

THE FRIENDS OF THE
PUBLIC GARDEN, INC.
FINANCIAL STATEMENTS
AUGUST 31, 2010

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Independent Auditors' ReportIII STATE STREET
BOSTON, MASSACHUSETTS 02109

TELEPHONE (617) 367-3250

FAX (617) 367-2511

www.bacallconniff.com

To the Board of Directors of
The Friends of the Public Garden Inc.

We have audited the accompanying statements of financial position of **The Friends of the Public Garden Inc.** (a nonprofit organization) as of August 31, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Friends of the Public Garden Inc.** as of August 31, 2010 and 2009 and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information contained on pages eight through ten is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bacall + Conniff, P.C.

December 7, 2010

The Friends of the Public Garden Inc.

Statements of Financial Position

August 31, 2010 and 2009

Assets

	<u>2010</u>	<u>2009</u>
<u>Current Assets</u>		
Cambridge Trust - cash management	1,067,945	0
Cambridge Trust - money market	651,477	0
Bank of America - checking	<u>6,619</u>	<u>403,582</u>
Total Cash	<u>1,726,041</u>	<u>403,582</u>
Total Current Assets	1,726,041	403,582
<u>Investments</u>	<u>12,560,046</u>	<u>11,488,860</u>
<u>Total Assets</u>	<u><u>14,286,087</u></u>	<u><u>11,892,442</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	79,316	49,338
Accrued expenses and taxes	<u>10,524</u>	<u>0</u>
Total Current Liabilities	<u>89,840</u>	<u>49,338</u>

Net Assets

Unrestricted Net Assets

General	10,958,703	10,815,070
Unrealized Gains/(Losses) on Securities Held	<u>(844,001)</u>	<u>(1,512,091)</u>
Total Unrestricted Net Assets	<u>10,114,702</u>	<u>9,302,979</u>

Temporarily Restricted Net Assets

Shaw/54th Fund	423,289	425,194
Henry Lee Conservation Fund	716,727	330,252
Brewer Fountain Fund	499,231	0
Commonwealth Avenue Tree Fund	1,084,331	645,662
Garden/Common Tree Fund	684,319	729,744
Skating in the Park Fund	586,798	575,969
Ether Accumulated Income Fund	10,683	23,011
Duckling Sculpture Accumulated Income	(160)	0
Unrealized Gains/(Losses) on Securities Held	<u>(233,266)</u>	<u>(448,950)</u>
Total Temporarily Restricted Net Assets	<u>3,771,952</u>	<u>2,280,882</u>

Permanently Restricted Net Assets

Duckling Sculpture Endowment Fund	100,000	50,000
Ether Monument Endowment Fund	<u>209,593</u>	<u>209,243</u>
Total Permanently Restricted Net Assets	<u>309,593</u>	<u>259,243</u>

Total Net Assets 14,196,247 11,843,104

Total Liabilities and Net Assets 14,286,087 11,892,442

See accountants' audit report and accompanying notes.

The Friends of the Public Garden Inc.
Statements of Activities
For the Years Ended August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues and Gains:		
Total Receipts	1,172,277	1,279,836
Net realized gains/(losses) from sale of securities	(371,956)	(257,222)
Net unrealized gains/(losses) from securities held	<u>668,090</u>	<u>(1,170,349)</u>
Total Revenues and Gains	1,468,411	(147,735)
Expenses and Losses:		
Total Disbursements	<u>656,688</u>	<u>550,454</u>
Changes in Unrestricted Net Assets	<u>811,723</u>	<u>(698,189)</u>
<u>Changes in Temporarily Restricted Net Assets</u>		
Revenues and Gains:		
Total Receipts	1,662,946	129,131
Net realized gains/(losses) from sale of securities	(102,784)	(76,373)
Net unrealized gains/(losses) from securities held	<u>215,684</u>	<u>(341,944)</u>
Total Revenues and Gains	1,775,846	(289,186)
Expenses and Losses:		
Total Disbursements	<u>284,776</u>	<u>185,358</u>
Changes in Temporarily Restricted Net Assets	<u>1,491,070</u>	<u>(474,544)</u>
<u>Changes in Permanently Restricted Net Assets</u>		
Revenues and Gains:		
Total Receipts	<u>50,350</u>	<u>50,793</u>
Total Revenues and Gains	50,350	50,793
Expenses and Losses:		
Total Disbursements	<u>0</u>	<u>0</u>
Changes in Permanently Restricted Net Assets	<u>50,350</u>	<u>50,793</u>
<u>Increase/(Decrease) in Net Assets</u>	2,353,143	(1,121,940)
<u>Net Assets, Beginning</u>	<u>11,843,104</u>	<u>12,965,044</u>
<u>Net Assets, Ending</u>	<u>14,196,247</u>	<u>11,843,104</u>

See accountants' audit report and accompanying notes.

