



**FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**CONTENTS
DECEMBER 31, 2017 AND 2016**

	<u>Pages</u>
INDEPENDENT AUDITOR’S REPORT	1 - 1A
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 18
SUPPLEMENTAL INFORMATION:	
Supplemental Statements of Functional Expenses and Capital Expenditures - Massachusetts Department of Transportation, Excluding In-Kind	19 - 20

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 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 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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.

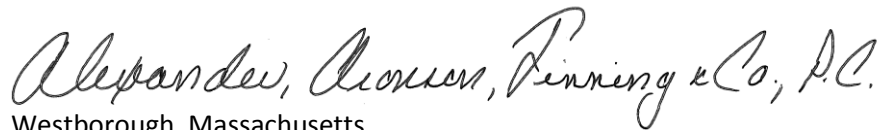
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 19 and 20 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 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, such information is fairly stated in all material respects in relation to the financial statements as a whole.



Westborough, Massachusetts
March 27, 2018

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
CURRENT ASSETS:								
Cash and cash equivalents	\$ 1,615,267	\$ 535,299	\$ -	\$ 2,150,566	\$ 1,110,883	\$ 356,598	\$ -	\$ 1,467,481
Accounts receivable, net	36,329	-	-	36,329	28,748	-	-	28,748
Current portion of grants and pledges receivable (Note 5)	20,749	30,000	-	50,749	15,000	120,672	-	135,672
Prepaid expenses and other	141,459	-	-	141,459	104,229	-	-	104,229
Total current assets	1,813,804	565,299	-	2,379,103	1,258,860	477,270	-	1,736,130
RESTRICTED CASH (Note 3)	-	792,975	-	792,975	-	199,611	3,450	203,061
GRANTS AND PLEDGES RECEIVABLE, net of current portion (Note 5)	-	90,000	650,000	740,000	-	100,000	-	100,000
INVESTMENTS (Note 4)	822,234	1,711,194	13,504,770	16,038,198	794,425	243,875	13,501,320	14,539,620
PROPERTY AND EQUIPMENT, net (Note 8)	4,110,806	-	-	4,110,806	4,121,723	-	-	4,121,723
Total assets	<u>\$ 6,746,844</u>	<u>\$ 3,159,468</u>	<u>\$ 14,154,770</u>	<u>\$ 24,061,082</u>	<u>\$ 6,175,008</u>	<u>\$ 1,020,756</u>	<u>\$ 13,504,770</u>	<u>\$ 20,700,534</u>
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable and accrued expenses	<u>\$ 464,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,864</u>	<u>\$ 362,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,620</u>
NET ASSETS:								
Unrestricted (Note 2):								
Operating	1,506,276	-	-	1,506,276	1,091,667	-	-	1,091,667
Board Designated	702,748	-	-	702,748	634,377	-	-	634,377
Property and equipment	4,072,956	-	-	4,072,956	4,086,344	-	-	4,086,344
Total unrestricted	6,281,980	-	-	6,281,980	5,812,388	-	-	5,812,388
Temporarily restricted (Notes 2 and 6)	-	3,159,468	-	3,159,468	-	1,020,756	-	1,020,756
Permanently restricted (Notes 2 and 6)	<u>-</u>	<u>-</u>	<u>14,154,770</u>	<u>14,154,770</u>	<u>-</u>	<u>-</u>	<u>13,504,770</u>	<u>13,504,770</u>
Total net assets	6,281,980	3,159,468	14,154,770	23,596,218	5,812,388	1,020,756	13,504,770	20,337,914
Total liabilities and net assets	<u>\$ 6,746,844</u>	<u>\$ 3,159,468</u>	<u>\$ 14,154,770</u>	<u>\$ 24,061,082</u>	<u>\$ 6,175,008</u>	<u>\$ 1,020,756</u>	<u>\$ 13,504,770</u>	<u>\$ 20,700,534</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
OPERATING REVENUE AND SUPPORT:								
Government support, MassDOT	\$ -	\$ 1,986,959	\$ -	\$ 1,986,959	\$ -	\$ 1,929,231	\$ -	\$ 1,929,231
