

**ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011



ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

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Feeley & Driscoll, P.C.

Certified Public Accountants / Business Consultants

To the Board of Directors
Rose Fitzgerald Kennedy Greenway Conservancy, Inc.
Boston, Massachusetts

Independent Auditors' Report

We have audited the accompanying statements of financial position of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (the "Conservancy") as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Conservancy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information, as described in the table of contents, is presented for 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 relates 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 audits 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.

Feeley & Driscoll, P.C.

August 22, 2012

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statements of Financial Position

June 30, 2012 and 2011

Assets

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 1,049,538	\$ 1,280,837
Restricted cash	1,695,041	1,208,742
Pledges receivable, short term, net	198,730	415,480
Accounts receivable	16,205	10,644
Prepays and other current assets	4,300	-
Total current assets	2,963,814	2,915,703
Property and equipment:		
Greenway improvements	1,492,845	1,057,528
Vehicles	113,003	107,401
Office equipment	13,363	101,696
	1,619,211	1,266,625
Less accumulated depreciation	(205,075)	(155,290)
	1,414,136	1,111,335
Other assets:		
Permanently restricted endowment - investments	13,339,770	13,134,770
Other restricted endowment - investments	540,009	562,991
Board designated funds	659,699	771,752
Pledges receivable, long term	130,500	184,000
	14,669,978	14,653,513
 Total assets	 \$ 19,047,928	 \$ 18,680,551

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statements of Financial Position - Continued

June 30, 2012 and 2011

Liabilities and Net Assets

	<u>2012</u>	<u>2011</u>
Current liabilities -		
Accounts payable and accrued expenses	\$ 342,940	\$ 189,645
Net assets:		
Unrestricted	2,141,239	2,210,671
Board designated funds	659,699	771,752
Total unrestricted net assets	<u>2,800,938</u>	<u>2,982,423</u>
Temporarily restricted	2,399,280	2,003,713
Permanently restricted	13,504,770	13,504,770
Total net assets	<u>18,704,988</u>	<u>18,490,906</u>
Total liabilities and net assets	<u>\$ 19,047,928</u>	<u>\$ 18,680,551</u>

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statements of Activities

For the years ended June 30, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily	Permanently	Unrestricted	Temporarily	Permanently
		Restricted	Restricted		Restricted	Restricted
			Total			Total
Revenue and support:						
Government support	\$ -	\$ 1,840,069	\$ -	\$ 1,840,069	\$ -	\$ 1,879,375
In-kind support - public	224,047	-	224,047	223,626	-	223,626
In-kind support - private	200,260	-	200,260	267,421	-	267,421
Contributions and donations	124,627	1,225,543	1,350,170	239,559	1,094,076	1,333,635
Gala revenue, net	402,350	30,000	432,350	300,438	-	300,438
Earned revenue	168,766	-	168,766	112,318	-	112,318
Interest and dividends	16,198	295,885	312,083	-	266,863	266,863
Realized and unrealized gains	18,915	229,056	247,971	-	756,128	756,128
Insurance and other recoveries	9,205	-	9,205	252,384	-	252,384
Net assets released - endowment	547,922	(547,922)	-	460,000	(460,000)	-
Net assets released - other	2,677,064	(2,677,064)	-	3,274,564	(3,252,064)	-
Total revenue and support	4,389,354	395,567	4,784,921	5,130,310	284,378	5,392,188
Expenses:						
Programmatic	3,462,022	-	3,462,022	3,713,361	-	3,713,361
Administration	627,028	-	627,028	615,530	-	615,530
Fundraising	481,789	-	481,789	360,911	-	360,911
Total expenses	4,570,839	-	4,570,839	4,689,802	-	4,689,802
Change in net assets	(181,485)	395,567	214,082	440,508	284,378	702,386
Net assets, beginning of year	2,982,423	2,003,713	13,504,770	2,541,915	1,719,335	17,788,520
Net assets, end of year	\$ 2,800,938	\$ 2,399,280	\$ 18,704,988	\$ 2,982,423	\$ 2,003,713	\$ 18,490,906