The Friends of the Public Garden Inc.
Statements of Cash Flows
For the Years Ended August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Cash Provided by/(Applied to) Operating Activities</u>		
Change in Net Assets	2,353,143	(1,121,940)
Accounts Receivable	0	59,145
Accounts Payable	29,978	(17,770)
Net realized and unrealized (gains)/losses from securities	<u>(409,033)</u>	<u>1,845,889</u>
Net cash provided by operating activities	<u>1,974,088</u>	<u>765,324</u>
<u>Cash Provided by/(Applied to) Investing Activities</u>		
Proceeds from sale of investments	2,139,099	599,655
Purchases of investments	<u>(2,790,728)</u>	<u>(2,489,856)</u>
Net cash provided by (applied to) investing activities	<u>(651,629)</u>	<u>(1,890,201)</u>
<u>Increase (Decrease) in Cash</u>	1,322,459	(1,124,877)
<u>Cash at Beginning of Year</u>	<u>403,582</u>	<u>1,528,459</u>
<u>Cash at End of Year</u>	<u><u>1,726,041</u></u>	<u><u>403,582</u></u>

See accountants' audit report and accompanying notes.

The Friends of the Public Garden Inc.

Notes to Financial Statements

August 31, 2010 and 2009

Note 1 - **Summary of Significant Accounting Policies**

Nature of Business

The Corporation is a privately funded institution founded in 1970 for the purposes of providing educational programs, and preserving, maintaining and improving the Boston Public Garden, Boston Common and the Commonwealth Avenue Mall.

Income Taxes

The Corporation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation

The Corporation prepares its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 **Financial Statements of Not-for-Profit Organizations**. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Similarly, the Corporation is required to present the statements of cash flows in this format.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all investments with a maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Corporation maintains its accounts at two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured cash balances total \$1,517,126 at August 31, 2010.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Friends of the Public Garden Inc.

Notes to Financial Statements

August 31, 2010 and 2009

Note 2 - **Investments**

Marketable securities are stated at market value in accordance with Statement of Financial Accounting Standards (SFAS) No.124, **Accounting for Certain Investments held by Not-For-Profit Organizations**. Under SFAS No. 124, the Corporation is required to report investments at fair value on the Statements of Financial Position and report realized and unrealized gains and losses in the Statements of Activities.

Note 3 - **Temporarily Restricted Net Assets**

The temporarily restricted net assets are comprised of funds that have been designated by donors to be used for specific purposes. The Friends Policy Statement shows these funds as Designated Endowment Funds and they are comprised of the following:

Shaw/54th Fund

The Shaw/54th Fund was established for the specific purpose of repairing and restoring the Colonel Robert Gould Shaw/54th Regiment Memorial on Beacon Hill. All work has been completed on the restoration of the Shaw Memorial and the remaining balance is being used to maintain the memorial.

Henry Lee Conservation Fund

The Henry Lee Conservation Fund was established for the purpose of raising money for the repair and restoration of the various fountains and statues. The principal and income is used for repairs and restoration.

Brewer Fountain Fund

The Brewer Fountain Fund was established for the purpose of raising money for the repair and restoration of the Brewer Fountain. The principal and income is used for repairs and restoration.

Commonwealth Avenue Tree Fund

The Commonwealth Avenue Tree Fund was established for the purpose of tree care and planting for the Commonwealth Avenue Mall. Except for emergencies, only the income of Commonwealth Avenue Tree Fund will be expended, holding the principal intact to provide continuing tree care and planting.

The Friends of the Public Garden Inc.

Notes to Financial Statements

August 31, 2010 and 2009

Garden/Common Tree Fund

The Garden/Common Tree Fund was established for the purpose of tree care and planting in the Public Garden and Boston Common. Except for emergencies, only the income of the Garden/Common Tree Fund will be expended, holding the principal intact to provide continuing income for tree care.

Skating in the Park

The Skating in the Park Fund was established for the purpose of providing an area for free public skating in the Public Garden. This fund also makes contributions for skating programs at the Frog Pond on Boston Common.

