or at fair market value at the date of gift, if donated. Additions with a cost or fair value of less than \$1,000 are expensed.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(CONTINUED)**

Property and Equipment (continued)

Permanent land development costs, such as acquisition cost, clearing, initial leveling and other costs required to bring the land into a suitable condition for conservation use, are capitalized and not depreciated since these costs have an indeterminate useful life.

Depreciation is provided using the straight-line method over the estimated useful life of the assets, generally ten to thirty-nine years for land improvements and buildings, three to seven years for computers and equipment. Repairs and maintenance of property and equipment are expensed as incurred.

Depreciation expense as of December 31, 2024 and 2023 was \$6,506 and \$5,909, respectively, as reported on the statements of functional expenses – modified cash basis.

Conservation Restrictions

The Organization accomplishes its land conservation objectives, in part, by purchasing or accepting donations of interest in real property in the form of conservation restrictions (MGL Ch. 184 ss. 31-33). Conservation restrictions represent numerous perpetual restrictions over the use and development of land between the Organization and private landowners. These restrictions are binding on all future landowners of the affected property. These restrictions generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic, or recreational state. Although conservation restrictions are real property rights, they possess no market value to the Organization. Thus, when the Organization acquires and monitors conservation restrictions, the related costs are expensed in the year obtained and have no carrying value.

When conservation restrictions are placed on property the Organization owns, if there's an independent appraiser report, impairment losses on the property are recognized based on the excess of the carrying amount of the asset over its fair value, decreasing the carrying amount of the asset and expensing the impairment loss.

As of the year ended December 31, 2024 and 2023, the Organization held a conservation restriction on 64 acres of land.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(CONTINUED)**

Revenue Recognition

Pursuant to the Organization’s basis of accounting, grants and contributions, membership fees, and special event revenue are recognized as revenue in the period when cash is received. All grants and contributions recognized as revenue are considered available for the Organization’s general programs, without donor restrictions, unless specifically restricted by the donor. Grants and contributions received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increase net assets with donor restrictions.

Net assets with donor restrictions that are released from restrictions when donor restrictions are satisfied (when donor-stipulated purpose has been met or the stipulated time period has elapsed) are reclassified to net assets without donor restrictions and reported in the statements of revenues, expenses, and changes in net assets- modified cash basis as net assets released from restrictions.

Significant Donor Concentration

The Organization had significant revenue concentration from five donors during the year ended December 31, 2024 that totaled approximately 54% of grants and contribution revenue. One of these donors, the Commonwealth of MA, donated approximately 15% of grants and contribution revenue, related to state grants.

The Organization had significant revenue concentration from five donors during the year ended December 31, 2023 that totaled approximately 60% of grants and contribution revenue. One of these donors, the Commonwealth of MA, donated approximately 21% of grants and contribution revenue, related to state grants.

Donated Goods and Services

Donated goods and services are recognized at their fair market values at the date of receipt as contribution revenue and expensed or capitalized, as appropriate. Donated services are recognized if the services received a) create or enhance long-lived assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Fair market value is determined as the price at which goods and services would have been purchased.

During the year ended December 31, 2024 and 2023, the Organization received donated land and services from various persons or organizations.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(CONTINUED)**

Donated Goods and Services (continued)

Volunteers have donated significant amounts of time to the Organization in various capacities. However, these services have not been reflected in the financial statements because they do not meet the recognition criteria.

Functional Expenses

The Organization allocates its expenses on a functional basis among various programs and support services, summarized on a functional basis in the statements of revenues, expenses, and changes in net assets – modified cash basis and the statements of functional expenses – modified cash basis. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Indirect costs, such as occupancy, insurance, and other office expenses that are common to several functions are charged to programs and supporting services based on the nature of the expenses and how it relates to the functional area.

Supporting services are those related to operating and managing the Organization and its programs on a day-today basis. Supporting services have been sub-classified as follows:

General and Administrative – includes all activities related to the Organization’s internal management and accounting for program services.

Fundraising – includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, indirect costs of fundraising events, distribution of materials and other similar projects related to the procurement of funds. Fundraising expenses that represent direct costs of special events are netted against related revenues.

Advertising

Advertising costs are charged to operations when incurred. The Organization did not incur advertising expense for the year ended December 31, 2024 and 2023.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(CONTINUED)**

Income Taxes

The Organization is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

NOTE 2 – INVESTMENTS

The Organization reports certain assets at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Organization's own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets recorded at fair value.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – INVESTMENTS (CONTINUED)

Investments whose values are based on quoted market prices in active markets are classified as Level 1 assets. These investments primarily include money market funds, U.S. Treasury, and equity securities. Investments, whose values are based on quoted prices in markets that are not active, and for prices obtained from comparable securities of issuers with similar credit ratings, are classified as Level 2 assets. These investments include certificates of deposits and corporate bonds.

The Organization holds its investments for long-term purposes. Since these investments are not intended to be used for current operating costs, they are presented as non-current assets in the accompanying statement of financial position – modified cash basis.