Earned revenue	1,188,861	-	-	1,188,861	956,687	-	-	956,687
Contributions and grants	266,996	505,398	-	772,394	254,202	820,175	-	1,074,377
Endowment draw for current operations	638,425	-	-	638,425	638,076	-	-	638,076
In-kind support, private	261,994	-	-	261,994	463,258	-	-	463,258
In-kind support, public	244,206	-	-	244,206	283,049	-	-	283,049
Other income	54,296	-	-	54,296	24,383	-	-	24,383
Government support, grants	-	3,000	-	3,000	-	3,000	-	3,000
Net assets released from restrictions:								
Satisfaction of time restrictions	15,500	(15,500)	-	-	26,104	(26,104)	-	-
Satisfaction of purpose restrictions	2,657,271	(2,657,271)	-	-	2,537,481	(2,537,481)	-	-
Subtotal	5,327,549	(177,414)	-	5,150,135	5,183,240	188,821	-	5,372,061
Fundraising event contributions	542,664	50,000	-	592,664	535,956	50,000	-	585,956
Less: fundraising event expenses	(154,111)	-	-	(154,111)	(162,076)	-	-	(162,076)
Fundraising events, net	388,553	50,000	-	438,553	373,880	50,000	-	423,880
Total operating revenue and support	5,716,102	(127,414)	-	5,588,688	5,557,120	238,821	-	5,795,941
OPERATING EXPENSES:								
Programmatic	4,287,363	-	-	4,287,363	4,376,206	-	-	4,376,206
Fundraising	584,844	-	-	584,844	513,330	-	-	513,330
Administration	437,522	-	-	437,522	342,445	-	-	342,445
Total operating expenses before depreciation	5,309,729	-	-	5,309,729	5,231,981	-	-	5,231,981
Changes in net assets from operations before depreciation	406,373	(127,414)	-	278,959	325,139	238,821	-	563,960
Depreciation	333,327	-	-	333,327	315,596	-	-	315,596
Changes in net assets from operations	73,046	(127,414)	-	(54,368)	9,543	238,821	-	248,364
NON-OPERATING REVENUE AND SUPPORT:								
Investment income, net of fees	116,302	2,311,187	-	2,427,489	41,225	809,689	-	850,914
Contributions and grants - capital	-	770,400	-	770,400	-	32,934	-	32,934
Endowment pledge	-	-	650,000	650,000	-	-	-	-
Government support, MassDOT - capital	-	103,208	-	103,208	-	63,449	-	63,449
Government support, grants - capital	-	-	-	-	-	5,000	-	5,000
Net assets released from capital restrictions	280,244	(280,244)	-	-	212,294	(212,294)	-	-
Endowment release for current operations	-	(638,425)	-	(638,425)	-	(638,076)	-	(638,076)
Total non-operating revenue and support	396,546	2,266,126	650,000	3,312,672	253,519	60,702	-	314,221
Changes in net assets	469,592	2,138,712	650,000	3,258,304	263,062	299,523	-	562,585
NET ASSETS, beginning of year	<u>5,812,388</u>	<u>1,020,756</u>	<u>13,504,770</u>	<u>20,337,914</u>	<u>5,549,326</u>	<u>721,233</u>	<u>13,504,770</u>	<u>19,775,329</u>
NET ASSETS, end of year	<u>\$ 6,281,980</u>	<u>\$ 3,159,468</u>	<u>\$ 14,154,770</u>	<u>\$ 23,596,218</u>	<u>\$ 5,812,388</u>	<u>\$ 1,020,756</u>	<u>\$ 13,504,770</u>	<u>\$ 20,337,914</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 3,258,304	\$ 562,585
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(636,332)	(425,388)
Capital grants	(873,608)	(101,383)
Endowment pledge	(650,000)	-
Depreciation	333,327	315,596
Changes in operating assets and liabilities:		
Accounts receivable	(7,581)	(12,858)
Grants and pledges receivable	94,923	(141,295)
Prepaid expenses and other	(37,230)	27,662
Accounts payable and accrued expenses	99,773	8,185
Net cash provided by operating activities	<u>1,581,576</u>	<u>233,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	109,340	1,131,404
