



Audited Financial Statements

Mary M.B. Wakefield Charitable Trust

December 31, 2019

Mary M.B. Wakefield Charitable Trust

Audited Financial Statements

December 31, 2019

INDEPENDENT AUDITORS' REPORT	1
AUDITED FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6



GT REILLY
& COMPANY
CPAs and Advisors

424 Adams Street, Milton, MA 02186-4358
T. 617.696.8900 / F. 617.698.1803
www.gtreilly.com

Independent Auditors' Report

Board of Trustees
Mary M.B. Wakefield Charitable Trust

We have audited the accompanying financial statements of Mary M.B. Wakefield Charitable Trust which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mary M.B. Wakefield Charitable Trust of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G.T. Reilly & Company

Milton, Massachusetts
November 3, 2020

Mary M.B. Wakefield Charitable Trust

Statements of Financial Position

December 31

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,951	\$ 25,136
Prepaid and refundable taxes	<u>63,304</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>80,255</u>	<u>25,136</u>
INVESTMENTS, AT FAIR VALUE (Note 2)	<u>20,358,756</u>	<u>17,198,041</u>
PROPERTY AND EQUIPMENT, NET (Note 4)	<u>7,670,178</u>	<u>7,727,716</u>
TOTAL ASSETS	<u><u>\$ 28,109,189</u></u>	<u><u>\$ 24,950,893</u></u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 6,843</u>
NET ASSETS (Note 5)		
Without Donor Restriction (Trustee-designated):		
Operations	21,891,852	19,810,712
Capital projects	3,041,676	2,519,823
Special projects	<u>3,175,661</u>	<u>2,613,515</u>
	<u>28,109,189</u>	<u>24,944,050</u>
With Donor Restriction	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>28,109,189</u>	<u>24,944,050</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 28,109,189</u></u>	<u><u>\$ 24,950,893</u></u>

Mary M.B. Wakefield Charitable Trust

Statements of Activities and Changes in Net Assets

For the Years Ended December 31

	2019			2018		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT:						
Donations	\$ 9,773	\$ 2,621	\$ 12,394	\$ 9,282	\$ 3,654	\$ 12,936
Workshops and programs	10,767	-	10,767	8,948	-	8,948
Fundraising events, net of direct expenses	32,191	-	32,191	33,589	-	33,589
Contributed services (Note 7)	38,000	-	38,000	35,000	-	35,000
Net assets released from restrictions (Note 5)	2,621	(2,621)	-	7,349	(7,349)	-
	<u>93,352</u>	<u>-</u>	<u>93,352</u>	<u>94,168</u>	<u>(3,695)</u>	<u>90,473</u>
EXPENSES (NOTE 1):						
Program services	432,227	-	432,227	470,044	-	470,044
General and administrative	229,612	-	229,612	222,346	-	222,346
Fundraising	52,654	-	52,654	64,679	-	64,679
Total Expenses	<u>714,493</u>	<u>-</u>	<u>714,493</u>	<u>757,069</u>	<u>-</u>	<u>757,069</u>
CHANGE IN NET ASSETS - OPERATING ACTIVITIES	<u>(621,141)</u>	<u>-</u>	<u>(621,141)</u>	<u>(662,901)</u>	<u>(3,695)</u>	<u>(666,596)</u>
INVESTMENT INCOME (LOSSES):						
Dividends and interest income	441,334	-	441,334	320,559	-	320,559
Net realized (losses) gains on investments	(563,813)	-	(563,813)	712,086	-	712,086
Net unrealized gains (losses) on investments (Note 1)	3,908,759	-	3,908,759	(7,515,069)	-	(7,515,069)
CHANGE IN NET ASSETS FROM INVESTING ACTIVITIES	<u>3,786,280</u>	<u>-</u>	<u>3,786,280</u>	<u>(6,482,424)</u>	<u>-</u>	<u>(6,482,424)</u>
NET INCREASE (DECREASE) IN NET ASSETS	<u>3,165,139</u>	<u>-</u>	<u>3,165,139</u>	<u>(7,145,325)</u>	<u>(3,695)</u>	<u>(7,149,020)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>24,944,050</u>	<u>-</u>	<u>24,944,050</u>	<u>32,089,375</u>	<u>3,695</u>	<u>32,093,070</u>
NET ASSETS AT END OF YEAR	<u>\$ 28,109,189</u>	<u>\$ -</u>	<u>\$ 28,109,189</u>	<u>\$ 24,944,050</u>	<u>\$ -</u>	<u>\$ 24,944,050</u>

