

**Reviewed
Financial Statements**

**The Esplanade
Association, Inc.**

June 30, 2009

The Esplanade Association, Inc.

Reviewed Financial Statements

June 30, 2009

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G.T. Reilly & Company
Internationally,
Moore Stephens Reilly, P.C.
Reilly Consulting Group, Inc.
ReillyTech
Reilly Benefits
Reilly Small Business Group

ACCOUNTANTS' REVIEW REPORT

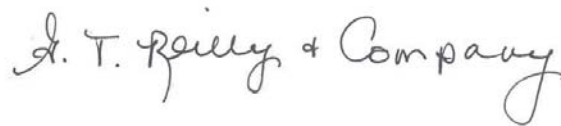
Board of Directors
The Esplanade Association, Inc.

We have reviewed the accompanying statements of financial position of The Esplanade Association, Inc. as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Esplanade Association, Inc.

A review consists principally of inquiries of Association personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements as of and for the years ended June 30, 2009 and 2008, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying schedules of unrestricted support, revenue and expenses by program for the years ended June 30, 2009 and 2008 are presented only for supplementary analysis purposes. The schedules have been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we did not become aware of any material modifications that should be made to these schedules.



G. T. Reilly & Company

Milton, Massachusetts
November 17, 2009

The Esplanade Association, Inc.

Statements of Financial Position

June 30

(See Accountants' Review Report)

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
CURRENT ASSETS		
Cash	\$ 537,968	\$ 402,872
Prepaid expenses	5,201	0
TOTAL CURRENT ASSETS	<u>543,169</u>	<u>402,872</u>
OFFICE EQUIPMENT, NET (Note 1)	<u>1,492</u>	<u>2,350</u>
	<u>\$ 544,661</u>	<u>\$ 405,222</u>
 <u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 818	\$ 9,137
Accrued expenses	7,744	5,000
TOTAL CURRENT LIABILITIES	<u>8,562</u>	<u>14,137</u>
NET ASSETS (Note 1)		
Unrestricted:		
Undesignated	304,030	136,829
Board-designated (Note 2)	62,000	62,000
	<u>366,030</u>	<u>198,829</u>
Temporarily restricted (Note 2)	<u>170,069</u>	<u>192,256</u>
TOTAL NET ASSETS	<u>536,099</u>	<u>391,085</u>
	<u>\$ 544,661</u>	<u>\$ 405,222</u>

The Esplanade Association, Inc.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30

(See Accountants' Review Report)

	2009			2008		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE						
Contributions and donations	\$ 141,565	\$ 0	\$ 141,565	\$ 193,651	\$ 143,225	\$ 336,876
Special event	527,890	0	527,890	113,560	5,000	118,560
Less: costs of direct benefits to donors	(199,588)	0	(199,588)	0	0	0
Interest income	7,896	0	7,896	12,876	0	12,876
Net assets released from restrictions (Note 2)	22,187	(22,187)	0	169,574	(169,574)	0
TOTAL SUPPORT AND REVENUE	499,950	(22,187)	477,763	489,661	(21,349)	468,312
EXPENSES						
Program services	91,632	0	91,632	249,709	0	249,709
General & administrative	185,458	0	185,458	203,470	0	203,470
Fundraising & development	55,659	0	55,659	42,345	0	42,345
TOTAL EXPENSES	332,749	0	332,749	495,524	0	495,524
CHANGE IN NET ASSETS	167,201	(22,187)	145,014	(5,863)	(21,349)	(27,212)
NET ASSETS AT BEGINNING OF YEAR	198,829	192,256	391,085	204,692	213,605	418,297
NET ASSETS AT END OF YEAR	\$ 366,030	\$ 170,069	\$ 536,099	\$ 198,829	\$ 192,256	\$ 391,085

The Esplanade Association, Inc.

