

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

JOHN E. MCGOVERN & ASSOCIATES, P.C.

Certified Public Accountant

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Table of Contents

	<u>Page</u>
Independent Auditor's Report	3 - 4
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6
Consolidated Statements of Cash Flows	7
Notes to Financial Statements	8 - 15
Supplemental Information	16 - 21

JOHN E. McGOVERN & ASSOCIATES, P.C.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Awbury Arboretum Association, Inc. and Affiliates
Philadelphia, Pennsylvania

We have audited the accompanying consolidated statements of financial position of Awbury Arboretum Association, Inc. and Affiliates (a Non-Profit Organization) which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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.

TAX COMPLIANCE~ACCOUNTING & AUDITING~MANAGEMENT ADVISORY SERVICES~PERSONAL FINANCIAL PLANNING

Office: 4109 Main Street, Philadelphia, PA 19127~Telephone: (215) 483-5555~Fax: (215) 482-2417

Mailing Address: P.O. Box 4614, Philadelphia, PA 19127~Website: www.epaphilly.com

JOHN E. McGOVERN & ASSOCIATES, P.C.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, based on our audit, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Awbury Arboretum Association, Inc. and Affiliates as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Philadelphia, Pennsylvania
March 4, 2014

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and equivalents, temporary restricted	\$ 30,995	\$ 129,338
Investments, at market:		
Wellington admiral	121,285	232,200
GNMA - Vanguard	98	67
Vanguard MM End	1,345	1,344
Wellington End	198,096	249,045
Accounts receivable,	<u>35,202</u>	<u>45,979</u>
Total current assets	<u>387,021</u>	<u>657,973</u>
Property and equipment:		
Land, building and equipment, net of accumulated depreciation	<u>633,807</u>	<u>562,961</u>
Other assets:		
Houck Charitable Remainder Trust	<u>108,900</u>	<u>108,900</u>
Total assets	<u>\$1,129,728</u>	<u>\$1,329,834</u>

LIABILITIES AND FUND BALANCES

Current liabilities:		
Line of Credit	\$ 49,935	\$ 49,820
Accounts Payable	49,055	44,323
Deferred revenue	10,000	
Accrued expenses	<u>32,780</u>	<u>18,956</u>
Total current liabilities	<u>141,770</u>	<u>113,099</u>
Net assets		
Unrestricted		
Designated by the board	121,383	232,267
Undesignated	<u>154,355</u>	<u>179,206</u>
Total Unrestricted	275,738	411,473
Retained Earnings (deficit), subsidiary	(229,408)	(112,877)
Restricted		
Temporarily	108,900	108,900
Permanently	<u>832,728</u>	<u>809,239</u>
Total Net Assets	<u>987,958</u>	<u>1,216,735</u>
Total liabilities and net assets	<u>\$1,129,728</u>	<u>\$1,329,834</u>

See accompanying notes
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Totals</u>	<u>2012 Totals</u>
Revenue and Support					
Support					
Administrative					
Investment	\$ 58,850			\$ 58,850	\$ 24,559
Cope trust			\$ 22,422	22,422	23,550
Rental	12,049			12,049	10,014
Gain on sale of asset					
Other			1,067	1,067	
In-kind					
Development					
Contributions and memberships	80,247			80,247	53,175
Store and event sales	13,355			13,355	1,105
Grants	132,260			132,260	90,850
Programs					
Children's education	17,256			17,256	2,417
Landscape Preservation					
Landscape Services	297,303			297,303	269,915
Cost of landscape services	(384,096)			(384,096)	(283,687)
Net assets released from restrictions	<u>-0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total support and net landscape revenue	<u>227,224</u>	<u>-0-</u>	<u>23,489</u>	<u>250,713</u>	<u>191,898</u>
Expenses					
Programs:					
Children's education	60,055			60,055	44,629
Building Preservation	47,700			47,700	87,862
Landscape Preservation	126,433			126,433	121,953
Community Outreach	58,133			58,133	19,925
Archival	11,130			11,130	14,525
Job Training	-0-	-0-	-0-	-0-	-0-
	<u>303,451</u>	<u>-0-</u>	<u>-0-</u>	<u>303,451</u>	<u>288,894</u>
Administrative	133,320			133,320	63,122
Development	42,719	-0-	-0-	42,719	35,783
Total	<u>176,039</u>	<u>-0-</u>	<u>-0-</u>	<u>176,039</u>	<u>98,905</u>
Total expenses	<u>479,490</u>	<u>-0-</u>	<u>-0-</u>	<u>479,490</u>	<u>387,799</u>
Change in net assets	(252,266)		23,489	(228,777)	(195,901)
Net Assets, beginning of the year	298,596	108,900	809,239	1,216,735	1,412,636
Net assets, end of year	<u>\$ 46,330</u>	<u>\$ 108,900</u>	<u>\$ 832,728</u>	<u>\$ 987,958</u>	<u>\$1,216,735</u>