The following table sets forth, by level within the fair value hierarchy, the Investments are comprised of the following as of December 31, 2024 and 2023:

| | 2024 | | | |
|-------------------|-------------------|----------------|----------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | \$ 367,736 | \$ - | \$ - | \$ 367,736 |
| Mutual Funds | | | | |
| Stocks | 333,620 | - | - | 333,620 |
| Short-term | 4,078 | - | - | 4,078 |
| Bonds | 143,336 | - | - | 143,336 |
| | \$ 848,770 | \$ - | \$ - | \$ 848,770 |
| | | | | |
| | 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | \$ 168,537 | \$ - | \$ - | \$ 168,537 |
| Mutual Funds | | | | |
| Stocks | 366,575 | - | - | 366,575 |
| Short-term | 3,886 | - | - | 3,886 |
| Bonds | 120,115 | - | - | 120,115 |
| | \$ 659,113 | \$ - | \$ - | \$ 659,113 |

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – INVESTMENTS (CONTINUED)

The following table summarizes the investment return in the accompanying statement of activities – modified cash basis for the year ended December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| Interest and dividends | \$ 23,331 | \$ 15,857 |
| Realized and unrealized gains (losses) on investments, net | <u>61,414</u> | <u>63,010</u> |
| Total investment income (loss) | <u>\$ 84,745</u> | <u>\$ 78,867</u> |

There were no advisory fees for the years ended December 31, 2024 and 2023.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions have been restricted by donors to be used in a specific time period, for a specific location, or scope of work. Net assets with donor restrictions are available for the following purposes, as of December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Donor-designated funds | \$ 250,307 | \$ 19,760 |
| Land preservation and property management | 6,590,332 | 6,585,442 |
| Endowment | <u>128,637</u> | <u>143,170</u> |
| Total net assets with donor restrictions | <u>\$ 6,969,276</u> | <u>\$ 6,748,372</u> |

NOTE 4 – ENDOWMENTS

General

The Organization’s endowment consists of approximately 3 individual funds established for a variety of purposes. The Board of Directors designates its endowment funds to function as endowments, which include donor restricted funds and funds without donor restrictions. As required by accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

Massachusetts adopted Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) defines endowment funds as funds, which under the term of the gift, explicitly stipulates an amount (in part or in whole) that must be invested and kept intact in perpetuity. UPMIFA legally governs the investment and expenditure decisions of such endowment funds. Donor restricted funds without explicit endowment terms that are designated by the Board of Directors to function as an endowment are not required to be governed by UPMIFA, though should have general investment criteria. As of December 31, 2024 the Organization had no endowment funds, which meet the UPMIFA endowment fund definition. The Board of Directors manages its board designated endowment funds using the guidelines set forth per UPMIFA, though it is not required by state law to do so.

The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. In absence of explicit donor stipulations, the Board of Directors determines the amount that must be retained permanently.

As a result of this interpretation, the Organization classifies as endowment net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Organization, and (7) the Organization’s investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – ENDOWMENTS (CONTINUED)

Investment Return Objectives, Risk Parameters and Strategies (continued)

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 1-5%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

To satisfy its long-term rate of return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy

The Organization has a policy of appropriating for distribution each year an amount not to exceed five percent of the endowment fund balance. In some instances, the Board of Directors may decide to appropriate an amount greater or less than its stated policy if it is specifically deemed prudent to do so. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

From time to time, certain endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets

The following table presents the changes in endowment net assets:

| | Without Donor Restricted Board Designated | With Donor Restricted Board Designated | Total |
|--|--|---|-------------------|
| Endowment net assets as of December 31, 2022 | \$ 232,394 | \$ 155,268 | \$ 387,662 |
| Investment return, net | 73,585 | 2,364 | 75,949 |
| Amounts appropriated for expenditure | <u>(12,689)</u> | <u>(14,462)</u> | <u>(27,151)</u> |
| Endowment net assets as of December 31, 2023 | 293,290 | 143,170 | 436,460 |
| Investment return, net | 45,544 | 1,338 | 46,882 |
| Amounts appropriated for expenditure | - | <u>(15,871)</u> | <u>(15,871)</u> |
| Endowment net assets as of December 31, 2024 | <u>\$ 338,834</u> | <u>\$ 128,637</u> | <u>\$ 467,471</u> |

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operation. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operation to be general expenditures.

The Organization’s financial assets available within one year of December 31, 2024 for general expenditures are as follows:

| | |
|--|-------------------|
| Current assets, excluding non-financial assets | |
| Cash and cash equivalents | <u>\$ 316,500</u> |
| Financial assets available to meet cash needs for general expenditures within on year | <u>\$ 316,500</u> |

MATTAPOISETT LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

The Organization is also supported by restricted programmatic funds that can be used to support programmatic and general expenditures. Because a donor's restriction requires funds to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities.

As part of the Organization's liquidity management plan, it may invest cash in excess of its operating reserve requirements in short-term investments or investments to maximize earnings. A minimum operating cash requirement of approximately three months is kept in short-term investments at all times; should the need arise, these funds can be used to cover operating expenses. The Organization assesses its operating budget and cash flow projections regularly to monitor the availability of resources to support operations.

Occasionally, the Organization's Board of Directors designates a portion of operating surplus to its investments as Board designated net assets without donor restrictions. The Organization does not intend to use funds from the Board designated endowment (other than amounts appropriated for general expenditure as a part of the annual budget approval and appropriation by the Organization's Board), these amounts could be made available to cover operating expenses, if necessary, with a vote of the Board.

NOTE 6 – LEASING ARRANGEMENTS

The Organization has a tenancy-at-will arrangement for office space in the Town of Mattapoisett, with monthly rental payments of \$400.

Rent expense was \$4,700 and \$4,200 for the year ended December 31, 2024 and 2023 and is included in occupancy expense in the statements of functional expenses – modified cash basis.

NOTE 7 – SUBSEQUENT EVENTS

The Organization is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, the Organization has evaluated subsequent events through December 18, 2025, the date which the financial statements were available for issue, and we noted no additional events which met the criteria for recognition or disclosure.



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