

THE FRIENDS OF THE
PUBLIC GARDEN, INC.
FINANCIAL STATEMENTS
AUGUST 31, 2009

Independent Auditors' Report111 STATE STREET
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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, 2009 and 2008 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, 2009 and 2008 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.

March 11, 2010

Bacall + Conniff, P.C.

The Friends of the Public Garden Inc.

Statements of Financial Position

August 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|------------------------------|-------------------|-------------------|
| <u>Assets</u> | | |
| <u>Current Assets</u> | | |
| Cash - Bank of America | 403,582 | 1,518,281 |
| Cash - Shaw/54th | 0 | 10,178 |
| Total Cash | 403,582 | 1,528,459 |
| Accounts Receivable | 0 | 59,145 |
| Total Current Assets | 403,582 | 1,587,604 |
| <u>Investments</u> | 11,488,860 | 11,444,547 |
| <u>Total Assets</u> | <u>11,892,442</u> | <u>13,032,151</u> |

Liabilities and Net Assets

| | | |
|--|-------------------|-------------------|
| <u>Current Liabilities</u> | | |
| Accounts Payable | 49,338 | 67,108 |
| Total Current Liabilities | 49,338 | 67,108 |
| <u>Net Assets</u> | | |
| Unrestricted Net Assets | | |
| General | 10,727,076 | 10,204,916 |
| Special Purpose Funds | 137,994 | 137,994 |
| Unrealized Gains/(Losses) on Securities Held | (1,512,091) | (341,742) |
| Total Unrestricted Net Assets | 9,352,979 | 10,001,168 |
| Temporarily Restricted Net Assets | | |
| Shaw/54th Fund | 425,194 | 456,675 |
| Fountain/Sculpture Fund | 330,252 | 382,651 |
| Commonwealth Avenue Tree Fund | 645,662 | 667,360 |
| Garden/Common Tree Fund | 729,744 | 726,521 |
| Skating in the Park Fund | 575,969 | 577,983 |
| Ether Accumulated Income Fund | 23,011 | 51,242 |
| Unrealized Gains/(Losses) on Securities Held | (448,950) | (107,007) |
| Total Temporarily Restricted Net Assets | 2,280,882 | 2,755,425 |
| Permanently Restricted Net Assets | | |
| Ether Monument Endowment Fund | 209,243 | 208,450 |
| Total Permanently Restricted Net Assets | 209,243 | 208,450 |
| Total Net Assets | 11,843,104 | 12,965,043 |
| <u>Total Liabilities and Net Assets</u> | <u>11,892,442</u> | <u>13,032,151</u> |

See accountants' audit report and accompanying notes.

The Friends of the Public Garden Inc.
Notes to Financial Statements
August 31, 2009 and 2008

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 one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured cash balances total \$192,755 at August 31, 2009.

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, 2009 and 2008

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 - **Unrestricted Net Assets**

Unrestricted net assets include Special Purpose Funds of \$137,994 that are not legally restricted by outside donors, but are to be expended in accordance with the wishes of donors. Contributions are made in the name or memory of specific persons for the purpose of purchasing trees or flowers to be planted in their names.

Note 4 - **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.

Note 5 - **Fountain/Sculpture Fund**

The Fountain/Sculpture 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.

Note 6 - **Commonwealth Avenue Tree Fund**

The Commonwealth Avenue Tree Fund was established for the purpose of tree care and planting for the Commonwealth Avenue Mall. The principal of the fund will remain intact with any income earned on the principal to be used for tree care and planting.

Note 7 - **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.