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statements of Cash Flows

For the years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ 214,082	\$ 702,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	95,992	90,105
Realized and unrealized gains on investments	(229,056)	(756,128)
Write-off of property and equipment no-longer in service	42,627	-
Increase (decrease) in cash resulting from changes in:		
Restricted cash for operations	84,652	-
Pledges receivable, operations	102,750	977,520
Accounts receivable	(5,561)	(10,644)
Prepays and other current assets	(4,300)	-
Accounts payable and accrued expenses	153,295	(33,320)
Net cash provided by operating activities	<u>454,481</u>	<u>969,919</u>
Cash flows from investing activities:		
Increase in restricted cash for property and equipment	(982,941)	(1,208,742)
Purchases of investments for endowment	(500,884)	(636,863)
Purchases of property and equipment	(441,420)	(350,710)
Endowment draw	547,922	460,000
Permanently restricted endowment - investments	-	22,500
Net cash used in investing activities	<u>(1,377,323)</u>	<u>(1,713,815)</u>
Cash flows from financing activities:		
Change in board designated funds	112,053	118,248
Contributions restricted for property and equipment	411,990	-
Contributions restricted for greenway improvements	(37,500)	-
Contributions collected for endowment	205,000	370,000
Net cash provided by financing activities	<u>691,543</u>	<u>488,248</u>
Net decrease in cash and cash equivalents	(231,299)	(255,648)
Cash and cash equivalents, beginning of year	<u>1,280,837</u>	<u>1,536,485</u>
Cash and cash equivalents, end of year	<u>\$ 1,049,538</u>	<u>\$ 1,280,837</u>

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statement of Functional Expenses

For the year ended June 30, 2012

	Programmatic					Total	Administrative	Fundraising	Total
	Maintenance & Horticulture	Planning & Design	Green & Grow	Public Events					
Salaries and benefits	\$ 754,792	\$ 185,115	\$ 176,305	\$ 211,967	\$ 1,328,179	\$ 497,251	\$ 329,047	\$ 2,154,477	
Contracted services	670,222	-	-	-	670,222	25,316	4,900	700,438	
Direct program expense	449,799	2,120	12,508	180,856	645,283	-	41,616	686,899	
Legal and accounting	189,212	17,520	17,520	42,047	266,299	42,047	42,047	350,393	
Public outreach	53,060	4,913	4,913	70,558	133,444	11,791	11,790	157,025	
Occupancy expense	75,058	6,950	6,950	16,680	105,638	16,680	16,680	138,998	
Office expense	63,146	7,903	5,607	17,656	94,312	16,566	17,163	128,041	
Insurance	95,624	309	309	743	96,985	743	743	98,471	
Depreciation	51,835	4,800	4,800	11,519	72,954	11,519	11,519	95,992	
Write-off of assets no-longer in service	23,020	2,131	2,131	5,115	32,397	5,115	5,115	42,627	
Professional development	14,316	199	996	798	16,309	-	1,169	17,478	
	<u>\$ 2,440,084</u>	<u>\$ 231,960</u>	<u>\$ 232,039</u>	<u>\$ 557,939</u>	<u>\$ 3,462,022</u>	<u>\$ 627,028</u>	<u>\$ 481,789</u>	<u>\$ 4,570,839</u>	

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statement of Functional Expenses

For the year ended June 30, 2011

	Maintenance & Horticulture	Programmatic			Total	Administrative	Fundraising	Total
		Planning & Design	Green & Grow	Public Events				
Salaries and benefits	\$ 689,166	\$ 215,265	\$ 176,426	\$ 374,909	\$ 1,455,766	\$ 527,670	\$ 213,760	\$ 2,197,196
Direct program expense	720,271	944	29,215	253,895	1,004,325	-	34,604	1,038,929
Contracted services	640,195	5,933	-	22,575	668,703	-	40,918	709,621
Legal and accounting	93,717	9,838	9,107	28,848	141,510	23,457	19,566	184,533
Public outreach	73,838	7,751	7,176	22,729	111,494	18,481	15,412	145,387
Occupancy expense	70,593	7,411	6,860	21,730	106,594	17,669	14,738	139,001
Office expense	49,431	5,189	4,804	15,216	74,640	12,372	10,320	97,332
Depreciation	45,761	4,804	4,447	14,086	69,098	11,454	9,554	90,106
Insurance	66,484	-	-	-	66,484	1,982	-	68,466
Professional development	9,767	1,025	949	3,006	14,747	2,445	2,039	19,231
	<u>\$ 2,459,223</u>	<u>\$ 258,160</u>	<u>\$ 238,984</u>	<u>\$ 756,994</u>	<u>\$ 3,713,361</u>	<u>\$ 615,530</u>	<u>\$ 360,911</u>	<u>\$ 4,689,802</u>