See accompanying notes
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Changes in net assets	\$ (228,777)	\$ (195,901)
Adjustments to reconcile changes in net assets to cash provided by operating activities		
Depreciation	24,431	12,955
Net unrealized (gain) loss on investments	(68,168)	(24,131)
(Increase) decrease in:		
Grants receivable		165,000
Accounts receivable	10,777	(32,176)
Prepaid expense		88
Increase (decrease) in:		
Accounts payable	4,732	36,313
Accrued expenses	13,824	5,033
Deferred revenue	<u>10,000</u>	<u>-0-</u>
Net cash provided from operating activities	<u>(233,181)</u>	<u>(32,819)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(95,277)</u>	<u>(52,532)</u>
Net cash (used in) investing activities	<u>(95,277)</u>	<u>(52,532)</u>
Cash flows from financing activities		
Proceeds from line of credit	115	(180)
Proceeds from investments	<u>230,000</u>	<u>-0-</u>
Net cash provided by financing activities	<u>230,115</u>	<u>(180)</u>
Net increase in cash	(98,343)	(85,531)
Cash at beginning of year	<u>129,338</u>	<u>214,869</u>
Cash at end of year	<u>\$ 30,995</u>	<u>\$ 129,338</u>
Supplementary disclosures:		
Interest paid	<u>\$ 1,146</u>	<u>\$ 1,186</u>

See accompanying notes
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements of Awbury Arboretum Association, Inc. and Affiliates are prepared on the accrual basis and include the accounts of Awbury Arboretum Association, Inc. and Affiliates. City Parks Association of Philadelphia and Awbury Landscape Services, Inc. The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50 percent of the voting rights or where it exercises control.

Awbury Arboretum Association, Inc. and City Parks Association of Philadelphia have the same board of directors. Awbury Landscape Services Inc. is a wholly-owned subsidiary of Awbury Arboretum Association, Inc. Accordingly, these financial statements are presented on a consolidated basis. All significant intercompany transactions have been eliminated.

Nature of Organization

Awbury Arboretum Association, Inc. and Affiliates (Awbury), is a Pennsylvania not-for-profit association organized to maintain and preserve the Francis Cope House and the surrounding park and arboretum. The mission of the Awbury Arboretum is to preserve and interpret Awbury Arboretum's historic house and landscape thereby connecting an urban community with nature and history.

The City Parks Association of Philadelphia (City Parks) is a Pennsylvania not-for-profit organization that owns the Francis Cope House and grounds. City Parks also provides financial support to Awbury through the Cope Trusts. City parks and Awbury operate under one joint board.

In February 1999, Awbury purchased 100% of the stock of Awbury Landscape Services, Inc. (Awbury Landscape), a for profit provider of landscaping services in the Philadelphia area.

Accounting Standards Presentation

The financial statements have been prepared by use of the accrual basis of accounting.

The FASB Accounting Standards Codification (FASB ASC)

In June 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2009-01, *The FASB Accounting Standards Codification* (FASB ASC), which establishes the Codification as the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adaptation of the standard changes the referencing of financial standards.

