



# General Society of Mayflower Descendants®

Abbreviated Annual Report

2020-2021



*A message from*

**Governor General Jane Hurt**

This 2021 year has been full of new opportunities and experiences at the General Society. Our grand Mayflower Society House and the National Pilgrim Memorial Meetinghouse transformations are just part of the essential repair advancements being made in 2021. It is only by your participation and your support that we will be able to accomplish all of the necessary work. Our improved buildings are a crucial component of our values to protect, preserve, and interpret our historic properties.

The excitement surrounding the new GSMD website will enable us to adapt to new technologies and find innovative ways to serve you. Our professional staff and talented volunteers are working hard to improve and expand our programs.

I hope this finds you and your family well as we continue to make the best of present circumstances. Thanks to you and your continued support, the General Society of Mayflower Descendants will emerge stronger by finding ways to fund scholarships, sponsor education lectures, and promote research on the lineal descent of the Mayflower Pilgrims.

I extend great appreciation to our 54 Member Societies who serve as ambassadors for the many benefits of membership. Each generation of Mayflower descendants that went before us survived challenges and hardships, including wars, plagues, and pandemics. We have all had to adjust to accommodate the unexpected. The following financials only tell part of this past year's story.

Please know that I am deeply grateful for your support of the work of the General Society.

Jane E. Groves Riddell Hurt  
Governor General  
General Society of Mayflower Descendants



## *A message from* Treasurer General Bart Henson

I am pleased to report that the GSMD was again granted an unqualified opinion (good!) from our auditors, G.T. Reilly & Company, of Milton, MA.

In the interest of full disclosure and transparency, attached is a complete copy of the Audited Consolidated Financials for the reporting period of July 1, 2020, to June 30, 2021, including the footnotes to the statements.

As you know, the year was a challenging one for your Society as we navigated through not only many months of Covid-19 restrictions and the cancellation of many planned 2020 events, but also the implementation of the new dues and application fee structure agreed to at the September 2020 General Board of Assistants meeting.

Compared with the previous reporting year ending June 30, 2020, our Operating Support and Revenue grew by \$591,559 or a 29% increase as powered by the increased assessments and fees. For the same period, Total Operating Expenses grew by \$96,912 or about a 5% increase. This produced an Operating Surplus increase of \$494,647. Your Executive Committee earmarked much of this surplus to much-needed major repairs on the Mayflower Society House which are currently underway.

The investments in our endowment funds managed by Brown Brothers Harriman of Boston did very well in the recovery from the stock market crash in March of 2020 producing gains from June 2020 of well over \$2.4M. When this is combined with major gifts to the National Pilgrim Memorial Meetinghouse, forgiveness of a \$188,652 PPP Loan, a large bequest, and the Operating Surplus, our Net Assets grew by over \$4.4M. This increase in Assets will put us in a significantly stronger financial position for the future.

These above results were produced while Elizabeth Gaudreau was Treasurer General, and I thank her for her significant contributions to our Society over many years.

Bart S. Henson  
Treasurer General  
General Society of Mayflower Descendants



**The General Society of Mayflower Descendants**

**Consolidated Financial Statements**

**June 30, 2021**

# The General Society of Mayflower Descendants

---

## Audited Consolidated Financial Statements

June 30, 2021

INDEPENDENT AUDITORS' REPORT	2
AUDITED CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7



## **Independent Auditors' Report**

Executive Committee  
The General Society of Mayflower Descendants

We have audited the accompanying consolidated financial statements of The General Society of Mayflower Descendants, the Mayflower Society House Endowment Fund, and the National Pilgrim Memorial Meetinghouse Charitable Trust, (collectively the "Society"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 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 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 audit. We conducted our audit 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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Society at June 30, 2021, and the consolidated changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

G.T. Reilly & Company

Milton, Massachusetts  
August 27, 2021

**The General Society of Mayflower Descendants**  
**Consolidated Statement of Financial Position**  
**at June 30, 2021**  
**(With Comparative Totals at June 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,385,707	\$ 490,622
Restricted cash	1,582,818	724,171
Bequest receivable	500,000	-
Grant and other receivables	78,332	15,375
Inventory	189,398	197,823
Investments - current	4,582,897	3,789,496
Total Current Assets	8,319,152	5,217,487
Non-Current Assets		
Investments - non-current	8,421,632	6,879,048
Beneficial interest in charitable trust	77,494	65,439
Other assets	56,317	66,422
Property and equipment, net	122,699	140,737
Total Non-Current Assets	8,678,142	7,151,646
Total Assets	\$ 16,997,294	\$ 12,369,133
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 235,429	\$ 38,712
Accrued expenses	146,214	118,475
Loan Payable-Paycheck Protection Program	-	188,652
Deferred revenue	45,041	12,425
Deferred meeting fees	71,213	-
Total Liabilities	497,897	358,264
 <b>NET ASSETS:</b>		
Without donor restriction	5,958,087	4,514,258
With donor restriction	10,541,310	7,496,611
Total Net Assets	16,499,397	12,010,869
Total Liabilities and Net Assets	\$ 16,997,294	\$ 12,369,133