The Friends of the Public Garden Inc.
Notes to Financial Statements
August 31, 2009 and 2008

Note 8 - **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 9 - **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, 2009**

| | <u>General</u> | <u>Special Purpose</u> | <u>Shaw/54th</u> | <u>Fountain/ Sculpture</u> | <u>Comm Ave Tree</u> | <u>Garden/ Common Tree</u> | <u>Skating in the Park</u> | <u>Ether Accumulated Income</u> | <u>Ether Monument</u> | <u>Total</u> |
|---|-------------------|------------------------|------------------|--------------------------------|--------------------------|------------------------------------|------------------------------------|---|---------------------------|-------------------|
| <u>Receipts</u> | | | | | | | | | | |
| Dividends/Interest | 290,929 | 0 | 12,858 | 10,763 | 18,772 | 20,436 | 16,258 | 7,304 | 0 | 377,320 |
| Annual Contributions | 311,835 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 311,835 |
| Adopt a Statue | 4,638 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,638 |
| Garden Book | 1,319 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,319 |
| Boston Common Book | 108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 108 |
| Gifts and Grants | 484,794 | 0 | 0 | 0 | 29,740 | 13,000 | 0 | 0 | 793 | 528,327 |
| Green & White Ball | 234,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 234,450 |
| Miscellaneous | 1,763 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,763 |
| Total Receipts | <u>1,329,836</u> | <u>0</u> | <u>12,858</u> | <u>10,763</u> | <u>48,512</u> | <u>33,436</u> | <u>16,258</u> | <u>7,304</u> | <u>793</u> | <u>1,459,760</u> |
| <u>Disbursements</u> | | | | | | | | | | |
| Auditing Expense | 8,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,175 |
| Other Professional Service | 5,528 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,528 |
| Brewer Fountain | 95,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 95,195 |
| Benches/Lighting | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150 |
| Ancient Fishweir Project | 11,914 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,914 |
| Green & White Ball | 52,402 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52,402 |
| Duckling Day | 4,377 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,377 |
| Return of Swan | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 |
| Mail Labels | 4,437 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,437 |
| Miscellaneous | 41,117 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41,117 |
| Office Expense | 31,829 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,829 |
| Park Ranger Program | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 |
| Rose Brigade | 6,343 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,343 |
| Salary and Payroll Taxes | 53,634 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 53,634 |
| Skating Program | 0 | 0 | 0 | 0 | 0 | 0 | 3,898 | 0 | 0 | 3,898 |
| Revenue Consultant | 33,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,000 |
| Statue Maintenance | 92,814 | 0 | 32,982 | 53,646 | 234 | 0 | 0 | 29,077 | 0 | 208,753 |
| Irrigation | 12,127 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,127 |
| Trees/Plants | 71,912 | 0 | 0 | 0 | 53,376 | 12,145 | 0 | 0 | 0 | 137,433 |
| Total Disbursements | <u>550,454</u> | <u>0</u> | <u>32,982</u> | <u>53,646</u> | <u>53,610</u> | <u>12,145</u> | <u>3,898</u> | <u>29,077</u> | <u>0</u> | <u>735,812</u> |
| <u>Net Excess</u> | 779,382 | 0 | (20,124) | (42,883) | (5,098) | 21,291 | 12,360 | (21,773) | 793 | 723,948 |
| <u>Realized Gain/(Loss)</u> | (257,222) | 0 | (11,357) | (9,516) | (16,600) | (18,068) | (14,374) | (6,458) | 0 | (333,595) |
| <u>Fund Balances - Beginning</u> | <u>10,204,916</u> | <u>137,994</u> | <u>456,675</u> | <u>382,651</u> | <u>667,360</u> | <u>726,521</u> | <u>577,983</u> | <u>51,242</u> | <u>208,450</u> | <u>13,413,792</u> |
| <u>Fund Balances - Ending</u> | <u>10,727,076</u> | <u>137,994</u> | <u>425,194</u> | <u>330,252</u> | <u>645,662</u> | <u>729,744</u> | <u>575,969</u> | <u>23,011</u> | <u>209,243</u> | <u>13,804,145</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, 2008