Statement of Functional Expenses

Year Ended June 30, 2009

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising & Development</u>	<u>Total</u>
Grants and donations	\$ 20,000	\$ 300	\$ 0	\$ 20,300
Payroll and related expenses	45,725	44,920	28,115	118,760
Contract and temporary labor	350	5,318	0	5,668
Professional fees	760	72,360	14,345	87,465
Subcontract program costs	24,000	0	0	24,000
Equipment and computer costs	0	3,813	0	3,813
Printing and reproduction	0	4,046	8,949	12,995
Supplies	797	5,200	1,416	7,413
Rent	0	24,600	0	24,600
Meetings and receptions	0	4,303	0	4,303
Insurance	0	3,349	0	3,349
Postage and delivery	0	1,777	131	1,908
Telephone and communications	0	2,969	0	2,969
Advertising	0	685	0	685
Bank service charges	0	4,839	2,673	7,512
Dues and subscriptions	0	1,312	30	1,342
Depreciation	0	858	0	858
Other expense	0	4,809	0	4,809
	<u>\$ 91,632</u>	<u>\$ 185,458</u>	<u>\$ 55,659</u>	<u>\$ 332,749</u>

The Esplanade Association, Inc.

Statement of Functional Expenses

Year Ended June 30, 2008

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising & Development</u>	<u>Total</u>
Grants and donations	\$ 45,000	\$ 200	\$ 0	\$ 45,200
Payroll and related expenses	115,999	99,445	27,614	243,058
Contract and temporary labor	0	1,691	0	1,691
Professional fees	51,849	16,610	13,160	81,619
Subcontract program costs	24,000	0	0	24,000
Equipment and computer costs	0	4,557	1,306	5,863
Printing and reproduction	120	9,195	0	9,315
Supplies	9,836	13,096	49	22,981
Rent	0	24,000	0	24,000
Meetings and receptions	2,741	5,659	0	8,400
Insurance	0	9,384	0	9,384
Postage and delivery	164	3,035	216	3,415
Telephone and communications	0	3,902	0	3,902
Bank service charges	0	6,517	0	6,517
Dues and subscriptions	0	4,614	0	4,614
Depreciation	0	1,125	0	1,125
Other expense	0	440	0	440
	<u>\$ 249,709</u>	<u>\$ 203,470</u>	<u>\$ 42,345</u>	<u>\$ 495,524</u>

The Esplanade Association, Inc.

Statements of Cash Flows

For the Year Ended June 30

(See Accountants' Review Report)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 145,014	\$ (27,212)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	858	1,125
Changes in operating assets and liabilities:		
Prepaid expenses	(5,201)	6,178
Grant payable	-	(230,000)
Accounts payable	(8,319)	(1,250)
Accrued expenses	2,744	(29,738)
Other liabilities	-	(100,000)
	<hr/>	<hr/>
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	135,096	(380,897)
CASH AT BEGINNING OF YEAR	<u>402,872</u>	<u>783,769</u>
CASH AT END OF YEAR	<u><u>\$ 537,968</u></u>	<u><u>\$ 402,872</u></u>

The Esplanade Association, Inc.

Notes to Financial Statements

June 30, 2009

(See Accountants' Review Report)

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities – Founded in 2001, The Esplanade Association, Inc. (the “Association”) is a publicly supported nonprofit organization. The purpose of the Association is to initiate and support efforts to preserve, restore and enhance the Charles River Esplanade in the City of Boston as a vital park to be enjoyed by the general public in peace and safety, to assist government agencies for this purpose, and to serve as a source of public education on the history and attractions of the Charles River Esplanade. The Association’s programs are funded primarily through contributions and membership dues.

The revenues, support and expenses of the Association are reported in a program services group, a general and administrative group, and a fundraising and development group. A description of services and activities reported under the program services group is as follows:

Volunteer & Community Outreach program - Through its Volunteer and Community Outreach program, the Association brings volunteers into the park to help restore and maintain the landscape and facilities.

Teddy Ebersol’s Red Sox Fields (TERSF) - The Association, in partnership with the Red Sox Foundation and Hill House, raises funds to improve and maintain these athletic fields for the benefit of the community.