**The General Society of Mayflower Descendants**  
**Consolidated Statement of Activities**  
**For the year ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	2021			2020
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>OPERATING SUPPORT AND REVENUE:</b>				
Membership assessments and fees	\$ 1,293,997	\$ -	\$ 1,293,997	\$ 750,473
Contributions	326,271	42,892	369,163	437,293
Sales	738,729			
Less: cost of sales	<u>(209,991)</u>	-	528,738	414,571
Investment return designated for current operations	140,732	260,872	401,604	386,625
Society House revenue	680	-	680	13,752
Other	9,121	-	9,121	9,030
Net assets released from restriction	<u>266,782</u>	<u>(266,782)</u>	<u>-</u>	<u>-</u>
Total Operating Support and Revenue	<u>2,566,321</u>	<u>36,982</u>	<u>2,603,303</u>	<u>2,011,744</u>
<b>OPERATING EXPENSES:</b>				
Program Services:				
Genealogy validation	653,557	-	653,557	654,561
Genealogical research and publications	303,666	-	303,666	257,653
Society House operations	310,320	-	310,320	261,822
Member services	<u>399,293</u>	<u>-</u>	<u>399,293</u>	<u>385,562</u>
Total Program Services	<u>1,666,836</u>	<u>-</u>	<u>1,666,836</u>	<u>1,559,598</u>
Supporting Services:				
Management and general	334,534	-	334,534	337,996
Fund raising	<u>77,037</u>	<u>-</u>	<u>77,037</u>	<u>83,901</u>
Total Supporting Services	<u>411,571</u>	<u>-</u>	<u>411,571</u>	<u>421,897</u>
Total Operating Expenses	<u>2,078,407</u>	<u>-</u>	<u>2,078,407</u>	<u>1,981,495</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>487,914</u>	<u>36,982</u>	<u>524,896</u>	<u>30,249</u>
<b>OTHER NON-OPERATING CHANGES:</b>				
Investment return in excess of amounts designated for current operations	803,473	1,456,841	2,260,314	(31,638)
PPP Loan Forgiveness	188,652	-	188,652	-
National Pilgrim Memorial Meetinghouse				
Contributions	-	1,672,675	1,672,675	188,571
Grant revenue	-	9,240	9,240	2,238,212
Grant expenses	(4,502)	-	(4,502)	(2,356,498)
Restoration and operating expenses	(162,747)	-	(162,747)	(265,209)
Net assets released from restriction	<u>131,039</u>	<u>(131,039)</u>	<u>-</u>	<u>-</u>
Net Change - National Pilgrim Memorial Meetinghouse	<u>(36,210)</u>	<u>1,550,876</u>	<u>1,514,666</u>	<u>(194,924)</u>
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	<u>955,915</u>	<u>3,007,717</u>	<u>3,963,632</u>	<u>(226,562)</u>
CHANGE IN NET ASSETS	1,443,829	3,044,699	4,488,528	(196,313)
NET ASSETS, BEGINNING OF YEAR	<u>4,514,258</u>	<u>7,496,611</u>	<u>12,010,869</u>	<u>12,207,182</u>
NET ASSETS, END OF YEAR	<u>\$ 5,958,087</u>	<u>\$ 10,541,310</u>	<u>\$ 16,499,397</u>	<u>\$ 12,010,869</u>



**The General Society of Mayflower Descendants**  
**Consolidated Statement of Cash Flows**  
**For the year ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	June 30, 2021	June 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 4,488,528	\$ (196,313)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation expense	18,038	20,583
Net realized and unrealized gains on investments	(2,442,446)	(122,797)
PPP loan forgiveness	(188,652)	-
Net investment (income) loss from charitable trust	(12,055)	3,845
Contributions restricted for endowment	(26,222)	(118,398)
Increase in bequest receivables	(500,000)	-
(Increase) Decrease in grant and other receivables	(62,957)	90,233
Decrease (Increase) in inventory	8,425	(52,993)
Decrease (Increase) in other assets	10,105	(41,043)
Increase (Decrease) in accounts payable	196,717	(36,967)
Increase in accrued expenses	27,739	44,405
Increase (Decrease) in deferred meeting fees	103,829	(34,696)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,621,049</u>	<u>(444,141)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds (purchases) of investments, net	106,461	197,244
Disposal of property and equipment	-	17,822
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>106,461</u>	<u>215,066</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions restricted for endowment	26,222	118,398
PPP Loan	-	188,652
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>26,222</u>	<u>307,050</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,753,732	77,975
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,214,793</u>	<u>1,136,818</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 2,968,525</u>	<u>\$ 1,214,793</u>