See accompanying notes to financial statements.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2012 and 2011

Note 1 - Conservancy

Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (the "Conservancy") is a private, non-profit corporation dedicated to raising broad-based support to ensure standards of excellence in the design, sustainability, and use of the Rose Fitzgerald Kennedy Greenway. To secure the Conservancy's future as one of America's foremost urban parks, the Conservancy advocates for standards of consistency and excellence in design; manages its operations working collaboratively to create, finance, promote, and coordinate public programs and events for the general public to enjoy; and raises adequate and stable funding in support of long-range public uses.

The Conservancy works to achieve its public mission in a public/private partnership with the Commonwealth of Massachusetts as described in the Conservancy's enabling legislation.

The Maintenance and Horticulture department maintains the hardscape, furnishings, and special features, and uses organic practices to care for the lawns, beds, and trees. The Planning and Design department plans and leads park improvements such as furniture, wayfinding signage, art planning, and the development of a custom carousel. Green and Grow is the Conservancy's youth workforce development program that helps young Bostonians become effective and reliable employees through working and learning in an urban park. Public Activities brings hundreds of annual events including farmers markets, concerts, festivals, community celebrations, and art installations. The Fundraising department works to cultivate donors and raise private support for the Conservancy, and Administration includes finance, human resources, and information technology.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Conservancy in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation - The accounts of the Conservancy are maintained on the accrual basis of accounting. Net assets are classified into unrestricted, temporarily restricted and permanently restricted net assets, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations and may be designated for specific purposes by action of the Board of Directors.

Board Designated Funds - Unrestricted net assets whose use is designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled by the actions of the Conservancy.

Permanently Restricted - Reflects the historical cost of gifts subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies - Continued

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Conservancy considers highly liquid investments with an initial maturity of three (3) months or less to be cash equivalents.

Allowance for Doubtful Pledges - An allowance for doubtful pledges is recorded to report pledges receivable at their net realizable value. Estimates for doubtful accounts are based on past collection experience together with a review of the current status of the existing receivables. The allowance for doubtful pledges was \$50,000 at June 30, 2012 and 2011.

Property and Equipment - All property and equipment are stated at cost or, if donated, at the fair market value at the date of receipt. Major renewals, additions and betterments are charged to the property accounts, while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred.

Depreciation - Depreciation is computed using the straight-line method over the estimated useful lives of the related asset as follows:

<u>Asset</u>	<u>Life in Years</u>
Greenway improvements	3-15
Office equipment	7
Vehicles	4-7

Investments - Investments are valued at fair market value, as determined by quoted market prices. Investment gains and income are reported as increases to unrestricted or temporarily restricted net assets depending upon the existence or absence of donor restrictions in the Statement of Financial Position.

Contributions, Gifts and Grants - Contributions may include gifts of cash, collection items, or promises to give. Contributions, including unconditional promises to give, are recognized as revenues in the period received and recorded in the appropriate net asset category in accordance with donor imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. When considered material, contributions to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge. Gifts-in-kind are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies - Continued

Contributed Services - Contributions of services are recognized in accordance with applicable accounting standards if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods are recorded at the fair market value on the date the goods are received.

Functional Allocation of Expenses - The costs of providing the Conservancy's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Conservancy is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Tax years from 2009 through the current year remain open for examination by Federal and state tax authorities.

Subsequent Events - The Conservancy has evaluated events and transactions subsequent to year end for potential recognition or disclosure in the financial statements through August 22, 2012, which is the date the financial statements were available for issuance.

Reclassification of Prior Year's Balances - Certain reclassifications have been made to the 2011 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications. Mothers' Walk revenue of \$37,593, Annual fund of \$83,103, and contributions and donations of \$1,212,939 has been combined in the Statement of Activities for a total of \$1,333,635. Benefits of \$399,114 have been combined with Salaries of \$1,798,082 in the Statement of Functional Expenses for a total of \$2,197,496.