Mary M.B. Wakefield Charitable Trust

Statements of Functional Expenses

For the Years Ended December 31

	2019				2018			
	Program	Gen. & Admin	Fundraising	Total	Program	Gen. & Admin	Fundraising	Total
Salary and wages	\$ 238,098	\$ 49,530	\$ 25,400	\$ 313,028	\$ 232,324	\$ 48,326	24,783	\$ 305,433
Payroll taxes	17,660	3,674	1,884	23,218	17,718	3,686	1,890	23,294
Employee benefits	41,725	8,680	4,451	54,856	53,359	11,099	5,692	70,150
Ground maintenance and tools	49,692	-	-	49,692	46,555	-	-	46,555
Collections storage	16,915	-	-	16,915	17,874	-	-	17,874
Insurance	10,048	8,932	3,349	22,329	14,068	12,505	4,689	31,262
Utilities	10,399	9,244	3,466	23,109	11,221	9,974	3,740	24,935
Other expenses	5,379	-	-	5,379	5,268	-	-	5,268
Professional fees	-	101,942	-	101,942	-	63,061	-	63,061
Payment in lieu of real estate taxes	-	10,000	-	10,000	-	10,000	-	10,000
Taxes	(2,427)	(2,157)	(809)	(5,393)	25,777	22,913	8,592	57,282
Depreciation	44,738	39,767	14,913	99,418	45,880	40,782	15,293	101,955
Total Expenses	<u>\$ 432,227</u>	<u>\$ 229,612</u>	<u>\$ 52,654</u>	<u>\$ 714,493</u>	<u>\$ 470,044</u>	<u>\$ 222,346</u>	<u>\$ 64,679</u>	<u>\$ 757,069</u>

Mary M.B. Wakefield Charitable Trust

Statements of Cash Flows

For the Years Ended December 31

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase (decrease) in net assets	\$ 3,165,139	\$ (7,149,020)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	99,418	101,955
Net realized losses (gains) on investments	490,386	(806,311)
Net unrealized (gains) losses on investments	(3,908,759)	7,515,069
Changes in operating assets and liabilities:		
Prepaid and refundable taxes	(63,304)	35,606
Accounts payable and accrued expenses	(6,843)	(59,072)
	<u>(223,963)</u>	<u>(361,773)</u>
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,925,328)	(7,888,047)
Proceeds from sale of investments	5,182,986	8,211,620
Additions to property and equipment	(41,880)	(41,385)
	<u>215,778</u>	<u>282,188</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,185)	(79,585)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>25,136</u>	<u>104,721</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 16,951</u>	<u>\$ 25,136</u>

Mary M.B. Wakefield Charitable Trust

Notes to Financial Statements

December 31, 2019

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Activities – Mary M.B. Wakefield Charitable Trust (“the Trust”) is a private operating foundation, established for the preservation of historical structures, collections and grounds for the education and enjoyment of interested individuals of the Wakefield Charitable Trust located in Milton, Massachusetts.

Financial Statement Presentation – The accompanying financial statements of the Trust are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. As a not-for-profit organization, the Trust presents its net assets in the statement of financial position and changes in net assets based on the existence or absence of donor-imposed restrictions as discussed below.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Net Assets Without Donor Restrictions – These are net assets available for use in general operations and not subject to donor restrictions. At its discretion, the Trustees have designated net assets without restrictions for specific purposes (see Note 5).

Net Assets With Donor Restrictions – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events or the use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity, such as endowments.

Donor-restricted support are recorded as "net assets with donor restrictions" when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, related amounts of "net assets with donor restrictions" are reclassified to "net assets without donor restrictions" and reported in the statement of activities as "net assets released from restrictions".