**The General Society of Mayflower Descendants  
Consolidated Statement of Functional Expenses  
For the year ended June 30, 2021  
(With Comparative Totals for 2020)**

	Program Services					Supporting Services			Total Expenses	
	Genealogy	Genealogical	Society	Member	Total	Management	Total		2020	
	Validation	Research and Publications	House Operations	Services	Program Services	and General	Fundraising	Supporting Services	2021	(Comparative Totals)
Wages	\$ 544,388	\$ 65,319	\$ 50	\$ 77,090	\$ 686,847	\$ 223,012	\$ 22,161	\$ 245,173	\$ 932,020	\$ 930,923
Payroll taxes and fringe benefits	50,065	6,163	-	7,745	63,973	19,415	2,163	21,578	85,551	111,174
Contract services	4,316	144,128	-	-	148,444	-	39,988	39,988	188,432	157,335
Mayflower Quarterly printing	-	-	-	134,364	134,364	-	-	-	134,364	127,872
Supplies and services	25,191	19,046	22,855	23,550	90,642	12,484	1,356	13,840	104,482	94,565
Dues & subscriptions	2,154	-	-	129	2,283	148	-	148	2,431	2,290
Board meetings	-	-	-	-	-	16,152	-	16,152	16,152	23,942
Interest	-	-	-	-	-	1,231	-	1,231	1,231	2,594
Insurance	4,976	1,763	17,121	-	23,860	6,108	-	6,108	29,968	33,702
Legal fees	-	-	-	-	-	18,193	-	18,193	18,193	11,597
Accounting	-	-	-	-	-	13,445	-	13,445	13,445	12,103
Depreciation	3,894	-	14,144	-	18,038	-	-	-	18,038	20,583
Utilities	6,224	3,265	13,133	-	22,622	3,265	-	3,265	25,887	26,488
Travel	174	-	-	11,789	11,963	2,881	-	2,881	14,844	16,941
Website management and technology	-	-	-	114,253	114,253	-	-	-	114,253	52,952
Postage and shipping	1,470	46,356	-	-	47,826	624	7,826	8,450	56,276	44,302
Miscellaneous	-	17,626	-	-	17,626	11,833	-	11,833	29,459	25,267
Repairs and maintenance	3,163	-	235,006	-	238,169	2,143	-	2,143	240,312	159,085
Telephone	7,447	-	2,536	-	9,983	-	-	-	9,983	9,817
Officer stipend	-	-	-	1,800	1,800	3,600	-	3,600	5,400	5,400
Scholarship awards	-	-	-	18,000	18,000	-	-	-	18,000	15,000
Furniture and equipment	-	-	-	-	-	-	-	-	-	425
Library acquisitions	95	-	-	-	95	-	-	-	95	1,092
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	17,822
Advertising	-	-	-	260	260	-	-	-	260	635
1620 Society costs	-	-	-	-	-	-	3,543	3,543	3,543	9,889
Mayflower 2020 commemoration	-	-	-	9,878	9,878	-	-	-	9,878	62,172
DNA project costs	-	-	-	-	-	-	-	-	-	945
Women of the Mayflower	-	-	-	-	-	-	-	-	-	3,697
House beautification project	-	-	5,475	-	5,475	-	-	-	5,475	850
Haywood gallery expenses	-	-	-	435	435	-	-	-	435	-
Member events	-	-	-	-	-	-	-	-	-	36
Book printing & merchandise costs	-	209,991	-	-	209,991	-	-	-	209,991	159,855
<b>Total Operating Expenses</b>	<b>653,557</b>	<b>513,657</b>	<b>310,320</b>	<b>399,293</b>	<b>1,876,827</b>	<b>334,534</b>	<b>77,037</b>	<b>411,571</b>	<b>2,288,398</b>	<b>2,141,350</b>
Less expenses included with support and revenue on the Statement of Activities	-	(209,991)	-	-	(209,991)	-	-	-	(209,991)	(159,855)
<b>Total expenses included in the expenses on the Statement of Activities</b>	<b>\$ 653,557</b>	<b>\$ 303,666</b>	<b>\$ 310,320</b>	<b>\$ 399,293</b>	<b>\$ 1,666,836</b>	<b>\$ 334,534</b>	<b>\$ 77,037</b>	<b>\$ 411,571</b>	<b>\$ 2,078,407</b>	<b>\$ 1,981,495</b>