Note 3 - Fair Value Measurements

The Financial Accounting Standards Board (FASB) provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 3 - Fair Value Measurements - Continued

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conservancy has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds or Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Conservancy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 3 - Fair Value Measurements - Continued

The following table sets forth by level, within the fair value hierarchy, the Conservancy's invested assets at fair value as of June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Exchange traded funds:				
U.S. fixed income funds	\$ 6,521,161	\$ -	\$ -	\$ 6,521,161
U.S. equities funds	3,216,084	-	-	3,216,084
Commodities and precious metals funds	1,696,378	-	-	1,696,378
Real estate funds	1,700,417	-	-	1,700,417
Non-U.S. equities funds	749,979	-	-	749,979
Cash and equivalents	492,801	-	-	492,801
Currencies funds	299,592	-	-	299,592
Non-U.S. fixed income funds	174,608	-	-	174,608
Total	\$ 14,851,020	\$ -	\$ -	\$ 14,851,020

The following table sets forth by level, within the fair value hierarchy, the Conservancy's invested assets at fair value as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual funds:				
U.S. fixed income funds	\$ 5,647,898	\$ -	\$ -	\$ 5,647,898
U.S. equities funds	2,807,966	-	-	2,807,966
Commodities and precious metals funds	1,812,778	-	-	1,812,778
Non-U.S. equities funds	1,351,465	-	-	1,351,465
Real estate funds	1,172,912	-	-	1,172,912
Non-U.S. fixed income funds	752,705	-	-	752,705
Cash and equivalents	653,879	-	-	653,879
Currencies funds	446,751	-	-	446,751
Total	\$ 14,646,354	\$ -	\$ -	\$ 14,646,354

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 4 - Pledges Receivable

Pledges receivable consisted of the following as of June 30:

	<u>2012</u>	<u>2011</u>
Total unconditional promises to give	\$ 329,230	\$ 599,480
Less amount due in one year	198,730	415,480
Long term pledges receivable	\$ 130,500	\$ 184,000

All long term pledges are scheduled to be received within the next five (5) fiscal years.

The allowance for doubtful pledges of \$50,000 as of June 30, 2012 and 2011 was included in the amounts due in less than one (1) year.

Note 5 - Contributions, Gifts and Grants

During the years ended June 30, 2012 and 2011, contributions were released from restriction for the following programs and purposes:

	<u>2012</u>	<u>2011</u>
Maintenance and horticulture	\$ 1,817,943	\$ 1,957,517
General operations	602,922	1,283,597
Capital projects	432,931	240,967
Green & Grow	258,197	229,983
Public Art	87,820	-
Public activities	25,173	-
Endowment	-	22,500
	\$ 3,224,986	\$ 3,734,564

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 6 - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets were available for the following at June 30:

	<u>2012</u>	<u>2011</u>
Capital projects	\$ 1,454,322	\$ 882,707
Endowment	540,009	562,991
Green & Grow	270,137	420,515
Maintenance and horticulture	51,675	2,500
Public activities	30,907	-
General operations	30,000	85,000
Public art plan	22,230	50,000
	<u>\$ 2,399,280</u>	<u>\$ 2,003,713</u>

Permanently restricted net assets were available for the following at June 30, 2012 and 2011:

	<u>2012</u>
Endowment - general	\$ 11,854,020
Park specific	837,000
Green & Grow	813,750
	<u>\$ 13,504,770</u>

Permanently restricted net assets at June 30, 2012 and 2011 are restricted for investment in perpetuity, the income from which is available to support the park operations, the youth workforce development program and other outreach programs.

Note 7 - Lease with Massachusetts Department of Transportation

The Greenway is a 1.3 mile stretch of public land in downtown Boston reclaimed by the Big Dig's suppression of the Central Artery. It includes approximately 15 acres of public park land. The Greenway is owned by the Massachusetts Department of Transportation ("MassDOT"), the successor of the Massachusetts Turnpike Authority ("MTA"). Chapter 306 of the Acts of 2008 authorizes the Conservancy to lease the Greenway from the MTA, and under that lease to operate, preserve, maintain, program, manage and improve the Greenway. The Conservancy and the MTA finalized such a lease on February 9, 2009, effective December 1, 2008. The lease term commenced on the effective date and ends on the fifth anniversary of the effective date, and is subject to any extensions as permitted under the lease. Each extension is not to exceed ten (10) years in duration and cumulatively not to exceed fifty-five (55) years in duration.

