

FRIENDS OF THE PUBLIC GARDEN, INC.

**TREASURER'S REPORT FOR THE ANNUAL MEETING
April 11, 2018**

2017 was a very successful year financially. Total Support was \$1.9 million, over \$300,000 higher than the \$1.6 million received in 2016. The very successful Green & White Gala brought in a record-breaking \$700,000, \$200,000 above budget. In addition, tree and bench sponsorships exceeded budget by over \$100,000. The rolling three-year average of our investments, measured at September 30, 2017, decreased slightly from \$17.2 million to \$17.1 million. Income from Temporarily Restricted Assets also decreased mainly due to the smaller pool of funds available from the previous year. Total Income rose 8% to a new high of \$2.8 million.

On the expense side, total operating expenditures for 2017 were 3% higher than 2016. While Parks Care spending increased only slightly compared to 2016, over the last five years we have averaged an increase of 11% annually. Total Personnel & Overhead expenses increased by almost 4% mainly due to the full year salaries of the two new staff positions hired in 2016.

We transferred \$600,000 to Temporarily Restricted Funds, split \$150,000 each to the Common, Garden and Mall Funds to be used in 2018, plus \$150,000 to the Shaw Memorial Fund, needed for the upcoming renovation project. We ended the year with a small surplus, just as in 2016.

In 2017, the Friends completed the fundraising for the Henry and Joan Lee Sculpture Endowment and our goal of raising \$2.5 million was reached. Due to the very positive cash flow generated during the year, we were able to make \$200,000 in additional principal payments on our mortgage.

Investment performance for 2017 was 17.9%. While slightly below our benchmark for the year, it was ahead of the benchmark for the five and ten year periods. Our endowment is in the top 25% of the Cambridge Associates universe of endowments of less than \$100 million.

Once again the Directors and staff of the Friends salute the wonderful generosity of you, our Members. Your on-going support at ever-increasing levels give us the resources necessary to continue to improve the maintenance of our historic parks and defend them against encroachments and improper use. Working in partnership with the City's Parks and Recreation Department and other city agencies we are able, with your gifts, to make the parks safer and more appealing to city residents and visitors from around the world. We are all very proud of the work of the Friends, which could not be done without your philanthropy.

Respectfully submitted,

William C. Clendaniel, Treasurer

Friends of the Public Garden, Inc.
Statements of Financial Position
December 31, 2017 and 2016

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	<u>Assets</u>	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>			
Cash and cash equivalents		715,685	942,978
Pledges receivable - current portion		287,050	53,100
Prepaid expenses		33,782	26,371
Total Current Assets		<u>1,036,517</u>	<u>1,022,449</u>
<u>Investments</u>		21,453,948	17,466,910
<u>Property and Equipment</u>		817,360	848,103
<u>Other Assets</u>			
Pledges receivable		357,220	-
Performance deposits		40,000	40,000
Total Assets		<u><u>23,705,045</u></u>	<u><u>19,377,462</u></u>
<u>Liabilities and Net Assets</u>			
<u>Current Liabilities</u>			
Accounts payable		88,683	133,705
Current portion of long-term debt		32,958	31,731
Accrued expenses and taxes		17,493	18,358
Deferred revenue		25,650	25,000
Brewer food truck deposits		1,000	1,000
Due to Boston Park Advocates		10,335	15,837
Total Current Liabilities		<u>176,119</u>	<u>225,631</u>
<u>Long-Term Debt</u>			
Mortgage payable - First Republic Bank		292,442	527,671
Less: current portion		(32,958)	(31,731)
Total Long-Term Debt		<u>259,484</u>	<u>495,940</u>
Total Liabilities		<u>435,603</u>	<u>721,571</u>
<u>Net Assets</u>			
Unrestricted Net Assets		6,005,947	5,378,114
Temporarily Restricted Net Assets		3,857,494	2,212,363
Permanently Restricted Net Assets		13,406,001	11,065,414
Total Net Assets		<u>23,269,442</u>	<u>18,655,891</u>
Total Liabilities and Net Assets		<u><u>23,705,045</u></u>	<u><u>19,377,462</u></u>

See independent auditors' report and accompanying notes.