# The General Society of Mayflower Descendants

---

## Notes to Consolidated Financial Statements

June 30, 2021

### Note 1 – Nature of Organization

The General Society of Mayflower Descendants (the Society) is a not-for-profit organization (corporation) that: operates the Mayflower House in Plymouth, MA, as a museum for the education and benefit of the public; maintains a library for the use of members and the public; researches, prints, and publishes genealogical materials relating to the Pilgrims and their descendants; and produces the *Mayflower Quarterly*, a publication for official communications, state Society news, and historical and genealogical information. The Society's primary sources of support are from member assessments, contributions, and sales of Society publications.

The Mayflower Society House Endowment Fund (the Endowment) is a trust that manages the investment of the Society's endowment funds under the direction of trustees appointed by the Governor General of the Society.

The National Memorial Meetinghouse Charitable Trust (the Trust) was formed on December 23, 2017, as part of a joint venture with First Parish in Plymouth to restore and preserve the Meetinghouse which was previously used by the Parish. The Meetinghouse has special significance to Society members as their Pilgrim ancestors worshipped in the first Meetinghouse on this site, built in 1621. First Parish has deeded the Meetinghouse to the Trust and the Trust completed a restoration and preservation project in fiscal 2020 and plans to use the building to support its educational mission. The Society serves as the sole trustee of the Trust and the Trust is managed under the direction of trustee representatives appointed by the Governor General of the Society.

Both the Endowment and the Trust are organized separately from the Society, although collectively they are referred to as the "Society".

The Society collectively runs the following programs:

Genealogy validation – Genealogy validation includes the work of the Society Historian General's office in researching and validating proposed member applications, as well as library-related services.

Genealogical research and publications – Genealogical research and publications include research and related publication costs of the Society's genealogical publications, as well as marketing and sales of Mayflower related items.

Society House operations – Society house operations include staffing and maintaining the Mayflower Society House located in Plymouth, which is open to the public.

Member services – Member services includes the costs of publishing the *Mayflower Quarterly* journal, as well as headquarter- related expenses of serving our membership.

## **Note 2 – Summary of Significant Accounting Policies**

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of the General Society of Mayflower Descendants (the Society), the Mayflower Society House Endowment Fund (the Endowment), and the National Memorial Meetinghouse Charitable Trust (the Trust), which are separate Massachusetts not-for-profit entities. Consolidated financial statements are presented due to the Society's controlling financial interest in the Endowment and the Trust based upon the nature of the relationships as described in Note 1, which includes the appointment of trustees for these entities under the Governor General of the Society. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Basis of Financial Statement Presentation – The accompanying financial statements of the Society are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as they apply to not-for-profit organizations. The Society presents in its statement of financial position and changes in net assets two classes of net assets based on the existence or absence of donor-imposed restrictions as discussed below.

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 Board of Directors may designate net assets without restrictions for specific purposes. Net assets have been designated by the Board for specific purposes and as amounts quasi-endowed to provide a permanent source of income (see Note 8).

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 revenues, support and gains 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 Notes 8 and 9 regarding restrictions on net assets

Contributions – The Society follows guidance under 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.

## Note 2 – Summary of Significant Accounting Policies (Cont.)

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 an individual, 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.

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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements – The Society 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, principally its investments. This standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements utilizing valuation inputs that are categorized under a three-level hierarchy as follows:

Level 1: Quoted market prices for identical assets or liabilities which an entity has access to at the measurement date.

Level 2: Significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets.

Level 3: Significant unobservable inputs that reflect the investment advisor’s determination of assumptions that market participants might reasonably use in valuing the securities.

Cash and Cash Equivalents – Cash and cash equivalents consist of checking, savings and money market accounts, and all highly-liquid debt instruments purchased with a maturity of 90 days or less, exclusive of money market funds held in investment and endowment accounts.

Statement of Cash Flows – For the purposes of presenting the statement of cash flows, the Society considers cash to be cash in banks, including restricted cash. Restricted cash represents funds that are related to the Preservation and Restoration of the National Pilgrim Memorial Meetinghouse, Scholarships, Reserves and Bequests. Under GAAP, all restricted cash is to be included in the total cash balance in the statement of cash flows.