Basis of Presentation

The Organization follows Financial Accounting Statements Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* to prepare its financial statements. Under the FASB ASC 958, the Organization 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.

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and Unrestricted Assets

The Organization follows FASB ASC 958, (formerly SFAS No. 116, Accounting for Contributions Received and Contributions Made) in recording contributions received. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported the Statement of Activities as net assets released from restrictions.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Temporarily Restricted Net Assets- Net assets that are subject to donor-imposed stipulations that may or will be fulfilled by actions of Awbury Arboretum Association, Inc. and Affiliates and/or the passage of time, to meet the stipulations or become unrestricted at the date specified by the donor. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets- Net assets that are subject to donor-imposed stipulations that they be maintained permanently by Awbury Arboretum Association, Inc., and Affiliates. Generally the donors permit Awbury to use part of the investment return on these assets for general or specific purposes.

Grants and Accounts Receivable

Awbury assesses the financial strength of its receivables based upon prior history and experience and determined that no allowances for uncollectibility are deemed necessary as of June 30, 2013 and 2012.

Investments

Awbury records its investments in equity securities with readily determinable fair values and investments in debt securities at fair value in the consolidated statements of financial position. Investment income, including interest, dividends, realized gains (losses) on investments held, is reported in the consolidated statements of activities as increases or decreases in net assets.

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Accordingly, actual results could differ from those estimates.

Land, Buildings, and Equipment

Land, Buildings, and Equipment are stated at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. Awbury capitalizes all equipment expenditures over \$500. Major renewals and betterments are charged to the capital accounts while maintenance and repairs which do not improve or extend the life of the respective asset are expensed.

Contributions

Contributions, including unconditional promises to give, are recognized when received. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires or the conditions have been substantially met, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Revenues received with donor imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net assets and then transferred to unrestricted net assets.

Tax Status

The Organization is incorporated in the Commonwealth of Pennsylvania and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is registered as required with the Pennsylvania Bureau of Charitable Organizations.

In September 2009, the FASB issued ASU No. 2009-06, Income Taxes (Topic 740), Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities Taxes (formerly FASB Interpretation No. 48 and Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*). FASB ASC 740 prescribes guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon adoption of this standard which has been adopted by the Organization as of January 1, 2009, as required.

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status (Continued)

The adoption of this standard did not require any adjustments to the Organization's financial statements. There were no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next year. Tax years from 2006 through 2009 remain subject to examination by major tax jurisdictions.

Credit and Market Risk

Financial instruments which subject Awbury to concentrations of credit and market risk consist principally of cash and receivables. From time to time, Awbury may have amounts on deposit in excess of the federally insured deposit limit at one bank. Awbury places its cash with high quality financial institutions. Receivables are subject to the risk that donors might renege on their commitments, Awbury periodically reminds donors of their commitments.

Cash and Cash Equivalents

Cash and cash equivalents represent cash in the bank and short-term certificates of deposit. For the purposes of the Statement of Cash Flows, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities are reported at their fair value in the statement of financial position pursuant to FASB ASC 820 Fair Value Measurements and Disclosures (Formerly SFAS No. 157). Fair value is defined as the price that the Organization would receive to sell an investment with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market. FASB ASC 820 establishes a three-tier hierarchy based on quoted prices in the active markets (Level 1), other observable inputs (Level 2), or unobservable imputes (Level 3).

At June 30, 2013 and 2012, marketable securities consisting of common stock are all at Level 1.

Allocation of Costs

Costs of the administrative and developmental departments are allocated to the preservation and interpretation departments. The allocation is made on the basis of the average amount of support staff time dedicated to each department.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist Awbury in fulfilling its mission. Contributed services are reported as contributions at their fair value if such services create or enhance non-fictional assets, would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing such specialized skills. During the years ended June 30, 2013 and 2012, no amounts have been reflected in the financial statements since none of these services met the necessary criteria.