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Notes to Financial Statements - Continued

June 30, 2012 and 2011

Note 8 - Operating Lease

The Conservancy occupied the premises with the Massachusetts Department of Transportation during the years ended June 30, 2012 and 2011. The Conservancy is not obligated to pay rent for use of the premises during the term of the lease. The estimated fair market value of the occupancy is \$11,583 per month during the years ended June 30, 2012 and 2011 and has been reported as both contribution revenue and rent expense for the years ended 2012 and 2011. For the years ended June 30, 2012 and 2011, in-kind support and occupancy expense relating to the lease were \$138,998 and \$139,001, respectively. See Note 9.

Note 9 - Donated Goods, Services and Use of Facilities

Organizations contribute goods and services to the Conservancy in support of other aspects of its programs. These goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donors, agencies or by management. The value of these goods and services are as follows for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Legal services	\$ 156,342	\$ 112,033
Office space (See Note 8)	138,998	139,001
Utilities	74,945	75,938
Other goods and services	23,510	133,675
Public outreach	10,412	22,900
Vehicles	10,100	-
Architectural design services	10,000	7,500
	<u>\$ 424,307</u>	<u>\$ 491,047</u>

Note 10 - Concentrations

For the year ended June 30, 2012, Government support and In-kind support - public included \$1,838,750 and \$224,047, respectively, from the Massachusetts Department of Transportation. For the year ended June 30, 2011, Government support and In-kind support - public included \$1,879,375 and \$223,626 from the Massachusetts Department of Transportation, respectively.

The Conservancy has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is \$250,000 for interest-bearing accounts, which is applied per depositor, per insured depository institution for each account ownership category. Non-interest bearing transaction deposit accounts are provided unlimited insurance coverage through December 31, 2012. As of June 30, 2012, the Organization had \$2,043,258 in excess of FDIC limits.

SUPPLEMENTAL INFORMATION

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statement of Functional Expenses and Expenditures -
Massachusetts Department of Transportation
(excluding in-kind support)

For the year ended June 30, 2012

	Programmatic					Total	Fundraising	Total
	Maintenance & Horticulture	Planning & Design	Green & Grow	Public Events	Total			
Salaries and benefits	\$ 640,307	\$ -	\$ -	\$ -	\$ 640,307	\$ -	\$ 640,307	
Contracted services	629,386	-	-	-	629,386	-	629,386	
Direct program expense	317,979	-	-	-	317,979	-	317,979	
Insurance	92,282	-	-	-	92,282	-	92,282	
Legal and accounting	59,167	-	-	-	59,167	-	59,167	
Office expense	35,833	-	-	-	35,833	-	35,833	
Professional development	12,121	-	-	-	12,121	-	12,121	
Total MassDOT	\$ 1,787,075	\$ -	\$ -	\$ -	\$ 1,787,075	\$ -	\$ 1,787,075	

ROSE FITZGERALD KENNEDY
GREENWAY CONSERVANCY, INC.

Statement of Functional Expenses and Expenditures -
Massachusetts Department of Transportation
(excluding in-kind support)

For the year ended June 30, 2011

	Programmatic					Total	Administrative	Fundraising	Total
	Maintenance & Horticulture	Planning & Design	Green & Grow	Public Events					
Salaries and benefits	\$ 689,166	\$ 215,265	\$ -	\$ -	\$ 904,431	\$ -	\$ -	\$ 904,431	
Contracted services	640,195	5,933	-	-	646,128	-	-	646,128	
Direct program expense	545,803	-	-	152,090	697,893	-	-	697,893	
Insurance	66,484	-	-	-	66,484	1,982	-	68,466	
Legal and accounting	42,092	3,735	3,457	10,952	60,236	3,896	-	64,132	
Office expense	49,431	5,189	4,804	14,026	73,450	-	-	73,450	
Professional development	6,541	-	-	-	6,541	-	-	6,541	
Subtotal operating expenses	2,039,712	230,122	8,261	177,068	2,455,163	5,878	-	2,461,041	
Capital expenditures	71,687	-	-	-	71,687	-	-	71,687	
Total MassDOT	\$ 2,111,399	\$ 230,122	\$ 8,261	\$ 177,068	\$ 2,526,850	\$ 5,878	\$ -	\$ 2,532,728	