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity, while allowing the use of income generated therefrom, are also classified as "net assets with donor restrictions". Income derived from the investment of these perpetual net assets is reported as an increase in "net assets without donor restrictions", or "net assets with donor restrictions", depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in "net assets with donor restrictions" unless the donor explicitly states otherwise.

See Note 5 regarding restrictions on net assets.

Cash and Cash Equivalents – The Trust considers highly liquid investments with maturities of three months or less at purchase to be cash equivalents.

Fair Value Measurements – The Trust follows Accounting Standards Codification (ASC) Topic 820, “Fair Value Measurements and Disclosures”, for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. This standard defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurement. The applicability of this standard is limited to the Trust’s investments.

Note 1 – Nature of Organization and Significant Accounting Policies (Cont.)

Investments – The Trust reports investments at fair value. Interest and dividends are recorded when earned. Realized gains and losses are recognized in the statement of activities based on trade dates and unrealized gains and losses are recognized based on fair value changes on investments held during the period. Investment fees are reported with the net realized gains and losses in the statement of activities. Investments are reflected as long-term assets in accordance with the Trust’s intent to hold investments for long-term growth.

Historical Collections – The Trust’s collections consist of historical artifacts, art objects and furniture that were donated to the Trust in 2005 (valued at \$1.3 million at the time of the donation). In accordance with accounting practices followed by similar organizations, the Trust’s collections are not recognized as assets on the statement of financial position (see Note 3).

Property and Equipment – Property and equipment are recorded at cost or, if donated, at estimated fair value at the time of donation. Maintenance and repairs are expensed as incurred. Expenditures for renewals and improvements that significantly extend the useful life of an asset are capitalized.

Depreciation is provided over the estimated useful lives of the assets by using straight-line methods. The estimated useful lives used in the computation of depreciation are as follows:

<u>Asset</u>	<u>Estimated Useful Lives in Years</u>
Land improvements	15
Building and building improvements	50
Furniture, fixtures and equipment	7
Vehicles	5

Contributions – In June of 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*”. The ASU is intended to assist entities in evaluating whether transactions should be accounted for and reported as contributions or as exchange transactions, and in determining whether a contribution is conditional or unconditional.

The ASU clarifies that a contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the recipient. In an exchange transaction, the resource provider receives some thing or benefit of commensurate value in return for the resources provided. Exchange transactions include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as a foundation, government agency, corporation or other entity) only receives indirect or incidental benefit that is not of commensurate value, the transaction is treated as a contribution for accounting purposes.

Distinguishing between contributions and exchange transactions determines the appropriate accounting and reporting for a transaction. Transactions determined to be contributions are reported as revenue or support with or without donor restrictions as described above. All of the Trust’s revenue and support for both 2019 and 2018, with the exception of investment related activity, was determined to be contributions and are reported as support with or without donor restrictions.

The Trust adopted the principles of the ASU effective January 1, 2019 on a modified prospective basis. Management made a determination that the Trust’s existing accounting policies and methods substantially comply with the ASU. Therefore, there were no changes to the Trust’s accounting methods in 2019 and the adoption of ASU 2018-08 had no effect on the Trust’s financial statements as of and for the year ended December 31, 2019.

Note 1 – Nature of Organization and Significant Accounting Policies (Cont.)

Contributed Services – Support arising from contributed services provided to the Trust is recognized in the accompanying financial statements with an equal amount recognized as expense, if the services provided require special skills and would need to be purchased by the Trust if not contributed (see Note 7). The value of the contributed services is based on the estimated comparable compensation the Trust would have to pay if the services were not contributed.

Expenses by Nature and Function – The statement of activities and changes in net assets reports a summary of the Trust’s expenses by function, either program or supporting functions (general and administrative functions or fundraising). The statement of functional expenses presents the natural classification of expenses by function. Certain expenses are charged directly to the programs or supporting functions to which they relate. Other expenses require allocation to programs and/or supporting functions, which is made on a reasonable basis that is consistently applied. The expenses that are generally allocated include salaries and wages, payroll taxes and benefits, which are allocated on the basis of estimated efforts.