General Mission and Other Programs – General mission and other programs are put in place to create awareness of the urban park known as The Esplanade, create programming for neighborhood residents and to restore and enhance the park. The foundation of these programs is based on the Association’s leadership role in a coalition working for parkland protection and improved management of park resources. Other programs include humane control of the Canada geese population, replacement of park amenities such as water fountains and mobilization of key stakeholders in planning park improvements in coordination with the Commonwealth of Massachusetts Department of Conservation and Recreation.

Accounting Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Financial Statement Presentation - Under Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", the Association reports information regarding its financial position and activities according to three classes of net assets determined by donor-imposed restrictions as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. (See Note 2 regarding restrictions on net assets.)

Statement of Cash Flows - For the purpose of the statement of cash flows, the Association considers cash equivalents to be cash in banks and money market funds.

Note 1 - Significant Accounting Policies (Cont.)

Recognition of Donor Restrictions - The Association reports contributions of cash or other assets as restricted support, thereby increasing temporarily restricted net assets, if they are received with donor stipulations that limit, specify or otherwise restrict the use of such contributions. When a donor restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions - Under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions receivable that are, in effect, "unconditional promises to give" are required to be recorded at the present value of future cash flows. In addition, use-restricted contributions are required to be reported as temporarily restricted support when received, rather than as deferred support, and subsequently reclassified to unrestricted net assets upon satisfaction of the use-restriction.

Contributed Services - The Association recognizes contributions of services received as support in the statement of activities with equal amounts recognized as expense if the services provided require skills, and would need to be purchased by the Association if not contributed.

Support and Revenue - The Association receives support from a broad base of foundations and individuals devoted to the upkeep and preservation of the parks, open space and community facilities along the Boston side of the banks of the Charles River, from the Museum of Science to the Boston University Bridge. The Association's special event is the "Moondance Gala". The "Moondance Gala" is the Association's bi-annual signature fundraising event. Proceeds from the gala support many of the Association's projects and programs.

Office Equipment - Office equipment is stated on the basis of cost. Depreciation is calculated on the straight-line basis over an estimated useful life of five years. Maintenance, repairs and minor renewals are expensed as incurred.

Office equipment consists of the following at June 30:

	<u>2009</u>	<u>2008</u>
Computer equipment	\$ 7,787	\$ 7,787
Less accumulated depreciation	6,295	5,437
Net book value	<u>\$ 1,492</u>	<u>\$ 2,350</u>

Depreciation expense was \$858 and \$1,125 for the years ended June 30, 2009 and 2008, respectively.

Tax-Exempt Status - The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Evaluation of Subsequent Events - In accordance with generally accepted accounting principles, management has evaluated subsequent events involving the Association for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2009 (the date of the accompanying financial statements) up through October 18, 2009, the date the accompanying financial statements were available to be issued.

Note 2 –Net Assets

Temporarily Restricted Net Assets - Temporarily restricted net assets are available for the following purposes and programs at June 30:

	<u>2009</u>	<u>2008</u>
Park bench sponsor - landscape and beautification	\$ 71,166	\$ 71,166
Stoneman playground	65,089	65,089
Teen leadership program	-	21,137
Lotta Crabtree dog statue	23,741	23,741
Storrow Drive project	10,073	10,073
General Mission	-	1,050
	<u>\$ 170,069</u>	<u>\$ 192,256</u>

Temporarily restricted grants and donations were used for the following purposes during the year ended June 30:

	<u>2009</u>	<u>2008</u>
Wooden docks	\$ -	\$ 108,920
Park bench sponsor - landscape and beautification	-	36,306
Esplanade user survey	-	20,395
Teen leadership program and general mission	22,187	3,026
Storrow Drive project	-	927
	<u>\$ 22,187</u>	<u>\$ 169,574</u>

Board-Designated Net Assets – At both June 30, 2009 and 2008 unrestricted net assets designated by the Board of Directors for support and maintenance of the Stoneman Playground and the Arthur Fiedler Footbridge were \$62,000.

