

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**JOHN E. MCGOVERN & ASSOCIATES, P.C.**

*Certified Public Accountant*

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

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# 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 Awbury Arboretum Association, Inc. (a Non-Profit Organization) and Affiliates which comprise the consolidated statements of financial position as of June 30, 2016, and the related consolidated statements of activities and cash flows and functional expenses for the year then ended, and the related notes to the consolidated 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.

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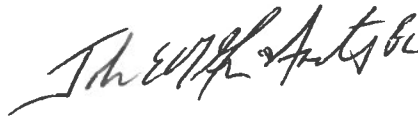
# JOHN E. McGOVERN & ASSOCIATES, P.C.

*Certified Public Accountant*

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Opinion

In our opinion, 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Philadelphia, Pennsylvania  
November 15, 2016

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AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS

Current assets:	
Cash and equivalents	
Unrestricted	\$ 43,484
Temporary restricted	<u>221,457</u>
	264,941
Accounts receivable	41,096
Investments, at market:	
Undesignated	1,043,881
Board designated	<u>371,030</u>
	<u>1,414,911</u>
Total current assets	<u>1,720,948</u>
Property and equipment:	
Land, building and equipment, net of accumulated depreciation	<u>792,643</u>
Other assets:	
Houck Charitable Remainder Trust	<u>108,900</u>
Total assets	<u>\$2,622,491</u>

LIABILITIES AND FUND BALANCES

Current liabilities:	
Accounts Payable	\$ 55,767
Payroll liabilities	28,539
Deferred revenue	221,457
Security deposit	13,500
Accrued expenses	6,501
Loan payable	13,351
Line of Credit	<u>28,813</u>
Total current liabilities	367,928
Long-term liabilities:	
Loan payable- long term	<u>67,257</u>
Total liabilities	<u>435,185</u>
Net assets	
Unrestricted	
Undesignated	707,453
Designated by the board	<u>371,030</u>
Total unrestricted	1,078,483
Restricted	
Temporarily	1,152,781
Permanently	418,790
Retained earnings (deficit), affiliate	<u>(462,748)</u>
Total net assets	<u>2,187,306</u>
Total liabilities and net assets	<u>\$2,622,491</u>

See accompanying notes  
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Totals</u>
Revenue and Support				
Support				
Administrative				
Investment	\$ 54,947			\$ 54,947
Cope trust		\$ 29,140		29,140
Rental income	96,288			96,288
Non-cash gift	8,151			8,151
Other	700			700
Development				
Contributions and memberships	84,565			84,565
Sponsorship	3,250			3,250
Sales	7,544			7,544
Special Events	8,350			8,350
Grants	227,443	114,043		341,486
Sale of Easement		1,400,000		1,400,000
Programs				
Children's education	48,206			48,206
Landscape Services	309,075			309,075
Cost of landscape services	(473,276)			(473,276)
Net assets released from restrictions	<u>499,302</u>	<u>(499,302)</u>	<u>\$ -0-</u>	<u>-0-</u>
Total support and net landscape revenue	<u>874,545</u>	<u>1,043,881</u>	<u>-0-</u>	<u>1,918,426</u>
Expenses				
Programs:				
Education and camps	188,138			188,138
Grounds and building	184,763			184,763
Community outreach	12,319			12,319
Archival	3,743			3,743
Festivals	2,686			2,686
Other	408			408
Total programs	<u>392,057</u>			<u>392,057</u>
Administrative	305,730			305,730
Fundraising	<u>39,586</u>	<u>-0-</u>	<u>-0-</u>	<u>39,586</u>
Total expenses	<u>737,373</u>	<u>-0-</u>	<u>-0-</u>	<u>737,373</u>
Change in net assets	137,172	1,043,881		1,181,053
Net Assets, beginning of the year	<u>478,563</u>	<u>108,900</u>	<u>418,790</u>	<u>1,006,253</u>
Net assets, end of year	<u>\$ 615,735</u>	<u>\$1,152,781</u>	<u>\$ 418,790</u>	<u>\$2,187,306</u>

See accompanying notes  
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016