Income Tax Status – The Trust is considered a private operating foundation, pursuant to Section 501(c)(3) of the Internal Revenue Service Code. As a private operating foundation, the Trust is subject to excise taxes on its net investment income based on a calculation of the current year qualifying distributions compared to a five-year average distributable amount that incorporates the previous five years qualifying distributions and noncharitable-use assets.

Reclassification – The amounts of the investment gains reported in the Trust’s 2018 statement of activities and changes in net assets were retroactively reclassified between realized gains and unrealized gains in order to conform to the 2019 classification and the Trust’s tax reporting of investment gains and losses, which reports investment activity on a trade date basis. The reclassification had the effect of decreasing the 2018 realized gain on sales of investments by \$638,098 and decreasing the unrealized loss on investments for that year by the same amount. This reclassification had no effect on the total investment gains or the change in net assets as previously reported for the year ended December 31, 2018 or on the total amount of investments and total assets as previously reported at December 31, 2018.

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Trust for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after December 31, 2019 through November 3, 2020, the date these financial statements were available to be issued.

Note 2 – Investments

The Trust’s investments are managed and segregated based upon the Board of Trustees’ discretionary designations and consist of the following at December 31:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Operations	\$ 9,469,512	\$ 14,141,602	\$ 10,157,661	\$ 12,075,197
Capital Projects	2,175,057	3,041,493	2,249,270	2,509,329
Special Projects	2,287,678	3,175,661	2,273,360	2,613,515
	<u>\$ 13,932,247</u>	<u>\$ 20,358,756</u>	<u>\$ 14,680,291</u>	<u>\$ 17,198,041</u>

Note 2 – Investments (Cont.)

Under generally accepted accounting principles, valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standards established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

Level 1 – Observable inputs such as quoted prices in active markets.

Level 2 – Inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions which are significant to the fair value measurement.

The Trust's investments, by type and level of inputs used to determine fair value, are summarized as follows at December 31:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2019				
Money Market Funds	\$ 2,565,931	\$ -	\$ -	\$ 2,565,931
Equity Securities	16,669,242	-	-	16,669,242
Limited Partnership	-	1,123,583	-	1,123,583
	<u>\$ 19,235,173</u>	<u>\$ 1,123,583</u>	<u>\$ -</u>	<u>\$ 20,358,756</u>
2018				
Money Market Funds	\$ 1,700,081	\$ -	\$ -	\$ 1,700,081
Equity Securities	14,889,233	-	-	14,889,233
Limited Partnership	-	608,727	-	608,727
	<u>\$ 16,589,314</u>	<u>\$ 608,727</u>	<u>\$ -</u>	<u>\$ 17,198,041</u>

The following is a description of the valuation methodologies used for investments measured at fair value, including the general description of such instruments pursuant to the fair value hierarchy:

Money Market Funds – These investments are valued using the net asset value (NAV), generally one dollar per share, provided by the administrator of the fund.

Equity Securities – These investments are actively traded on open markets and are valued in accordance with their last published prices on the date of the financial statements.

Limited Partnership – This investment in Second Curve Partners International, Ltd does not have a quoted price in an active market or significant other observable inputs that have quoted market prices, although the Trust can redeem its investment at the net asset value each June 30 and December 31 pursuant to written notice which must be received at least 60 days prior to the redemption date. This fund is regulated and registered under the monetary authority of the Cayman Islands and is not registered under the United States Securities Act of 1933. The prospectus has advised that this fund is intended and designed for a limited number of experienced and sophisticated investors who are able to bear the risk of substantial impairment or loss of the entire investment. The objective of the fund is to achieve superior investment returns by investing primarily in the financial services sector, specifically in publicly traded common stocks and warrants in both the United States and Puerto Rico.

Note 2 – Investments (Cont.)

Investments are not insured and are subject to ongoing market fluctuations. In general, they are exposed to various risks, such as interest rate, credit, economic conditions and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets.

Subsequent Declines in Unrealized Gains – Subsequent to year-end, the Trust's net unrealized gains on investments declined by approximately \$2.5 million (13%) through October 31, 2020. This includes the Trust's investment in the Limited Partnership which has decreased by approximately \$935,000 (83%).