Note 4 - **Permanently Restricted Net Assets**

Duckling Sculpture Fund

The Duckling Sculpture Fund was established for the purpose of providing an endowment for the repair and restoration of the Duckling Sculpture. The income from the endowment is included in the temporarily restricted net assets on the Statements of Financial Position. The principal will remain intact and is included in the permanently restricted net assets.

Ether Fund

The Ether Fund was established for the purpose of restoring and providing an endowment for the Ether monument and the fountain. The income from the endowment is included in the temporarily restricted net assets on the Statements of Financial Position. The principal will remain intact and is included in the permanently restricted net assets.

**The Friends of the Public Garden Inc.
Statement of Income and Expenses
For the Year Ended August 31, 2010**

	<u>General</u>	<u>Shaw/54th</u>	<u>Henry Lee Conservation</u>	<u>Brewer Fountain</u>	<u>Comm Ave Tree</u>	<u>Garden/ Common Tree</u>	<u>Skating in the Park</u>	<u>Duckling Sculpture Accumulated Income</u>	<u>Ether Accumulated Income</u>	<u>Duckling Sculpture</u>	<u>Ether Monument</u>	<u>Total</u>
Receipts												
Annual Contributions	196,170	0	0	0	0	0	0	0	0	0	0	196,170
Bequests	0	0	100,000	0	480,833	0	0	0	0	0	0	580,833
Other Contributions	518,879	0	323,985	619,265	20,400	10,249	0	0	0	50,000	350	1,543,128
Events and Education	9,659	0	0	0	0	0	15,000	0	0	0	0	24,659
Fundraising Event	94,000	0	0	0	0	0	0	0	0	0	0	94,000
Dividends/Interest	337,269	13,260	10,298	0	20,135	22,757	17,962	1,559	7,243	0	0	430,483
Total Receipts	<u>1,155,977</u>	<u>13,260</u>	<u>434,283</u>	<u>619,265</u>	<u>521,368</u>	<u>33,006</u>	<u>32,962</u>	<u>1,559</u>	<u>7,243</u>	<u>50,000</u>	<u>350</u>	<u>2,869,273</u>
Disbursements												
Payroll Expenses	135,434	0	0	0	0	0	0	0	0	0	0	135,434
Development	62,693	0	0	0	0	0	0	0	0	0	0	62,693
Communications	9,617	244	0	0	62	0	0	0	0	0	0	9,923
Operations	35,684	0	0	16	210	0	0	0	0	0	0	35,910
Tree Care	126,227	0	0	0	56,675	53,337	0	0	0	0	0	236,239
Infrastructure	183,657	0	8,610	0	2,850	0	0	0	0	0	0	195,117
Sculpture Programs	0	300	25,842	4,884	700	0	0	0	11,585	0	0	43,311
Brewer Fountain Expenses	0	0	0	115,134	0	0	0	0	0	0	0	115,134
Events and Education	25,083	0	2,000	0	0	0	2,327	0	0	0	0	29,410
Total Disbursements	<u>578,395</u>	<u>544</u>	<u>36,452</u>	<u>120,034</u>	<u>60,497</u>	<u>53,337</u>	<u>2,327</u>	<u>0</u>	<u>11,585</u>	<u>0</u>	<u>0</u>	<u>863,171</u>
Net Ongoing Operations	<u>577,582</u>	<u>12,716</u>	<u>397,831</u>	<u>499,231</u>	<u>460,871</u>	<u>(20,331)</u>	<u>30,635</u>	<u>1,559</u>	<u>(4,342)</u>	<u>50,000</u>	<u>350</u>	<u>2,006,102</u>
Special Projects												
40th Anniversary Income	16,300	0	0	0	0	0	0	0	0	0	0	(16,300)
40th Anniversary Expenses	78,293	0	0	0	0	0	0	0	0	0	0	78,293
Total Special Projects	<u>(61,993)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(61,993)</u>
Realized Gain/(Loss)	<u>(371,956)</u>	<u>(14,621)</u>	<u>(11,356)</u>	<u>0</u>	<u>(22,202)</u>	<u>(25,094)</u>	<u>(19,806)</u>	<u>(1,719)</u>	<u>(7,986)</u>	<u>0</u>	<u>0</u>	<u>(474,740)</u>
Net Income	<u>143,633</u>	<u>(1,905)</u>	<u>386,475</u>	<u>499,231</u>	<u>438,669</u>	<u>(45,425)</u>	<u>10,829</u>	<u>(160)</u>	<u>(12,328)</u>	<u>50,000</u>	<u>350</u>	<u>1,469,369</u>
Fund Balances - Beginning	<u>10,815,070</u>	<u>425,194</u>	<u>330,252</u>	<u>0</u>	<u>645,662</u>	<u>729,744</u>	<u>575,969</u>	<u>0</u>	<u>23,011</u>	<u>50,000</u>	<u>209,243</u>	<u>13,804,145</u>
Fund Balances - Ending Before Unrealized Losses	<u>10,958,703</u>	<u>423,289</u>	<u>716,727</u>	<u>499,231</u>	<u>1,084,331</u>	<u>684,319</u>	<u>586,798</u>	<u>(160)</u>	<u>10,683</u>	<u>100,000</u>	<u>209,593</u>	<u>15,273,514</u>

See accountants' audit report and accompanying notes.