Cash flows from operating activities:	\$1,181,053
Changes in net assets	
Adjustments to reconcile changes in net assets to cash provided by operating activities	
Depreciation	41,510
(Increase) decrease in:	
Accounts receivable	61,283
Increase (decrease) in:	
Accounts payable	(2,098)
Payroll liabilities	13,218
Deferred revenue	221,457
Security deposit	11,900
Accrued expenses	<u>(2,335)</u>
Net cash provided from operating activities	<u>1,525,988</u>
 Cash flows from investing activities:	
Purchases of property and equipment	(144,906)
Purchases of securities	<u>(1,299,778)</u>
Net cash (used in) investing activities	<u>(1,444,684)</u>
 Cash flows from financing activities	
Proceeds from line of credit	(33,920)
Proceeds from loan payable	<u>36,230</u>
Net cash provided by financing activities	<u>2,310</u>
 Net increase in cash	83,614
 Cash at beginning of year	<u>181,327</u>
 Cash at end of year	<u>\$ 264,941</u>
 Supplementary disclosures:	
Interest paid	<u>\$ 2,822</u>

See accompanying notes  
to consolidated financial statement

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 185,105	\$ 40,008	\$ 234	\$ 225,347
Payroll taxes	26,143	13,104	179	39,426
Benefits	1,739	1,020		2,759
Professional fees	27,593	24,874	27,473	79,940
Advertising/marketing	2,461	299	370	3,130
Bank service charges		34		34
Building maintenance	12,757	168		12,925
Insurance	8,808	39,211		48,019
Depreciation	39,788			39,788
Dues and subscriptions	1,281	2,361		3,642
Easement related cost		163,320		163,320
Equipment lease	5,770	532	5,666	11,968
Equipment repair	352			352
Finance charges and interest expenses		2,822		2,822
Landscape maintenance	25,350			25,350
Landscape supplies and tools	4,578			4,578
Meeting hospitality	900	834	3,150	4,884
Miscellaneous	138			138
Office supplies	479	7,163		7,642
Postage and delivery	258	496	495	1,249
Processing fees	329	1	790	1,120
Printing and design	(51)	2,252	291	2,492
Program supplies and materials	20,446	2,796	539	23,781
Rent	431			431
Security expenses	1,650	126		1,776
Stipends	8,584		399	8,983
Telephone and internet	2,848			2,848
Transportation	267	36		303
Utilities	14,053	2,168		16,221
Web maintenance and IT support	<u>-0-</u>	<u>2,105</u>	<u>-0-</u>	<u>2,105</u>
 Total expenses	 <u>\$ 392,057</u>	 <u>\$ 305,730</u>	 <u>\$ 39,586</u>	 <u>\$ 737,373</u>
	<u>53.2%</u>	<u>41.4%</u>	<u>5.4%</u>	<u>100.0%</u>

See accompanying notes  
to consolidated financial statement



AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

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 YEAR ENDED JUNE 30, 2016

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 collectability are deemed necessary as of June 30, 2016.

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 YEAR ENDED JUNE 30, 2016

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, 2016

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 2013 through 2015 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, 2016, 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, 2016, 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 YEAR ENDED JUNE 30, 2016

Note 2 INVESTMENTS

Investments consist of the following as of June 30, 2016:

	<u>Cost</u>	<u>Fair Value</u>
Vanguard board designated	\$ 310,081	\$ 371,030
National Penn	<u>1,000,000</u>	<u>1,043,881</u>
Total	<u>\$1,310,081</u>	<u>\$1,414,911</u>

The following summarizes the investment revenue for the years ended June 30, 2016:

	Awbury Arboretum Association Inc.	City Parks Association of Philadelphia	<u>Total</u>
Interest and dividends	\$ 11,217	\$ 7,340	\$ 18,557
Capital gain	5,059	2,667	7,726
Net unrealized gain (loss) on investments	<u>38,672</u>	<u>33,874</u>	<u>72,546</u>
Total	<u>\$ 54,948</u>	<u>\$ 43,881</u>	<u>\$ 98,829</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, 2016 is as follows:

Fair value, beginning of the year	\$ 588,965
Change in total value during year	<u>(85,806)</u>
Fair value, end of year	<u>\$ 503,159</u>

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2016

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 as of June 30, 2016:

Land and buildings	\$ 819,138
Equipment	<u>260,409</u>
Total	1,079,547
Less: accumulated depreciation	<u>(286,904)</u>
Property and equipment, net	<u>\$ 792,643</u>

Depreciation expense for the years ended June 30, 2016 was \$41,510.