The following table provides a reconciliation of total cash and restricted cash reported in the statements of cash flows to the amounts shown in the balance sheets:

Cash	\$ 1,385,707
Restricted Cash	<u>1,582,818</u>
	<u>\$ 2,968,525</u>

## **Note 2 – Summary of Significant Accounting Policies (Cont.)**

Accounts Receivable – When considered necessary, accounts receivable are stated net of an allowance for doubtful accounts, which would be reported on the face of the Society's consolidated statement of financial position. The allowance is established via a provision for bad debts charged to operations. On a periodic basis, management evaluates its accounts receivable, and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts, the Society's history of prior loss experience, and on current economic conditions.

Accounts are written off and charged against the allowance when management believes that the collectability of the specific account is unlikely.

The accompanying statement of financial position does not include an allowance for doubtful accounts at June 30, 2021 as one was not considered necessary by management.

Bequest Receivable – The Society has a bequest receivable at June 30, 2021, that is, in effect, unconditional and “donor restricted”. The bequest receivable is expected to be received during fiscal year 2022 and is therefore reported as a current asset. See Note 10.

Inventory – Inventory consists of publications the Society produces and sells, as well as educational material and other Mayflower related merchandise, which is carried at the lower of first-in, first-out cost or estimated net realizable value.

Investments – Investments are reported at fair value on the consolidated statement of financial position, with the corresponding realized and unrealized gains and losses included in the statement of activities and changes in net assets. Investment income on endowment assets is classified as donor-restricted until appropriated for expenditure. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the value of investments could occur in the near term, and that such changes could materially affect the amounts reported in the financial statements.

Property and Equipment – Building improvements and equipment which are not considered as part of the Society's collections are stated at cost, less accumulated depreciation. Depreciation is being provided by use of the straight-line method over ten to fifteen-year periods, which are the estimated useful lives of the related assets. Expenditures for maintenance and repairs are expensed as incurred.

Beneficial Interest in Charitable Trust – The Society is a 20% income beneficiary, along with other not-for-profit organizations, of a perpetual charitable trust which is managed by an institutional trustee. Under the terms of the trust, the Society has the irrevocable right to receive distributions of trust income in perpetuity. The trust's assets consist of equity securities and fixed income investments. The Society reports its beneficial interest in the trust as an asset at fair value in the accompanying consolidated financial statements, and as net assets with donor restrictions.

Collections – The Society acquires its collections, which include a historical house with artifacts and a recently acquired National Pilgrim Memorial Meetinghouse, by purchase using trust funds or by donation. All collections are held for public exhibition and education in furtherance of public service rather than financial gain. The Society's Collections Management policy includes guidance on the preservation, care and maintenance of the collections and procedures relating to the accession/deaccession of items within the collections.

## **Note 2 – Summary of Significant Accounting Policies (Cont.)**

In accordance with the provisions of Accounting Standards Codification 958, “*Accounting for Contributions Received and Contributions Made*”, the Society’s policy is not to capitalize its collections; therefore, no value is assigned to the collections on the consolidated statement of financial position. Purchases of collection items are recorded as expense in the year in which the items are acquired. Contributed collection items are not reflected in the consolidated financial statements. Proceeds from deaccessioning or insurance recoveries from lost or destroyed collection items are reflected as increases in the appropriate net assets class.

Items that are acquired with the intent at the time of acquisition not to add them to the collection but rather to sell, exchange, or otherwise use for financial gain are not considered collection items, and are recorded at their acquisition cost or fair market value at date of acquisition if contributed as other assets in the statement of financial position.

Revenue Recognition – The Society recognizes revenue in accordance with FASB Accounting Standards Update (ASU) 2014-09, “Revenue from Contracts with Customers”. The standard is based on the principle that an entity should recognize revenue to depict the transfer of promised 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.

Note 3 discusses the revenue recognition for the Society’s individual revenue streams, and it includes a disaggregation of revenues from contracts with customers and other revenue information.

Donated Services – Many volunteers donate time to the Society’s program services. However, services that have been donated to the Society are not reflected in the accompanying consolidated financial statements as the criteria for recognition under GAAP have not been met.

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

Compensated Absences – Employees are entitled to paid vacation and paid sick days depending on the number of hours worked and length of service. The Society has accrued a liability for these compensated absences in the amount of \$46,005 at June 30, 2021.

Research – Expenses for genealogical research are charged to expense as incurred. The total amount of research expenses incurred during the year ended June 30, 2021 was \$144,128.

Income Tax Status – The General Society of Mayflower Descendants, Mayflower Society House Endowment and National Memorial Meetinghouse Charitable Trust are not-for-profit organization’s exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

Prior Year Summarized Information – The financial statements contain certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the entity’s financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Evaluation of Subsequent Events – Management evaluates subsequent events involving the Society for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2021 through August 27, 2021, the date these consolidated financial statements were available to be issued.