Note 3 – Historical Collections

The Trust's collections are made up of works of art, jewelry, antique furniture and tableware, as well as other artifacts of historic, cultural and scientific significance that are held for educational, research and curatorial purposes. The current fair values of the donated collections, which are not reflected in the statements of financial position, are not readily determinable and have not been subjected to auditing procedures.

Note 4 – Property and Equipment

The Trust's property and equipment consist of the following at December 31:

December 31, 2019

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 4,350,000	\$ -	\$ 4,350,000
Land improvements	106,293	33,307	72,986
Buildings and building improvements	4,190,181	957,111	3,233,070
Furniture, fixtures and equipment	69,480	55,358	14,122
Vehicles	8,466	8,466	-
	<u>\$ 8,724,420</u>	<u>\$ 1,054,242</u>	<u>\$ 7,670,178</u>

December 31, 2018

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 4,350,000	\$ -	\$ 4,350,000
Land improvements	106,293	26,221	80,072
Buildings and building improvements	4,148,301	869,781	3,278,520
Furniture, fixtures and equipment	69,480	50,356	19,124
Vehicles	8,466	8,466	-
	<u>\$ 8,682,540</u>	<u>\$ 954,824</u>	<u>\$ 7,727,716</u>

Note 5 – Net Assets

There are no net assets with donor restrictions at December 31, 2019 or 2018.

Net assets of \$2,621 and \$7,349 were released from donor restrictions by incurring expenses or by the occurrence of other events satisfying their restricted purposes during the years ended December 31, 2019 and 2018, respectively.

Note 5 – Net Assets (Cont.)

The Board of Trustees has designated the Trust's net assets without donor restrictions for the following purposes:

Operations – Includes all real and certain tangible property used for charitable endeavors, as well as financial assets for use in the ongoing operations of the Trust.

Capital Projects – Includes financial assets set aside for the ongoing improvements and maintenance of the buildings and grounds and such other capital projects as may be needed in the future.

Special Projects – Includes financial assets that may support future educational endeavors and other special projects necessary for the ongoing operations of the Trust.

Board designated net assets by category, including the changes therein, are as follows:

	<u>Operations</u>	<u>Capital Projects</u>	<u>Special Projects</u>	<u>Total</u>
<u>For the year ended December 31, 2019:</u>				
Net assets, beginning of year	<u>\$ 19,810,712</u>	<u>\$ 2,519,823</u>	<u>\$ 2,613,515</u>	<u>\$ 24,944,050</u>
Change in net assets from operating activities	<u>(665,303)</u>	<u>38,647</u>	<u>5,515</u>	<u>(621,141)</u>
Investment return:				
Investment income	303,862	73,218	64,254	441,334
Investment advisor fees	(72,927)	(250)	(250)	(73,427)
Net realized and unrealized gains	<u>2,473,628</u>	<u>452,118</u>	<u>492,627</u>	<u>3,418,373</u>
Net investment return	<u>2,704,563</u>	<u>525,086</u>	<u>556,631</u>	<u>3,786,280</u>
Release of net assets for expenditure	<u>41,880</u>	<u>(41,880)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 21,891,852</u>	<u>\$ 3,041,676</u>	<u>\$ 3,175,661</u>	<u>\$ 28,109,189</u>
 <u>For the year ended December 31, 2018:</u>				
Net assets, beginning of year	<u>\$ 24,971,435</u>	<u>\$ 3,503,923</u>	<u>\$ 3,614,017</u>	<u>\$ 32,089,375</u>
Change in net assets from operating activities	<u>(634,947)</u>	<u>(28,129)</u>	<u>175</u>	<u>(662,901)</u>
Investment return:				
Investment income	220,885	50,816	48,858	320,559
Investment advisor fees	(65,949)	(13,791)	(14,485)	(94,225)
Net realized and unrealized losses	<u>(4,722,097)</u>	<u>(951,611)</u>	<u>(1,035,050)</u>	<u>(6,708,758)</u>
Net investment return	<u>(4,567,161)</u>	<u>(914,586)</u>	<u>(1,000,677)</u>	<u>(6,482,424)</u>
Release of net assets for expenditure	<u>41,385</u>	<u>(41,385)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 19,810,712</u>	<u>\$ 2,519,823</u>	<u>\$ 2,613,515</u>	<u>\$ 24,944,050</u>