Friends of the Public Garden, Inc.
Schedule of Funds
For the Year Ended December 31, 2017

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	<u>12/31/16</u>	<u>Operating Income</u>	<u>Operating Expenses</u>	<u>Investment Income and Capital Gains</u>	<u>Endowment Transfers</u>	<u>Transfers</u>	<u>12/31/17</u>
Unrestricted Net Assets							
General Fund	5,024,916	1,567,789	(1,534,609)	356,626	271,626	(600,000)	5,086,348
Unrealized Gains on Securities Held	353,196			566,403			919,599
Total Unrestricted Net Assets	<u>5,378,112</u>	<u>1,567,789</u>	<u>(1,534,609)</u>	<u>923,029</u>	<u>271,626</u>	<u>(600,000)</u>	<u>6,005,947</u>
Temporarily Restricted Net Assets							
Boston Common and Public Garden Tree Fund	175,000	99,785	(293,592)	12,313	6,494		-
Boston Common Fund	-	148,648	(148,648)			150,000	150,000
Brewer Fountain Maintenance Fund	2,030		(20,146)	143	17,973		-
Commonwealth Avenue Mall Fund	-	11,735	(29,514)		17,779	150,000	150,000
Commonwealth Avenue Tree Fund	-	47,285	(75,541)		28,256		-
Duckling Sculpture Fund	44,332			3,120	8,987		56,439
Ether Monument Fund	-	1,775	(11,194)		9,419		-
Hale Statue Fund	20,355			1,433	4,090		25,878
Henry and Joan Lee Sculpture Fund	746,230	13,000	(137,226)	52,505	30,099		704,608
Public Garden Fund	23,358	185,738	(55,499)	1,644		150,000	305,241
Shaw/54th Regiment Memorial Fund	-		(12,057)		12,057	150,000	150,000
Skating in the Park Fund	30,371		(14,255)	2,137	27,553		45,806
White Memorial Fountain Project	294,142	25	(56,521)	20,696		(258,342)	-
Unrealized Gains on Securities Held	876,545			1,392,977			2,269,522
Total Temporarily Restricted Net Assets	<u>2,212,363</u>	<u>507,991</u>	<u>(854,193)</u>	<u>1,486,968</u>	<u>162,707</u>	<u>341,658</u>	<u>3,857,494</u>
Permanently Restricted Net Assets							
Boston Common and Public Garden Tree Endowment	165,448			11,641	(6,494)		170,595
Brewer Fountain Maintenance Endowment	457,899			32,218	(17,973)		472,144
Commonwealth Avenue Mall Endowment	452,962			31,871	(17,779)		467,054
Commonwealth Avenue Tree Endowment	719,881			50,651	(28,256)		742,276
Duckling Sculpture Endowment	228,948			16,109	(8,987)		236,070
Ether Monument Endowment	239,959			16,884	(9,419)		247,424
Hale Statue Endowment	104,198			7,332	(4,090)		107,440
Henry and Joan Lee Sculpture Endowment	766,815	1,738,008		53,953	(30,099)		2,528,677
Shaw/54th Regiment Memorial Endowment	307,181			21,614	(12,057)		316,738
Skating in the Park Endowment	701,956			49,390	(27,553)		723,793
Three Historic Parks Endowment	6,920,167			486,907	(271,626)		7,135,448
White Memorial Endowment	-					258,342	258,342
Total Permanently Restricted Net Assets	<u>11,065,414</u>	<u>1,738,008</u>	<u>-</u>	<u>778,570</u>	<u>(434,333)</u>	<u>258,342</u>	<u>13,406,001</u>
Total Net Assets	<u>18,655,889</u>	<u>3,813,788</u>	<u>(2,388,802)</u>	<u>3,188,567</u>	<u>-</u>	<u>-</u>	<u>23,269,442</u>

See independent auditors' report and accompanying notes.