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 2 INVESTMENTS

Investments consist of the following as of June 30

	<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>
Wellington Admiral	\$ 219,477	\$ 121,285
GNMA Vanguard	67	98
Vanguard Money Market Endowment	1,344	1,345
Wellington Endowment	224,954	198,096
Vanguard Money Market	-0-	-0-
Total	<u>\$ 445,842</u>	<u>\$ 320,824</u>

	<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>
Wellington Admiral	\$ 219,477	\$ 232,200
GNMA Vanguard	67	67
Vanguard Money Market Endowment	1,344	1,344
Wellington Endowment	224,954	249,045
Vanguard Money Market	-0-	-0-
Total	<u>\$ 445,842</u>	<u>\$ 482,656</u>

The following summarizes the investment revenue for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 15,442	\$ 14,600
Net unrealized gain (loss) on investments	<u>43,408</u>	<u>9,959</u>
Total	<u>\$ 58,850</u>	<u>\$ 24,559</u>

City Parks is the income beneficiary of the Clementine and Annette Cope Memorial Trusts. The activity in these trusts, which are not reflected in Awbury's consolidated financial statements for the years ended June 30, is as follows:

	<u>2013</u>	<u>2012</u>
Fair value, beginning of the year	\$ 505,935	\$ 554,185
Change in total value during year	<u>31,086</u>	<u>(48,250)</u>
Fair value, end of year	<u>\$ 537,021</u>	<u>\$ 505,935</u>

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 3 PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred, major renewal and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation is recorded using the straight-line method over 15 to 39 years for property and 5 to 7 years for equipment. Fixed assets consist of the following, along with the summary of the estimated services lives employed:

	<u>2013</u>	<u>2012</u>
Land and buildings	\$ 658,508	\$ 563,231
Equipment	<u>156,564</u>	<u>156,564</u>
Total	815,072	719,795
Less: Accumulated Depreciation	<u>(181,265)</u>	<u>(156,834)</u>
Property and equipment, net	<u>\$ 633,807</u>	<u>\$ 562,961</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$24,431 and \$12,955 respectively.

Note 4 LINE OF CREDIT

Awbury Arboretum has available a \$35,000 line of credit with a bank, due on demand, bearing interest at the bank's prime rate plus 1.00%. The amount outstanding under this line of credit was \$25,000 as of June 30, 2013 and 2012. The line of credit is unsecured by the corporation's assets. Awbury Landscaping Services Inc. also has available a \$25,000 line of credit with a bank, due on demand, bearing interest at the bank's prime rate plus 1.00%. The amount outstanding under this line of credit was \$24,935 and \$24,820 as of June 30, 2013 and 2012 respectively. The line of credit is unsecured by the corporation's assets.

Note 5 BOARD DESIGNATED UNRESTRICTED NET ASSETS

Awbury's Board of Directors has designated a portion of Awbury's undesignated net assets for long-term investment with the investment income from such investments available primarily for operations.

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARSE ENDED JUNE 30, 2013 AND 2012

Note 6 HOUCK CHARITABLE REMAINDER TRUST

In 2006, a charitable remainder trust (Houck Trust) was established with a bank naming Awbury as a 12% beneficiary. The trustee shall pay to the donors during their lifetime, a percentage of the net fair value of the trust assets each taxable year. At the time of the donors' death, the trust is to terminate and the remaining trust assets are to be distributed. Awbury has recorded a contribution receivable from the remainder trust representing Awbury's 12% interest in the present value of future benefits expected to be received. Changes in the fair value of Awbury's beneficial interest are recognized as increases or decreases in the accompanying statement of activities. The fair values as of June 30, 2013 and 2012 were \$108,900 and \$108,900, respectively.

Note 7 CONTRIBUTED SERVICES

Many individuals volunteer their time and perform a variety of tasks that assist Awbury with campaign solicitations and various committee assignments. No amounts have been reflected in the financial statements for these services since they do not meet the criteria for recognition under ASC No. 985.605.25.16, *Contributed Services*.