Note 6 – Storage Lease Agreements

The Trust leases space for the purpose of warehousing its collections. The base monthly rent was \$1,421 through August of 2020, at which time the Trustees agreed to terms under a new lease agreement beginning in August of 2020 upon expiration of the current lease. Under the new terms of the agreement, the three-year lease calls for payments of \$18,500 in year 1, \$20,000 in year 2 and \$21,500 in year 3.

Total rent expense for storage was \$16,915 and \$17,874 for the years ended December 31, 2019 and 2018, respectively.

Note 7 – Related Party Transactions

Management of the Trust's investment portfolio is provided by a company owned by a Trustee. Investment fees paid to this company for the years ended December 31, 2019 and 2018 were \$73,427 and \$94,255, respectively. Additionally, during the years ended December 31, 2019 and 2018, this company donated accounting services to the Trust, valued in the amount of \$38,000 and \$35,000, respectively, based on the estimated amount of time incurred by the company's personnel on behalf of the Trust. There was no cash paid for these services and the value of the donation was recorded as contributed services in the 2019 and 2018 statements of activities (see Note 1).

Additionally, another individual, who was a Trustee through December 31, 2019, is a partner at a firm that provided accounting services for part of 2018. Amounts paid and expensed for these services during the year ended December 31, 2019 and 2018 totaled \$35,882 and \$12,047, respectively.

Note 8 – Employee Benefit Plan

The Trust maintains a 401(k) defined contribution plan for all of its employees. Employees may elect to defer a percentage of their yearly compensation up to statutory limits. The Trust matches the employee contribution to a maximum of 6% of compensation. Trust contributions to the plan for the years ended December 31, 2019 and 2018 were \$18,749 and \$17,538, respectively.

Note 9 – Concentrations and Credit Risk

The Trust maintains its cash and cash equivalents in FDIC-insured accounts. At December 31, 2019 there were no amounts on deposit in excess of insured limits.

The Trust's investments at December 31, 2019 consisted of equity securities (82%), money market funds (13%), and a limited partnership (6%) as disclosed in Note 2. The Trust's money market funds are invested in short-term government securities. At December 31, 2019, the Trust had money market funds of approximately \$1,700,000 which are not insured by the FDIC.

Note 10 – Liquidity and Availability of Resources

The Trust's liquidity resources available for operational expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, were comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
Liquid assets at year-end:		
Cash and cash equivalents	\$ 16,951	\$ 25,136
Investments	<u>20,358,756</u>	<u>17,198,041</u>
Total liquid assets	<u>20,375,707</u>	<u>17,223,177</u>
Less amounts not available to be used within one year:		
Trustee-designated net assets, capital projects	<u>(3,041,676)</u>	(2,519,823)
Trustee-designated net assets, special projects	<u>(3,175,661)</u>	<u>(2,613,515)</u>
	<u>(6,217,337)</u>	<u>(5,133,338)</u>
Total liquid resources available within one year	<u>\$ 14,158,370</u>	<u>\$ 12,089,839</u>

The Trustees anticipate receiving sufficient revenue and support and investment income over the next twelve months to cover general expenditures over that same period. In addition, at their discretion the Trustees can release their internal restrictions on those designated net assets of approximately \$6.2 million reflected above.

Note 11 – Uncertainties of Coronavirus Outbreak

In 2020, the United States economy experienced an economic recession primarily as the result of state and federal mandates to manage a pandemic disease. As in all economic declines the ability of the Wakefield Charitable Trust to provide certain services could be diminished as its fund-raising and other revenue generating efforts may face challenges. Further, to the extent that any economic recession causes temporary financial losses to become permanent, this result may negatively impact the Trust's ability to continue as an ongoing charity and its responsibilities, as such. Lastly, the length of time that any economic slowdown persists may also negatively influence the Trust's operations and sustainability.