Purchase of investments	(971,586)	(1,263,545)
Acquisition of property and equipment	(319,939)	(244,938)
(Increase) decrease in restricted cash	<u>(589,914)</u>	<u>217,867</u>
Net cash used in investing activities	<u>(1,772,099)</u>	<u>(159,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital grants	<u>873,608</u>	<u>101,383</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	683,085	175,275
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,467,481</u>	<u>1,292,206</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 2,150,566</u></u>	<u><u>\$ 1,467,481</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Unrealized gains on investments	<u>\$ 633,259</u>	<u>\$ 412,023</u>
Property and equipment included in accounts payable	<u>\$ 37,850</u>	<u>\$ 35,379</u>
Donated stock	<u>\$ 5,008</u>	<u>\$ 25,302</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE, AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUNDRAISING	TOTAL
Salaries and related expenses	\$ 1,401,408	\$ 392,537	\$ 223,301	\$ 146,671	\$ 2,163,917	\$ 327,091	\$ 429,482	\$ 2,920,490
Direct expense (see Note 10)	363,176	87,261	287,357	103,796	841,590	75	104,293	945,958
Contracted services	763,207	1,200	-	-	764,407	6,078	5,530	776,015
Legal and accounting (see Note 10)	106,355	35,391	21,076	10,244	173,066	59,548	21,606	254,220
Occupancy (see Note 10)	68,857	23,564	10,971	8,048	111,440	14,169	13,387	138,996
Insurance	114,354	1,089	209	95	115,747	8,782	180	124,709
Office expense	47,488	19,631	8,925	8,400	84,444	20,006	10,304	114,754
In-kind media and consulting (see Note 10)	-	-	18,513	-	18,513	-	-	18,513
Professional development	13,990	74	145	30	14,239	1,773	62	16,074
Total expenses before depreciation	2,878,835	560,747	570,497	277,284	4,287,363	437,522	584,844	5,309,729
Depreciation	126,133	195,709	852	709	323,403	1,292	8,632	333,327
Total expenses after depreciation	<u>\$ 3,004,968</u>	<u>\$ 756,456</u>	<u>\$ 571,349</u>	<u>\$ 277,993</u>	<u>\$ 4,610,766</u>	<u>\$ 438,814</u>	<u>\$ 593,476</u>	<u>\$ 5,643,056</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE, AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUNDRAISING	TOTAL
Salaries and related expenses	\$ 1,226,923	\$ 332,181	\$ 213,822	\$ 141,196	\$ 1,914,122	\$ 313,738	\$ 341,125	\$ 2,568,985
Direct expense (see Note 10)	438,221	34,386	296,781	139,559	908,947	739	55,424	965,110
Contracted services	709,994	15,391	-	10,000	735,385	-	64,646	800,031
Legal and accounting (see Note 10)	76,032	13,323	10,313	9,457	109,125	8,053	16,587	133,765
Occupancy (see Note 10)	79,005	13,844	14,581	5,963	113,393	8,368	17,235	138,996
Insurance	123,592	2,337	1,148	469	127,546	659	1,357	129,562
Office expense	74,610	14,524	14,237	5,709	109,080	10,763	16,278	136,121
In-kind media and consulting (see Note 10)	-	176,234	167,131	-	343,365	-	-	343,365
Professional development	14,094	207	218	724	15,243	125	678	16,046
Total expenses before depreciation	2,742,471	602,427	718,231	313,077	4,376,206	342,445	513,330	5,231,981
Depreciation	113,789	191,995	896	367	307,047	515	8,034	315,596
Total expenses after depreciation	<u>\$ 2,856,260</u>	<u>\$ 794,422</u>	<u>\$ 719,127</u>	<u>\$ 313,444</u>	<u>\$ 4,683,253</u>	<u>\$ 342,960</u>	<u>\$ 521,364</u>	<u>\$ 5,547,577</u>