Note 8 SUBSEQUENT EVENTS

In preparing these financial statements, Awbury's management has evaluated events and transactions for potential recognition and disclosure through March 4, 2014, the date the financial statements were available to be issued. Awbury had no significant or material subsequent events through March 4, 2014.

See independent auditor's report

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

Note 9 GRANTS

In July of 2010, Awbury Arboretum Association, Inc. was the recipient of a \$330,000 multi-year grant from the William Penn Foundation towards supporting maintenance of the Arboretum and its effort to develop new sources of revenue support. During 2012 and 2011, the following expenses were incurred and used towards the grant monies that were received.

	Six month ended <u>12/31/12</u>	Fiscal Year <u>6/30/12</u>	Fiscal Year <u>6/30/11</u>	<u>Total</u>	Budget <u>Totals</u>
Salaries and Benefits	\$ -0-	\$ 84,264	\$ 62,596	\$146,860	\$125,000
Consultants/Professional fees		23,020	18,019	41,039	35,000
Miscellaneous expenses		62,141	29,693	91,834	140,000
General Operating Support	-0-	<u>32,421</u>	<u>34,793</u>	<u>67,214</u>	<u>30,000</u>
	<u>\$ -0-</u>	<u>\$201,846</u>	<u>\$145,101</u>	<u>\$346,947</u>	<u>\$330,000</u>

The spending on these two grants has been closed out by December 31, 2012 and the actual spending of the grants was as follows from the six months ended December 31, 2012 and the fiscal years ended June 30, 2012, and June 30, 2011:

<u>Description</u>	Six months ended <u>12/31/12</u>	Fiscal Year <u>6/30/12</u>	Fiscal Year <u>6/30/11</u>	<u>Total</u>
Salaries and Benefits:	<u>\$ -0-</u>	<u>\$ 84,264</u>	<u>\$ 62,596</u>	<u>\$146,860</u>
Consultant and Professional fees	<u>\$ -0-</u>	<u>\$ 23,020</u>	<u>\$ 18,019</u>	<u>\$ 41,039</u>
Miscellaneous expenses:				
Landscape Maintenance	\$ -0-	\$ 42,941	\$ 19,827	\$ 62,768
Repairs		14,113	6,050	20,163
Equipment and tools	-0-	5,087	3,816	8,903
Total	<u>\$ -0-</u>	<u>\$ 62,141</u>	<u>\$ 29,693</u>	<u>\$ 91,834</u>
General Operating Support:				
Insurance	\$ -0-	\$ 17,178	\$ 22,904	40,082
Utilities		7,171	9,562	16,733
Office Supplies		6,820	1,847	8,667
Printing	-0-	1,252	480	1,732
Total	<u>-0-</u>	<u>32,421</u>	<u>34,793</u>	<u>67,214</u>
Total Fiscal Year Expenses	<u>\$ -0-</u>	<u>\$201,846</u>	<u>\$145,101</u>	<u>\$346,947</u>

See independent auditor's report

SUPPLEMENTAL INFORMATION

JOHN E. McGOVERN & ASSOCIATES, P.C.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
Awbury Arboretum Association, Inc. and Affiliates
Philadelphia, Pennsylvania

We have audited the consolidated financial statements of Awbury Arboretum Association, Inc. and Affiliates as of and for the years ended June 30, 2013 and 2012, and have issued our report thereon dated March 4, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of program expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



March 4, 2014

TAX COMPLIANCE~ACCOUNTING & AUDITING~MANAGEMENT ADVISORY SERVICES~PERSONAL FINANCIAL PLANNING

Office: 4109 Main Street, Philadelphia, PA 19127~Telephone: (215) 483-5555~Fax: (215) 482-2417

Mailing Address: P.O. Box 4614, Philadelphia, PA 19127~Website: www.cpaphilly.com

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
SCHEDULE OF PROGRAM EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