### Note 3 – Revenues

The following is a summary of the Society's sources of revenue from contracts with customers and the methods of revenue recognition:

Application and Lineage Match Fees – Individuals that would like to become a member of the Society must be able to document their descent from one or more of the *Mayflower* Pilgrims and complete an application. The application fees are paid to the state membership societies who, in turn, remit the amount of the fees collected to the Society on a monthly basis. Additionally, for a flat fee, individuals may fill out a Mayflower Lineage Match form online and submit it directly to the Society for review. The Society will compare proposed lineage with the approved lineage papers in the Society's files to determine what portion of the lineage is already documented. Revenues from these sources are recognized at a point in time, in the month that the application is submitted, or the lineage match review is performed.

Membership Dues – Once a membership application is submitted and officially approved by one of the state member society's historians, the individual member pays an annual fee to its state membership society. The Society annually bills a flat fee per capita to each of the 54 state membership societies as of the end of the previous calendar year. Since the memberships are voluntary and have a nominal amount of direct benefit to the individual, management records and reports these amounts as support for the Society (contributions) at the time they are collected.

Sale of Merchandise – The Society sells certain merchandise, including publications the Society produces, as well as educational material and other Mayflower-related merchandise. The Society recognizes product sales at the time of the sale to the customer.

Disaggregation of Operating Revenues and Support – Revenues from contracts with customers and operating support, by type, are summarized as follows for the year ended June 30, 2021:

Revenue from customer contracts:	
Application fees	\$ 366,022
Lineage match fees	282,290
Net sales of merchandise	246,448
Other	9,801
	<hr/>
	904,561
Member and other support:	
Membership dues	927,975
Other contributions	369,163
	<hr/>
	1,297,138
	<hr/>
	\$ 2,201,699

Fees collected in the current fiscal year for meetings to be held in the subsequent year are recorded as deferred meeting fee revenue in the consolidated statement of financial position.

### Note 4 – Inventory

The Society's inventory of items for sale consists of the following at June 30, 2021:

Education Materials	\$ 3,179
Merchandise	87,349
Publications	98,870
	<hr/>
Total	\$ 189,398



## Note 5 – Investments

The Society's investments consist of the following at June 30, 2021:

	Cost	Unrealized Gain	Fair Value
Cash and cash equivalents	\$ 210,761	\$ -	\$ 210,761
Equities	5,536,992	3,807,151	9,344,143
Fixed Income	3,328,839	120,786	3,449,625
Total	<u>\$ 9,076,592</u>	<u>\$ 3,927,937</u>	<u>\$ 13,004,529</u>

The fair value of the Society's cash and cash equivalents, equity securities and fixed income securities, are based on Level 1 inputs (see Note 2, "Fair Value Measurements").

Investments are presented in the accompanying consolidated statement of financial position as follows at June 30, 2021:

Current assets (designated by the board)	\$ 4,582,897
Other assets - with restriction	8,421,632
	<u>\$ 13,004,529</u>

Investment return is summarized in the accompanying consolidated statement of activities as follows for the year ended June 30, 2021:

Interest and dividends	\$ 276,957
Realized gains (losses)	424,806
Unrealized gains (losses)	2,017,640
Fees	(69,540)
Change in value of charitable trust	12,055
	<u>\$ 2,661,918</u>

Investment return designated for current operations	\$ 401,604
Investment return in excess of amounts designated for current operations	2,260,314
	<u>\$ 2,661,918</u>

The Society designates only a portion of the cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The amount computed under the endowment spending policy (Note 8) is used to support current operations.

## Note 6 – Property and Equipment

Property and equipment consist of the following at June 30, 2021:

Building improvements	\$ 229,600
Furniture and equipment	58,086
	<u>287,686</u>
Accumulated depreciation and amortization	(164,987)
	<u>\$ 122,699</u>

Depreciation expense was \$18,038 for the year ended June 30, 2021.

## **Note 7 – SBA Paycheck Protection Program Loan Forgiven**

In April of 2020, the Society applied for, and received, a Paycheck Protection Program (PPP) loan through the Small Business Association in the amount of \$188,652. Under the note agreement dated April 24, 2020, the loan's repayment was guaranteed by the Small Business Administration ("SBA"), it accrued interest at 1%, and it was forgivable and payable by the SBA if the Company incurred and paid eligible expenses such as payroll and other specified costs as defined in the CARES Act. Subsequently, during fiscal year 2021, the Society applied for the loan's forgiveness under the terms of the agreement and in March of 2021 it was notified by the SBA that the loan and accrued interest has been forgiven in full and the Society was released from obligation under the debt instrument. The amount of the loan forgiveness is reflected as non-operating support in the accompanying consolidated statement of activities and changes in net assets.