Note 4 LINE OF CREDIT

Awbury Arboretum has available a \$30,000 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 \$-0- as of June 30, 2016. The line of credit is unsecured by the corporation's assets. Awbury Landscaping Services Inc. also has available a \$50,000 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 \$28,813 as of June 30, 2016. The line of credit is unsecured by the corporation's assets.

Note 5 BOARD DESIGNATED UNRESTRICTED NET ASSETS AND PERMANENTLY RESTRICTED 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.

Temporary Restricted Assets:

Houck Charitable Remainder Trust	\$ 108,900
City Parks Investments	<u>1,043,881</u>
Total	<u>\$1,152,781</u>

Permanently Restricted Assets:

City Parks land and building	<u>\$ 418,790</u>
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AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016 was \$108,900.

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 November 15, 2016, the date the financial statements were available to be issued.

In December of 2015, the City Parks Association sold a Conservation Easement on 38 acres of its 55 acre property. The Conservation Easement was sold to the Commonwealth of Pennsylvania for \$1.4 million. The Natural Lands Trust assisted the City Parks Association in applying for Pennsylvania's financial assistance through the land conservation program, and will serve as the State's monitor of the City Parks Association's compliance with Conservation Easement conditions.

The Orphan's Court of Philadelphia approved the sale of the Conservation Easement, and the City Parks Association's request that \$1 million of the sale proceeds be deposited in a new endowment trust fund. The Orphan's Court retains the oversight, and requires it receive audited reports every five years. Sale proceeds in excess of the amount deposited in the endowment were used to pay for all legal, survey, and Base Line Data documents required to complete the establishment of the Conservation Easement. The balance of the sale proceeds were then deposited in the organization's cash reserves.

Awbury had no other significant or material subsequent events through November 15, 2016.

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2016

Note 9 GRANTS

In Fiscal year 2016, Awbury received the following grants:

<u>Organization</u>	<u>Purpose</u>	<u>Amount</u>
1. William Penn Foundation	Capital Improvements	\$ 300,000
2. The McLean Contributionship	Capital Improvements (Windows)	35,500
3. Impact 100 Philadelphia	Unrestricted	109,000
4. Haas Trusts	Unrestricted	25,000
5. Leo & Peggy Pierce Family Foundation	Unrestricted	20,000
6. Claniel Foundation, Inc.	Unrestricted	7,500
7. Natural Land Trust	Unrestricted	6,340
8. Historic Germantown	Unrestricted	6,000
9. The Seybert Foundation	Unrestricted	6,000
10. Philadelphia Youth Network	Unrestricted	5,380
11. Tides Foundation	Unrestricted	5,000
12. Rosenlund Family Foundation	Unrestricted	3,500
13. Christian R. & Mary F. Lindback Foundation	Unrestricted	3,000
14. Henrietta Tower Wurts Memorial	Unrestricted	3,000
15. The Philadelphia Culture Fund	Unrestricted	2,880
16. The Christopher Ludwick Foundation	Unrestricted	2,500
17. Dolfinger-McMahon Foundation	Unrestricted	2,000
18. Union Benevolent Association	Unrestricted	<u>1,850</u>
Total		<u>\$ 544,450</u>

See independent auditor's report



AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016

Note 10 DEFERRED REVENUE

In Fiscal year 2016, Awbury had the following deferred revenue:

1. William Penn Foundation	
Grant received	\$300,000
Grant spent for Capital improvements	<u>(93,913)</u>
Deferred revenue	\$206,087
2. The McLean Contributionship	
Grant received	\$ 35,500
Grant spent for Capital improvements (windows)	<u>(20,130)</u>
Deferred revenue	\$ 15,370
Total deferred revenue	<u>\$221,457</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, 2016, and have issued our report thereon dated November 15, 2016, 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 consolidated statement of financial position, statement of financial position - Awbury Arboretum Association, Inc. and consolidated statement of activities are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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.



