

**Reviewed  
Financial Statements**

**The Esplanade  
Association, Inc.**

**June 30, 2010**

# The Esplanade Association, Inc.

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## Reviewed Financial Statements

June 30, 2010

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## ACCOUNTANTS' REVIEW REPORT

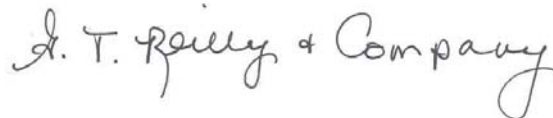
Board of Directors  
The Esplanade Association, Inc.

We have reviewed the accompanying statements of financial position of The Esplanade Association, Inc. as of June 30, 2010 and 2009, 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, 2010 and 2009, 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, 2010 and 2009 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  
January 20, 2011

# The Esplanade Association, Inc.

## Statements of Financial Position

June 30

(See Accountants' Review Report)

	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
CURRENT ASSETS		
Cash	\$ 568,211	\$ 537,968
Prepaid expenses	<u>6,571</u>	<u>5,201</u>
TOTAL CURRENT ASSETS	<u>574,782</u>	<u>543,169</u>
OFFICE EQUIPMENT, NET (Note 1)	<u>634</u>	<u>1,492</u>
	<u>\$ 575,416</u>	<u>\$ 544,661</u>
 <b><u>Liabilities and Net Assets</u></b>		
CURRENT LIABILITIES		
Accounts payable	\$ 10,012	\$ 818
Accrued expenses	<u>8,347</u>	<u>7,744</u>
TOTAL CURRENT LIABILITIES	<u>18,359</u>	<u>8,562</u>
NET ASSETS (Note 1)		
Unrestricted:		
Undesignated	217,083	304,030
Board-designated (Note 2)	<u>59,500</u>	<u>62,000</u>
	<u>276,583</u>	<u>366,030</u>
Temporarily restricted (Note 2)	<u>280,474</u>	<u>170,069</u>
TOTAL NET ASSETS	<u>557,057</u>	<u>536,099</u>
	<u>\$ 575,416</u>	<u>\$ 544,661</u>

# The Esplanade Association, Inc.

## Statements of Activities and Changes in Net Assets

For the Years Ended June 30

(See Accountants' Review Report)

	2010			2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>						
Contributions and donations	\$ 206,290	\$ 120,405	\$ 326,695	\$ 141,565	\$ -	\$ 141,565
Special event	115,644	-	115,644	527,890	-	527,890
Less: costs of direct benefits to donors	(18,936)	-	(18,936)	(199,588)	-	(199,588)
Interest income	2,761	-	2,761	7,896	-	7,896
Net assets released from restrictions (Note 2)	10,000	(10,000)	-	22,187	(22,187)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>315,759</b>	<b>110,405</b>	<b>426,164</b>	<b>499,950</b>	<b>(22,187)</b>	<b>477,763</b>
<b>EXPENSES</b>						
Program services	135,802	-	135,802	91,632	-	91,632
General & administrative	162,229	-	162,229	185,458	-	185,458
Fundraising & development	107,175	-	107,175	55,659	-	55,659
<b>TOTAL EXPENSES</b>	<b>405,206</b>	<b>-</b>	<b>405,206</b>	<b>332,749</b>	<b>-</b>	<b>332,749</b>
<b>CHANGE IN NET ASSETS</b>	<b>(89,447)</b>	<b>110,405</b>	<b>20,958</b>	<b>167,201</b>	<b>(22,187)</b>	<b>145,014</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>366,030</b>	<b>170,069</b>	<b>536,099</b>	<b>198,829</b>	<b>192,256</b>	<b>391,085</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 276,583</b>	<b>\$ 280,474</b>	<b>\$ 557,057</b>	<b>\$ 366,030</b>	<b>\$ 170,069</b>	<b>\$ 536,099</b>

# The Esplanade Association, Inc.

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## Statement of Functional Expenses