| | <u>General</u> | <u>Special Purpose</u> | <u>Shaw/54th</u> | <u>Fountain/ Sculpture</u> | <u>Comm Ave Tree</u> | <u>Garden/ Common Tree</u> | <u>Skating in the Park</u> | <u>Ether Accumulated Income</u> | <u>Ether Monument</u> | <u>Total</u> |
|----------------------------------|------------------|------------------------|------------------|--------------------------------|--------------------------|------------------------------------|------------------------------------|---|---------------------------|------------------|
| Receipts | | | | | | | | | | |
| Dividends/Interest | 318,840 | 555 | 11,750 | 15,415 | 22,585 | 21,653 | 19,582 | 4,799 | 0 | 415,179 |
| Annual Contributions | 783,582 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 783,582 |
| Adopt a Statue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Garden Book | 1,078 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,078 |
| Boston Common Book | 167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 167 |
| Gifts and Grants | 315,437 | 0 | 0 | 14,750 | 57,635 | 99,667 | 18,000 | 0 | 122,755 | 628,244 |
| Green & White Ball | 449,460 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 449,460 |
| Miscellaneous | 48,116 | 0 | 2,389 | 2,305 | 3,377 | 3,237 | 2,928 | 717 | 0 | 63,069 |
| Directors Dinner | 1,050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,050 |
| Total Receipts | <u>1,917,730</u> | <u>555</u> | <u>14,139</u> | <u>32,470</u> | <u>83,597</u> | <u>124,557</u> | <u>40,510</u> | <u>5,516</u> | <u>122,755</u> | <u>2,341,829</u> |
| Disbursements | | | | | | | | | | |
| Auditing Expense | 11,335 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,335 |
| Other Professional Services | 6,802 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,802 |
| Brewer Fountain | 24,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,175 |
| Benches/Lighting | 6,370 | 0 | 0 | 0 | 1,280 | 0 | 0 | 0 | 0 | 7,650 |
| Capital Campaign | 26,570 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,570 |
| Ancient Fishweir Project | 9,534 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,534 |
| Green & White Ball | 54,014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54,014 |
| Duckling Day | 3,980 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,980 |
| Return of Swan | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 |
| Public Garden Tour | 17,135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,135 |
| Mail Labels | 3,230 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,230 |
| Miscellaneous | 33,958 | 0 | 217 | 0 | 0 | 0 | 0 | 0 | 0 | 34,175 |
| Office Expense | 35,552 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,552 |
| Park Ranger Program | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 |
| Rose Brigade | 600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 600 |
| Salary and Payroll Taxes | 86,758 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86,758 |
| Skating Program | 0 | 0 | 0 | 0 | 0 | 0 | 10,425 | 0 | 0 | 10,425 |
| Statue Maintenance | 0 | 0 | 363 | 81,100 | 7,051 | 0 | 0 | 2,850 | 0 | 91,364 |
| Trees/Plants | 166,443 | 0 | 3,750 | 0 | 39,830 | 3,860 | 0 | 0 | 0 | 213,883 |
| Total Disbursements | <u>511,956</u> | <u>0</u> | <u>4,330</u> | <u>81,100</u> | <u>48,161</u> | <u>3,860</u> | <u>10,425</u> | <u>2,850</u> | <u>0</u> | <u>662,682</u> |
| Net Excess | 1,405,774 | 555 | 9,809 | (48,630) | 35,436 | 120,697 | 30,085 | 2,666 | 122,755 | 1,679,147 |
| Realized Gain/(Loss) | 555,534 | 0 | 27,623 | 26,810 | 39,283 | 37,660 | 34,060 | 8,347 | 0 | 729,317 |
| Fund Balances - Beginning | 8,243,608 | 137,439 | 419,243 | 404,471 | 592,641 | 568,164 | 513,838 | 40,229 | 85,695 | 11,005,328 |
| Fund Balances - Ending | 10,204,916 | 137,994 | 456,675 | 382,651 | 667,360 | 726,521 | 577,983 | 51,242 | 208,450 | 13,413,792 |

See accountants' audit report and accompanying notes.