November 15, 2016

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

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AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2016

	Awbury Arboretum Association Inc.	Awbury Landscaping Services Inc.	City Parks Association of Philadelphia	Eliminations	Consolidated Balances
ASSETS					
Current assets:					
Cash and equivalents					
Unrestricted	\$ 42,530	\$ 954	\$ -0-	\$ -0-	\$ 43,484
Temporary restricted	221,457				221,457
Accounts receivable	10,070	34,490		(3,464)	41,096
Investments, at market					
Undesignated			1,043,881		1,043,881
Board designated	371,030	-0-	-0-	-0-	371,030
Total current assets	<u>645,087</u>	<u>35,444</u>	<u>1,043,881</u>	<u>(3,464)</u>	<u>1,720,948</u>
Property and equipment:					
Land, building and equipment, net of accumulated depreciation	<u>370,020</u>	<u>3,833</u>	<u>418,790</u>	<u>-0-</u>	<u>792,643</u>
Other assets:					
Investment in affiliate	4,000			(4,000)	
Due from affiliate	375,730			(375,730)	
Houck Charitable Remainder Trust	<u>108,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>108,900</u>
Total other assets	<u>488,630</u>	<u>-0-</u>	<u>-0-</u>	<u>(379,730)</u>	<u>108,900</u>
Total assets	<u>\$1,503,737</u>	<u>\$ 39,277</u>	<u>\$1,462,671</u>	<u>\$ (383,194)</u>	<u>\$2,622,491</u>
LIABILITIES AND FUND BALANCES					
Current liabilities:					
Accounts payable	\$ 23,639	\$ 35,592	\$ -0-	\$ (3,464)	\$ 55,767
Payroll liabilities	20,382	8,157			28,539
Deferred revenue	221,457				221,457
Security deposit	13,500				13,500
Accrued expenses	6,501				6,501
Loan payable	13,351				13,351
Line of credit		28,813			28,813
Due to affiliate	-0-	379,730	-0-	(375,730)	-0-
Total current liabilities	<u>\$ 298,830</u>	<u>\$ 448,292</u>	<u>\$ -0-</u>	<u>\$ (379,194)</u>	<u>\$ 367,928</u>
Long-Term Liabilities:					
Loan payable- long term	<u>17,524</u>	<u>49,733</u>	<u>-0-</u>	<u>-0-</u>	<u>67,257</u>
Total liabilities	<u>316,354</u>	<u>498,025</u>	<u>-0-</u>	<u>(379,194)</u>	<u>435,185</u>
Net assets and shareholders' equity:					
Unrestricted					
Undesignated	\$ 707,453	\$ -0-		\$ -0-	\$ 707,453
Designated by the board	371,030				371,030
Restricted					
Temporarily	108,900		1,043,881		1,152,781
Permanent			418,790		418,790
Capital Stock		1,000		(1,000)	
Additional paid-in-capital		3,000		(3,000)	
Retained earnings (deficit)	-0-	(462,748)	-0-	-0-	(462,748)
Total net assets	<u>1,187,383</u>	<u>(458,748)</u>	<u>1,462,671</u>	<u>(4,000)</u>	<u>2,187,306</u>
Total liabilities and net assets	<u>\$1,503,737</u>	<u>\$ 39,277</u>	<u>\$1,462,671</u>	<u>\$ (383,194)</u>	<u>\$2,622,491</u>

See independent accountant's report  
on supplemental information

AWBURY ARBORETUM ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2016

	Awbury Arboretum Association Inc.	Unrestricted	Board Designated	Temporarily Restricted	Permanently Restricted
<b>ASSETS</b>					
Current assets:					
Cash and equivalents	\$ 263,987	\$ 42,530	\$ -0-	\$ 221,457	\$ -0-
Account receivable	10,070	10,070			
Investments, at market					
Board designated	<u>371,030</u>	<u>-0-</u>	<u>371,030</u>	<u>-0-</u>	<u>-0-</u>
Total current assets	<u>\$ 645,087</u>	<u>\$ 52,600</u>	<u>\$ 371,030</u>	<u>\$ 221,457</u>	<u>\$ -0-</u>
Property and equipment:					
Land, building and equipment, Net of accumulated depreciation	<u>\$ 370,020</u>	<u>\$ 370,020</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Other assets:					
Investment in affiliate	4,000	4,000			
Due from affiliate	375,730	375,730			
Houck Charitable Remainder Trust	<u>108,900</u>	<u>-0-</u>	<u>-0-</u>	<u>108,900</u>	<u>-0-</u>
Total other assets	<u>488,630</u>	<u>379,730</u>	<u>-0-</u>	<u>108,900</u>	<u>-0-</u>
Total assets	<u>\$1,503,737</u>	<u>\$ 802,350</u>	<u>\$ 371,030</u>	<u>\$ 330,357</u>	<u>\$ -0-</u>