Year Ended June 30, 2010

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising &amp; Development</u>	<u>Total</u>
Grants and donations	\$ 20,946	\$ -	\$ -	\$ 20,946
Payroll and related expenses	83,773	78,788	57,713	220,274
Contract and temporary labor	11,723	309	35,559	47,591
Professional fees	-	8,245	3,000	11,245
Subcontract program costs	10,000	-	-	10,000
Equipment and computer costs	-	6,101	-	6,101
Printing and reproduction	-	3,787	6,546	10,333
Supplies	5,360	3,912	-	9,272
Rent	-	26,700	-	26,700
Meetings and receptions	-	6,799	-	6,799
Insurance	-	3,490	-	3,490
Postage and delivery	-	3,284	-	3,284
Telephone and communications	-	2,747	-	2,747
Advertising and marketing	-	11,709	-	11,709
Bank service charges	-	1,535	-	1,535
Dues and subscriptions	-	660	-	660
Depreciation	-	858	-	858
Other expense	4,000	3,305	4,357	11,662
	<u>\$ 135,802</u>	<u>\$ 162,229</u>	<u>\$ 107,175</u>	<u>\$ 405,206</u>

# The Esplanade Association, Inc.

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## Statement of Functional Expenses

Year Ended June 30, 2009

(See Accountants' Review Report)

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

# The Esplanade Association, Inc.

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## Statements of Cash Flows

### For the Year Ended June 30

(See Accountants' Review Report)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 20,958	\$ 145,014
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	858	858
Changes in operating assets and liabilities:		
Prepaid expenses	(1,370)	(5,201)
Accounts payable	9,194	(8,319)
Accrued expenses	603	2,744
	<hr/>	<hr/>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	30,243	135,096
CASH AT BEGINNING OF YEAR	<hr/> 537,968	<hr/> 402,872
CASH AT END OF YEAR	<hr/> <u>\$ 568,211</u>	<hr/> <u>\$ 537,968</u>



# The Esplanade Association, Inc.

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## Notes to Financial Statements

June 30, 2010

(See Accountants' Review Report)

### Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities – Founded in 2001, The Esplanade Association, Inc. (“TEA”) is a publicly supported nonprofit organization. The purpose of TEA 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. TEA’s programs are funded primarily through contributions and membership dues.

The revenues, support and expenses of TEA 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:

General Mission: TEA works closely with the Commonwealth of Massachusetts Department of Conservation and Recreation, community organizations, businesses, corporations, foundations, and individuals. Together, they plan, design and implement important maintenance, restoration and enhancement projects for the benefit of the millions of individuals who visit the park each year. TEA’s work focuses on:

**Projects** designed to significantly improve the use, aesthetics and safety of the park, including maintenance of the Teddy Ebersol’s Red Sox Fields;

**Programs** that enrich the enjoyment of visitors to the park, connect people from diverse backgrounds and communities, and promote a strong sense of park ownership;

**Advocacy** for public policies and resource allocation that help protect and preserve the park for the benefit of diverse communities.

Volunteer Recruitment and Management: TEA’s volunteer program parallels its park planning and capital project work and supports efforts to reach a superior level of park maintenance. TEA recruits and manages thousands of volunteers throughout the year to help with the park’s maintenance and care.

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 generally accepted accounting principles, TEA 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, TEA considers cash equivalents to be cash in banks and money market funds.

## Note 1 - Significant Accounting Policies (Cont.)

Recognition of Donor Restrictions - TEA 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 Generally Accepted Accounting Principles, 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 - TEA 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 TEA if not contributed.

Support and Revenue - TEA 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. TEA's special event is the "Moondance Gala". The "Moondance Gala" is TEA's bi-annual signature fundraising event. Proceeds from the gala support many of TEA's projects and programs. The most recent gala was held September 25, 2010.

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>2010</u>	<u>2009</u>
Computer equipment	\$ 7,787	\$ 7,787
Less accumulated depreciation	7,153	6,295
Net book value	<u>\$ 634</u>	<u>\$ 1,492</u>

Depreciation expense was \$858 for both the years ended June 30, 2010 and 2009.