Salaries	\$ 174,009
Benefits	29,701
Professional fees	58,968
Insurance	20,884
Job training program	535
Depreciation	20,840
Landscape maintenance	83,765
Building maintenance	17,503
Archival expenses	2,406
Printing and design	1,505
Utilities	22,189
Advertising/Marketing	10,898
Equipment purchases and maintenance	4,686
Postage	1,669
Interest and taxes	1,781
Dues & subscriptions	5,987
Miscellaneous	4,426
Fuel	503
Supplies	17,160
Stipends	<u>75</u>
Total expenses	<u>\$ 479,490</u>

See independent accountant's report
on supplemental information

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Awbury Arboretum Association Inc.</u>	<u>Awbury Landscaping Services Inc.</u>	<u>City Parks Association of Philadelphia</u>	<u>Eliminations</u>	<u>Consolidated Balances</u>
ASSETS					
Current assets:					
Cash and equivalents	\$ 30,412	\$ 583			\$ 30,995
Accounts receivable		35,202			35,202
Investments, at market					
Wellington Admiral	121,285				121,285
GNMA Vanguard	98				98
Vanguard MM End	1,345				1,345
Wellington End	198,096				198,096
Prepaid expenses and other	-0-	-0-	\$ -0-	\$ -0-	-0-
Total current assets	<u>351,236</u>	<u>35,785</u>	<u>-0-</u>	<u>-0-</u>	<u>387,021</u>
Property and equipment:					
Land, building and equipment, net of accumulated depreciation	<u>214,497</u>	<u>520</u>	<u>418,790</u>	<u>-0-</u>	<u>633,807</u>
Other assets:					
Inter-company account	203,641			(203,641)	
Investment in subsidiary	4,000			(4,000)	
Charitable Remainder Trust	<u>108,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>108,900</u>
Total other assets	<u>316,541</u>	<u>-0-</u>	<u>-0-</u>	<u>(207,641)</u>	<u>108,900</u>
Total assets	<u>\$ 882,274</u>	<u>\$ 36,305</u>	<u>\$ 418,790</u>	<u>\$(207,641)</u>	<u>\$1,129,728</u>
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Line of Credit	\$ 25,000	\$ 24,935			\$ 49,935
Accounts Payable	22,476	26,579			49,055
Deferred revenue	10,000				10,000
Accrued expenses	26,222	6,558			32,780
Intercompany account	-0-	203,641	\$ -0-	\$(203,641)	-0-
Total current liabilities	<u>\$ 83,698</u>	<u>\$ 261,713</u>	<u>\$ -0-</u>	<u>\$(203,641)</u>	<u>\$ 141,770</u>
Net assets and shareholders' equity:					
Unrestricted					
Undesignated	\$ 154,355				\$ 154,355
Designated by the board	121,383				121,383
Restricted					
Temporarily	108,900				108,900
Permanent	413,938		\$ 418,790		832,728
Capital Stock		\$ 1,000		\$ (1,000)	
Additional Paid-in-capital		3,000		(3,000)	
Retained Earnings (deficit)	-0-	(229,408)	-0-	-0-	(229,408)
Total Net Assets	<u>798,576</u>	<u>(225,408)</u>	<u>418,790</u>	<u>(4,000)</u>	<u>987,958</u>
Total liabilities and net assets	<u>\$ 882,274</u>	<u>\$ 36,305</u>	<u>\$ 418,790</u>	<u>\$(207,641)</u>	<u>\$1,129,728</u>