## **Note 8 – Endowments and Quasi-Endowments**

The Society's endowments include both donor-restricted endowment funds and net assets without donor restrictions that have been designated by the Board to function as quasi-endowments. As required by GAAP, net assets associated with endowment fund earnings, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Trustees of the endowment have interpreted the Massachusetts state version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as encouraging the preservation of the fair or historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, since records are no longer available to determine the values of all original gifts received prior to July 1, 2011, the Society classifies the donor-restricted endowment funds as net assets with donor restrictions, which includes (a) the value of the fund at July 1, 2011, (b) the original value of subsequent gifts to the fund, and (c) accumulations on the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the organization and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the organization; and (7) the investment policies of the organization.

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. Deficiencies of this nature result from unfavorable market fluctuations and are reported in net assets with donor restrictions. For the fiscal year ending June 30, 2021 there were no funds with deficiencies.

Return Objectives and Risk Parameters – The Society has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding for current operations, capital expenditures and programs supported by the endowment, while ensuring that the purchasing power of the endowment assets do not decline over time (as required by State Prudent Management of Institutional Funds Act). Under this policy, as approved by the Trustees, the endowment assets are invested in a manner that is intended to produce an average rate of return in excess of inflation, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objective – To satisfy its long-term rate-of-return objectives, the Society 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 Society targets a diversified asset allocation of 30-70% equities, 25-75% fixed income and cash, and 0-15% commodities.

## Note 8 – Endowments and Quasi-Endowments (Cont.)

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Society has a policy of appropriating for distribution each year, up to 5 percent of its endowment fund’s average fair value over the prior 12 quarters preceding the fiscal year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to grow its endowment commensurate with market conditions. This is consistent with objectives to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return.

Appropriation of Endowment Assets for Next Fiscal Year – For the fiscal year ending June 30, 2022, the Society has budgeted to appropriate \$417,640 of its endowment assets to be distributed for spending. This is consistent with the Society’s spending policy described above.

Endowment net assets by composition and type of fund as of June 30, 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment fund:			
Mayflower House Endowment Fund			
Original donor-restricted gift amount required to be maintained in perpetuity	\$ -	\$ 3,447,544	\$ 3,447,544
Accumulated gains		1,902,883	1,902,883
Joyce Garrison Parke Memorial Fund			
Original donor-restricted gift amount required to be maintained in perpetuity		2,268,676	2,268,676
Accumulated gains		719,515	719,515
Mary Chilton Winslow Scholarship			
Original donor-restricted gift amount required to be maintained in perpetuity		75,000	75,000
Sales of posters required to be maintained in perpetuity		8,013	8,013
Board-designated endowment fund:			
Pilgrim Fund	4,473,761	-	4,473,761
Total	<u>\$ 4,473,761</u>	<u>\$ 8,421,631</u>	<u>\$ 12,895,392</u>

### Changes in Endowment Net Assets

Endowment net assets and changes therein as of and for the year ended June 30, 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 3,689,983	\$ 6,954,048	\$ 10,644,031
Contributions	-	26,222	26,222
Investment Return:			
Dividend & interest income	95,045	179,102	274,147
Net appreciation (realized & unrealized)	854,617	1,565,192	2,419,809
Investment management fees	(25,152)	(43,942)	(69,094)
Total investment return	924,510	1,700,352	2,624,862
Appropriation of endowment assets for expenditure	(140,732)	(258,990)	(399,722)
Endowment net assets, end of year	<u>\$ 4,473,761</u>	<u>\$ 8,421,631</u>	<u>\$ 12,895,392</u>

## Note 9 – Net Assets

The following is a summary of net assets at June 30, 2021 with donor restrictions:

Temporary in nature	\$	4,670,714
Perpetual in nature		5,870,596
	\$	<u>10,541,310</u>

Restricted net assets which are temporary in nature at June 30, 2021 consist of the following:

### Restricted for:

Endowment income available for appropriation	\$	2,622,398
Mary Chilton Winslow Scholarship donations		6,131
National Pilgrim Memorial Meetinghouse		1,996,964
Mayflower House garden walkway fund		20,000
Legacy 2020 book		2,235
DNA Project		280
House Beautification Project fund		3,346
Haywood Gallery Project		19,360
Total temporarily restricted net assets	\$	<u>4,670,714</u>

Restricted net assets which are perpetual in nature at June 30, 2021 consist of:

### Restricted for:

Mayflower Society House Endowment Fund	\$	3,447,544
Joyce Parke Endowment Fund		2,268,676
Beneficial interest in Konov charitable trust		77,494
Mary Chilton Winslow Scholarship		76,882
Total permanently restricted net assets	\$	<u>5,870,596</u>