**LIABILITIES AND FUND BALANCES**

Current liabilities:					
Accounts payable	\$ 23,639	\$ 23,639			
Payroll liabilities	20,382	20,382			
Deferred revenue	221,457			\$ 221,457	
Security deposit	13,500	13,500			
Accrued expenses	6,501	6,501			
Loan payable	<u>13,351</u>	<u>13,351</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
Total current liabilities	<u>\$ 298,830</u>	<u>\$ 77,373</u>	<u>\$ -0-</u>	<u>\$ 221,457</u>	<u>\$ -0-</u>
Long-Term Liabilities:					
Loan payable- long term	<u>\$ 17,524</u>	<u>\$ 17,524</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total liabilities	<u>\$ 316,354</u>	<u>\$ 94,897</u>	<u>\$ -0-</u>	<u>\$ 221,457</u>	<u>\$ -0-</u>
Net assets and shareholders' equity:					
Unrestricted					
Undesignated	\$ 707,453	\$ 707,453			
Designated by the board	371,030		\$ 371,030		
Restricted					
Temporarily	<u>108,900</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 108,900</u>	<u>\$ -0-</u>
Total net assets	<u>1,187,383</u>	<u>707,453</u>	<u>371,030</u>	<u>108,900</u>	<u>-0-</u>
Total liabilities and net assets	<u>\$1,503,737</u>	<u>\$ 802,350</u>	<u>\$ 371,030</u>	<u>\$ 330,357</u>	<u>\$ -0-</u>

See independent accountant's report  
on supplemental information

AWBURY ARBORETUM ASSOCIATION, INC. AND AFFILIATES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	Awbury Arboretum Association <u>Inc.</u>	Awbury Landscaping Services Inc.	City Parks Association of Philadelphia	Eliminations	2015 Totals
Revenue and Support					
Support					
Administrative					
Investment	\$ 11,066		\$ 43,881		\$ 54,947
Cope trust			29,140		29,140
Rental income	96,288				96,288
Management fees	29,140			\$ (29,140)	
Non-Cash Gift	8,151				8,151
Other	700				700
Development					
Contributions and memberships	84,565				84,565
Gift from City Parks Assoc. of Philadelphia	236,680			(236,680)	
Sponsorship	3,250				3,250
Sales	7,544				7,544
Special events	8,350				8,350
Grants	341,486				341,486
Sale of easement			1,400,000		1,400,000
Programs					
Children's education	48,206				48,206
Landscape services		\$ 330,207		(21,132)	309,075
Cost of landscape services	-0-	(473,276)	-0-	-0-	(473,276)
Total support and net landscaping revenue	<u>875,426</u>	<u>(143,069)</u>	<u>1,473,021</u>	<u>(286,952)</u>	<u>1,918,426</u>
Expenses					
Programs:					
Education and camps	188,138				188,138
Grounds and building	205,895			(21,132)	184,763
Community outreach	12,319				12,319
Archival	3,743				3,743
Festivals	2,686				2,686
Other	408				408
Management fee	-0-	-0-	29,140	(29,140)	-0-
	413,189	-0-	29,140	(50,272)	392,057
Administrative	142,410		400,000	(236,680)	305,730
Fundraising	39,586	-0-	-0-	-0-	39,586
Total expense	<u>595,185</u>	<u>-0-</u>	<u>429,140</u>	<u>(286,952)</u>	<u>737,373</u>
Change in net assets	\$ 280,241	\$ (143,069)	\$1,043,881	\$ -0-	\$1,181,053
Net Assets, beginning	907,142	(315,679)	418,790	(4,000)	1,006,253
Net Assets, ending	<u>\$1,187,383</u>	<u>\$ (458,748)</u>	<u>\$1,462,671</u>	<u>\$ (4,000)</u>	<u>\$2,187,306</u>

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