See independent accountant's report
on supplemental information

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Awbury Arboretum Association <u>Inc.</u>	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
ASSETS					
Current assets:					
Cash and equivalents	\$ 30,412	\$ 30,412			
Accounts receivable					
Investments, at market					
Wellington Admiral	121,285		\$ 121,285		
GNMA Vanguard	98		98		
Vanguard MM End	1,345				\$ 1,345
Wellington End	198,096				198,096
Transfer, other	-0-	-0-	-0-	\$ -0-	-0-
Total current assets	<u>\$ 351,236</u>	<u>\$ 30,412</u>	<u>\$ 121,383</u>	<u>\$ -0-</u>	<u>\$ 199,441</u>
Property and equipment:					
Land, building and equipment,					
Net of accumulated depreciation	\$ 214,497	\$ -0	\$ -0	\$ -0	\$ 214,497
Other assets:					
Inter-company account	203,641	203,641			
Investment in subsidiary	4,000	4,000			
Houck Charitable Remainder Trust	108,900	-0-	-0-	108,900	-0-
Total other assets	<u>316,541</u>	<u>207,641</u>	<u>-0-</u>	<u>108,900</u>	<u>-0-</u>
Total assets	<u>\$ 882,274</u>	<u>\$ 238,053</u>	<u>\$ 121,383</u>	<u>\$ 108,900</u>	<u>\$ 413,938</u>
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Line of Credit	\$ 25,000	\$ 25,000			
Accounts payable	22,476	22,476			
Accrued expenses	26,222	26,222			
Deferred revenue	10,000	10,000			
Intercompany account	-0-	-0-	\$ -0-	\$ -0-	\$ -0-
Total current liabilities	<u>\$ 83,698</u>	<u>\$ 83,698</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net assets and shareholders' equity:					
Unrestricted					
Undesignated	\$ 154,355	\$ 154,355			
Designated by the Board	121,383		\$ 121,383		
Restricted					
Temporarily	108,900			\$ 108,900	
Permanently	413,938				\$ 413,938
Capital Stock					
Additional Paid-in-capital					
Retained Earnings (deficit)	-0-	-0-	-0-	-0-	-0-
Total Net Assets	<u>798,576</u>	<u>154,355</u>	<u>121,383</u>	<u>108,900</u>	<u>413,938</u>
Total liabilities and net assets	<u>\$ 882,274</u>	<u>\$ 238,053</u>	<u>\$ 121,383</u>	<u>\$ 108,900</u>	<u>\$ 413,938</u>

See independent accountant's report
on supplemental information

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Awbury Arboretum Association Inc.	Awbury Landscaping Services Inc.	City Parks Association of Philadelphia	Eliminations	2013 Totals	2012 Totals
Revenue and Support						
Support						
Administrative						
Investment	\$ 58,850				\$ 58,850	\$ 24,559
Cope trust			\$ 22,422		22,422	23,550
Rental	12,049				12,049	10,014
Gain on sale of asset						
Management fees	42,422			\$ (42,422)		
In-kind						
Development						
Contributions and memberships	80,247				80,247	53,175
Store and event sales	14,422				14,422	1,105
Grants	132,260				132,260	90,850
Programs						
Children's education	17,256				17,256	2,416
Landscape Preservation						
Landscape Services		\$ 297,303			297,303	269,915
Cost of landscape services	-0-	(404,096)	-0-	20,000	(384,096)	(283,687)
Total support and net landscaping revenue	<u>357,506</u>	<u>(106,793)</u>	<u>22,422</u>	<u>(22,422)</u>	<u>250,713</u>	<u>191,897</u>
Expenses						
Programs:						
Children's Education	60,055				60,055	44,629
Building Preservation	47,700				47,700	87,862
Landscape Preservation	126,433				126,433	121,953
Community Outreach	58,133				58,133	19,925
Archival	11,130				11,130	14,525
Job Training						
Management fee	-0-	-0-	22,422	(22,422)	-0-	-0-
	<u>303,451</u>	<u>-0-</u>	<u>22,422</u>	<u>(22,422)</u>	<u>303,451</u>	<u>288,894</u>
Administrative	133,320				133,320	63,122
Development	42,719	-0-	-0-	-0-	42,719	35,783
Total	<u>176,039</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>176,039</u>	<u>98,905</u>
Total expense	<u>479,490</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>479,490</u>	<u>387,799</u>
Change in net assets	<u>\$ (121,984)</u>	<u>\$ (106,793)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (228,777)</u>	<u>\$ (195,902)</u>

See independent accountant's report
on supplemental information