The Friends of the Public Garden Inc.
Statement of Income and Expenses
For the Year Ended August 31, 2009

	<u>General</u>	<u>Shaw/54th</u>	<u>Henry Lee Conservation</u>	<u>Brewer Fountain</u>	<u>Comm Ave Tree</u>	<u>Garden/Common Tree</u>	<u>Skating in the Park</u>	<u>Duckling Sculpture Accumulated Income</u>	<u>Ether Monument Accumulated Income</u>	<u>Total</u>
Receipts										
Annual Contributions	311,835	0	0	0	0	0	0	0	0	311,835
Bequests	0	0	0	0	0	0	0	0	0	0
Other Contributions	434,794	0	0	0	29,740	13,000	0	0	793	528,327
Events and Education	7,828	0	0	0	0	0	0	0	0	7,828
Fundraising Event	234,450	0	0	0	0	0	0	0	0	234,450
Dividends/Interest	290,929	12,858	10,763	0	18,772	20,436	16,258	0	7,304	377,320
Total Receipts	<u>1,279,836</u>	<u>12,858</u>	<u>10,763</u>	<u>0</u>	<u>48,512</u>	<u>33,436</u>	<u>16,258</u>	<u>0</u>	<u>7,304</u>	<u>1,459,760</u>
Disbursements										
Payroll Expenses	53,634	0	0	0	0	0	0	0	0	53,634
Development	56,839	0	0	0	0	0	0	0	0	56,839
Operations	72,946	0	0	0	0	0	0	0	0	72,946
Tree Care	84,189	0	0	0	53,610	12,145	0	0	0	149,944
Infrastructure	78,046	0	0	0	0	0	0	0	0	78,046
Sculpture Programs	92,814	32,982	53,646	0	0	0	0	0	29,077	208,519
Brewer Fountain	95,195	0	0	0	0	0	0	0	0	95,195
Events and Education	16,791	0	0	0	0	0	3,898	0	0	20,689
Total Disbursements	<u>550,454</u>	<u>32,982</u>	<u>53,646</u>	<u>0</u>	<u>53,610</u>	<u>12,145</u>	<u>3,898</u>	<u>0</u>	<u>29,077</u>	<u>735,812</u>
Net Ongoing Operations	<u>729,382</u>	<u>(20,124)</u>	<u>(42,883)</u>	<u>0</u>	<u>(5,098)</u>	<u>21,291</u>	<u>12,360</u>	<u>0</u>	<u>(21,773)</u>	<u>723,948</u>
Special Projects										
40th Anniversary Income	0	0	0	0	0	0	0	0	0	0
40th Anniversary Expenses	0	0	0	0	0	0	0	0	0	0
Total Special Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Realized Gain/(Loss)	<u>(257,222)</u>	<u>(11,357)</u>	<u>(9,516)</u>	<u>0</u>	<u>(16,600)</u>	<u>(18,068)</u>	<u>(14,374)</u>	<u>0</u>	<u>(6,458)</u>	<u>(333,595)</u>
Net Income	<u>472,160</u>	<u>(31,481)</u>	<u>(52,399)</u>	<u>0</u>	<u>(21,698)</u>	<u>3,223</u>	<u>(2,014)</u>	<u>0</u>	<u>(28,231)</u>	<u>390,353</u>
Fund Balances - Beginning	<u>10,342,910</u>	<u>456,675</u>	<u>382,651</u>	<u>0</u>	<u>667,360</u>	<u>726,521</u>	<u>577,983</u>	<u>0</u>	<u>51,242</u>	<u>13,413,792</u>
Fund Balances - Ending Before Unrealized Losses	<u>10,815,070</u>	<u>425,194</u>	<u>330,252</u>	<u>0</u>	<u>645,662</u>	<u>729,744</u>	<u>575,969</u>	<u>0</u>	<u>23,011</u>	<u>13,804,145</u>

See accountants' audit report and accompanying notes.