Tax-Exempt Status - TEA 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 TEA for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2010 (the date of the accompanying financial statements) up through January 20, 2011, 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>2010</u>	<u>2009</u>
Park bench sponsor - landscape and beautification	\$ 71,166	\$ 71,166
Stoneman playground	65,089	65,089
Tree Inventory & Emergency Fund	35,405	-
Lotta Crabtree dog statue	23,741	23,741
Storrow Drive project	10,073	10,073
General mission time restriction	75,000	-
	<u>\$ 280,474</u>	<u>\$ 170,069</u>

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

	<u>2010</u>	<u>2009</u>
Park bench sponsor - landscape and beautification	\$ 10,000	\$ -
Teen leadership program and general mission	-	22,187
	<u>\$ 10,000</u>	<u>\$ 22,187</u>

Board-Designated Net Assets – At June 30, 2010, unrestricted net assets designated by the Board of Directors for support and maintenance of the Stoneman Playground and for Edward A. Hatch Memorial Shell tree pruning were \$37,000 and \$22,500, respectively.

At June 30, 2009, unrestricted net assets designated by the Board of Directors for support and maintenance of the Stoneman Playground and for the Arthur Fiedler Footbridge were \$37,000 and \$25,000, respectively.

## Note 3– Lease Commitments

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

Rent expense was \$26,700 and \$24,000 for 2010 and 2009, respectively. The projected future rent for fiscal year 2011 is \$34,800.

## Note 4 – Financial Instruments and Concentrations of Credit Risk

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

TEA maintains its cash deposits with a high-quality financial institution. At June 30, 2010, cash balances, based on bank balance amounts, exceeded amounts insured by the Federal Deposit Insurance Commission by approximately \$323,000.

For the year ended June 30, 2010, an officer and member of the Board of Directors donated \$100,000 of TEA's total support and revenue for the year ended June 30, 2010.

OTHER FINANCIAL INFORMATION

# The Esplanade Association, Inc.

## Schedule of Unrestricted Support, Revenue and Expenses by Program

Year Ended June 30, 2010

(See Accountants' Review Report)

	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising &amp; Development</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 10,000	\$ 186,290	\$ 20,000	\$ 216,290
Special event	-	-	115,644	115,644
Less: direct benefits to donors	-	-	(18,936)	(18,936)
Interest income	754	2,007	-	2,761
<b>TOTAL REVENUE</b>	<b>10,754</b>	<b>188,297</b>	<b>116,708</b>	<b>315,759</b>
<b>EXPENSES</b>				
Grants and donations	20,946	-	-	20,946
Payroll and related expenses	83,773	78,788	57,713	220,274
Contract and temporary labor	11,723	309	35,559	47,591
Consultants and professional fees	-	8,245	3,000	11,245
Subcontract program costs	10,000	-	-	10,000
Equipment and computer costs	-	6,101	-	6,101
Printing and reproduction	-	3,787	6,546	10,333
Supplies	5,360	3,912	-	9,272
Rent	-	26,700	-	26,700
Meetings and receptions	-	6,799	-	6,799
Insurance	-	3,490	-	3,490
Postage and delivery	-	3,284	-	3,284
Telephone and communications	-	2,747	-	2,747
Advertising	-	11,709	-	11,709
Bank service charges	-	1,535	-	1,535
Dues and subscriptions	-	660	-	660
Depreciation	-	858	-	858
Other expense	4,000	3,305	4,357	11,662
	<b>135,802</b>	<b>162,229</b>	<b>107,175</b>	<b>405,206</b>
<b>EXCESS (DEFICIENCY) OF UNRESTRICTED SUPPORT AND REVENUE OVER EXPENSES</b>	<b>\$ (125,048)</b>	<b>\$ 26,068</b>	<b>\$ 9,533</b>	<b>\$ (89,447)</b>

# The Esplanade Association, Inc.

## Schedule of Unrestricted Support, Revenue and Expenses by Program

Year Ended June 30, 2009

(See Accountants' Review Report)

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