During the year ended June 30, 2021, net assets were released from donor restrictions by incurring expenses, or by the occurrence of other events satisfying the restricted purposes, or by donors removing the restrictions, as follows:

### Net Assets Released From Restrictions

Endowment income	\$	260,872
House Beautification Project		5,475
Haywood Gallery Project		435
National Pilgrim Memorial Meetinghouse		131,039
Total Restrictions Released	\$	<u>397,821</u>

The following is a summary of unrestricted net assets at June 30, 2021:

### Unrestricted

Board designated Pilgrim Fund endowment	\$	4,473,761
Board designated for Mayflower 2020 anniversary		104,136
Board designated special projects		687,453
Board designated 1620 Club		107,693
Board designated for DNA project		5,805
Invested in fixed assets		122,699
Available for operations		456,540
Total unrestricted net assets	\$	<u>5,958,087</u>

## Note 10 – Financial Instruments, Credit Risk and Other Concentrations

The Society's financial instruments that potentially subject it to concentrations of credit risk consist of cash, accounts receivable and investments.

Cash – The Society maintains its cash accounts in high-quality financial institutions. At times, the amounts on deposit at any institution are in excess of insured limits. At June 30, 2021, based on bank balances, cash and cash equivalents in excess of FDIC insurance limits approximated \$2,303,000.

Bequest – The Meetinghouse received and recorded a bequest from the Janet Skirrow Trust during the year ended June 30, 2021 in the amount of \$1.5 million, which represents approximately 22% of total revenue and support (37% of total revenue and support, excluding investment related income). As of June 30, 2021, \$500,000 of this bequest is reported as a receivable in the accompanying consolidated statement of financial position, which is an estimate of the final distribution expected to be received during fiscal year 2022 (see Note 2).

Investments – Investments are managed by one investment advisor on a fee-only basis. The investments are diversified but are still subject to normal risks. In general, they are exposed to various risks, such as interest rate, credit, economic conditions, and overall market volatility. The Society's investments at June 30, 2021 consist of equity securities (71.9%), cash and cash equivalents (1.6%) and fixed income securities (26.5%) (see Note 5).

## Note 11 – Liquidity and Availability of Resources

The Society's financial assets available within one year of June 30, 2021 for general expenditures are as follows:

Financial assets:		
Cash and cash equivalents	\$ 1,385,707	
Bequest, grant and other receivables	578,332	
Investments	13,004,529	
		<u>14,968,568</u>
Less amounts restricted by donors and Board:		
Donor purpose restricted	(2,042,185)	
Donor restricted endowment funds	(8,421,631)	
Beneficial interest in Konov charitable trust	(77,494)	
Subtotal of net assets with restrictions	<u>(10,541,310)</u>	
Add: beneficial interest in Konov charitable trust	77,494	
Add: amounts included in restricted cash	1,996,964	
Subtotal of net assets with restrictions excluded		<u>(8,466,852)</u>
Board designated endowment funds		<u>(4,577,897)</u>
Total amounts restricted by donors and Board		<u>(13,044,749)</u>
Financial assets less amounts restricted by donors and Board		1,923,819
Plus releases during the next fiscal year:		
Endowment spending rate distributions		<u>417,640</u>
Financial assets available to meet general expenditures over the next twelve months		<u>\$ 2,341,459</u>

The Society has a policy to structure its financial assets to be available and liquid as obligations come due. The Society operates with a balanced budget and anticipates receiving sufficient revenue through contributions, member assessments and the sale of Society publications over the next twelve months to cover general expenditures. Additionally, the board designated endowment funds that are presented as a reduction to available financial assets in the schedule above can be made available for general expenditures, if necessary, at the discretion of the board.

## **Note 12 – Coronavirus Pandemic**

In February of 2020, the novel coronavirus (Covid-19) outbreak grew to become a national and worldwide pandemic effecting the global population. State mandates forced the closure or significant restrictions on “non-essential” businesses and organizations, including limiting the number of persons in attendance at public and private gatherings. Overall, the Society was able to continue most of its operations, staff remained fully compensated, and management feels that, fortunately, the Society’s financial results and position were not adversely affected by this situation in any significant way.

At the time of the issuance of these financial statements, Massachusetts has announced a full reopening of all businesses and other organizations effective May 29, 2021, thereby eliminating any size restrictions on public and private gatherings. However there remains uncertainties regarding the pandemic including the emergence of variants of the virus, the progress of vaccinations, and the potential for continued economic fallout impacting members of the Society. It is not predictable at this time whether the pandemic will have any adverse effects on the Society’s future support and revenues, operating results and financial position.