Note 3– Lease Commitments

The Association leases its office space located at 10 Derne Street, Boston, Massachusetts, from an unrelated party under a tenant-at-will arrangement.

Rent expense was \$24,000 for 2009 and 2008. The projected future rent for fiscal year 2010 is \$24,000.

Note 4 – Financial Instruments and Concentrations of Credit Risk

The Association's financial instruments that may be subject to concentrations of credit risk consist of cash in banks.

The Association maintains its cash deposits with a high-quality financial institution. At June 30, 2009, cash balances, based on bank balance amounts, exceeded amounts insured by the Federal Deposit Insurance Commission by approximately \$293,000.

OTHER FINANCIAL INFORMATION

The Esplanade Association, Inc.

Schedule of Unrestricted Support, Revenue and Expenses by Program

Year Ended June 30, 2009

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising & Development</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 30,307	\$ 133,445	\$ 0	\$ 163,752
Special event	0	0	527,890	527,890
Less: direct benefits to donors	0	0	(199,588)	(199,588)
Interest income	1,143	6,753	0	7,896
TOTAL REVENUE	31,450	140,198	328,302	499,950
EXPENSES				
Grants and donations	20,000	300	0	20,300
Payroll and related expenses	45,725	44,920	28,115	118,760
Contract and temporary labor	350	5,318	0	5,668
Consultants and professional fees	760	72,360	14,345	87,465
Subcontract program costs	24,000	0	0	24,000
Equipment and computer costs	0	3,813	0	3,813
Printing and reproduction	0	4,046	8,949	12,995
Supplies	797	5,200	1,416	7,413
Rent	0	24,600	0	24,600
Meetings and receptions	0	4,303	0	4,303
Insurance	0	3,349	0	3,349
Postage and delivery	0	1,777	131	1,908
Telephone and communications	0	2,969	0	2,969
Advertising	0	685	0	685
Bank service charges	0	4,839	2,673	7,512
Dues and subscriptions	0	1,312	30	1,342
Depreciation	0	858	0	858
Other expense	0	4,809	0	4,809
	91,632	185,458	55,659	332,749
EXCESS (DEFICIENCY) OF UNRESTRICTED SUPPORT AND REVENUE OVER EXPENSES	\$ (60,182)	\$ (45,260)	\$ 272,643	\$ 167,201

The Esplanade Association, Inc.

Schedule of Unrestricted Support, Revenue and Expenses by Program

Year Ended June 30, 2008

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising & Development</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 179,690	\$ 183,535	\$ 0	\$ 363,225
Special event	0	0	113,560	113,560
Less: direct benefits to donors	0	0	0	-
Interest income	2,089	10,787	0	12,876
TOTAL REVENUE	181,779	194,322	113,560	489,661
EXPENSES				
Grants and donations	45,000	200	0	45,200
Payroll and related expenses	115,999	99,445	27,614	243,058
Contract and temporary labor	0	1,691	0	1,691
Consultants and professional fees	51,849	16,610	13,160	81,619
Subcontract program costs	24,000	0	0	24,000
Equipment and computer costs	0	4,557	1,306	5,863
Printing and reproduction	120	9,195	0	9,315
Supplies	9,836	13,096	49	22,981
Rent	0	24,000	0	24,000
Meetings and receptions	2,741	5,659	0	8,400
Insurance	0	9,384	0	9,384
Postage and delivery	164	3,035	216	3,415
Telephone and communications	0	3,902	0	3,902
Advertising	0	0	0	0
Bank service charges	0	6,517	0	6,517
Dues and subscriptions	0	4,614	0	4,614
Depreciation	0	1,125	0	1,125
Other expense	0	440	0	440
	249,709	203,470	42,345	495,524
EXCESS (DEFICIENCY) OF UNRESTRICTED SUPPORT AND REVENUE OVER EXPENSES	\$ (67,930)	\$ (9,148)	\$ 71,215	\$ (5,863)