The accompanying notes are an integral part of these statements.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 - OPERATIONS AND NONPROFIT STATUS

Operations

Rose Fitzgerald Kennedy Greenway Conservancy, Inc. (the Conservancy) is a private, not for 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 (The Greenway). To secure The Greenway'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 strives to raise 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, Horticulture, and Rangers Department maintains the hardscape, furnishings, and special features; uses organic practices to care for the lawns, beds, and trees; and interfaces with the public, ensuring a safe and welcoming park experience for all visitors. The Programs Department provides operational support to hundreds of free events annually, including markets, concerts and festivals; additionally, the department oversees the food truck program and The Greenway Carousel at The Tiffany & Co. Foundation Grove. The Public Art Department is led by a curator, who selects and oversees installation of rotating exhibitions of contemporary public art. The Outreach Department serves as liaison to stakeholders and community members while coordinating communication, marketing, owned media, and branding. The Fundraising Department works to cultivate donors and raise funding support for the Conservancy, and Administration includes finance, accounting, human resources, and information technology.

Nonprofit Status

The Conservancy is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from Federal and state income taxes pursuant to Section 501(a) of the Code. Donors may deduct contributions made to the Conservancy within the requirements of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The Conservancy prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Statement of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and support and operating expenses in the accompanying statement of activities and changes in net assets. Non-operating revenue and support includes investment, capital and endowment activity.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Unrestricted – Net assets that are not subject to donor-imposed stipulations which the Conservancy may use at its discretion. The Conservancy has grouped its unrestricted net assets into the following categories:

Operating net assets - represent funds available to carry on the operations of the Conservancy.

Board Designated net assets - represent unrestricted net assets whose use is subject to designation for specific purposes either as a capital reserve or by action of the Conservancy's Board of Directors.

Property and equipment net assets - represent the amounts expended for property and equipment, net of related liabilities.

Temporarily Restricted net assets - Net assets whose use is limited by state law or donor-imposed stipulations that may or will be met with the passage of time and/or by the actions of the Conservancy (see Notes 6 and 7). Transfers are made to unrestricted net assets from temporarily restricted net assets as costs are incurred or time restrictions have lapsed (see Note 6). Net appreciation (depreciation) of permanently restricted long-term investments is recognized within temporarily restricted net assets until such funds are available to be spent under the Conservancy's spending policy (see Notes 6 and 7 and pages 10 and 11).

Permanently Restricted net assets - Net assets that are subject to donor-imposed stipulations that they be maintained in perpetuity by the Conservancy. Generally, donors of these assets allow the Conservancy to use all or part of the income, and the realized or unrealized gain, if any, on related investments for general or specific purposes (see Notes 6 and 7).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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

The Conservancy considers highly liquid investments with maturities of three (3) months or less at the date of purchase to be cash equivalents. Cash, not subjected to either donor-imposed stipulations or restrictions under state law, is included in the accompanying financial statements as unrestricted cash; all other cash is treated as temporarily or permanently restricted (see Note 3).

Cash equivalents held by investment managers are considered part of investments and are categorized according to any donor-imposed restrictions or as required by state law.

For the purposes of the statement of cash flows, cash and cash equivalents does not include restricted cash (see Note 3) or cash equivalents held by investment managers (see above).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end. Management estimates the allowance for doubtful accounts based on historical collections together with a review of the current status of the existing accounts receivable. There was no allowance for uncollectible accounts receivable as of December 31, 2017. The allowance for uncollectible accounts receivable as of December 31, 2016, was \$1,425.

Grants and Pledges Receivable and Allowance for Uncollectible Pledges

When an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give, the corresponding pledges receivable are recorded as revenue at the present value of expected proceeds. Management estimates the allowance for doubtful pledges (see Note 5) based on historical collections together with a review of the current status of the existing pledges receivable.

Revenue Recognition

Contributions and grants are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets due to either the Conservancy fulfilling donor-imposed restrictions or the passage of time, are reported as releases to unrestricted net assets (see Note 6).

Contributions and grants may include gifts of cash, collection items, or promises to give. Contributions, grants, and government support, 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 and grants 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.

Fundraising event contributions are recognized when the related event takes place.

Contributions and grants of cash or other assets that must be used to acquire long-lived assets are recorded as temporarily restricted contributions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to unrestricted net assets unless their use is restricted by donor-imposed stipulation or by state law.

Earned revenue is recognized as services are provided. Other income is recognized as it is earned.

The Conservancy recognizes in-kind services 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 (see Note 10).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All property and equipment (see Note 8) 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.

Once property and equipment is acquired and placed into service, depreciation is provided for by using the straight-line method over the estimated useful lives of the related assets, as follows:

	<u>Depreciable Life</u>
Greenway improvements and Greenway Carousel	3 - 20 years
Motor vehicles	4 - 7 years
Office equipment	7 years

Investments and Spending Policy

Investments are reported at their fair value. The realized and unrealized appreciation (depreciation) in the fair market value of such investments is included in the statement of activities and changes in net assets in the appropriate net asset categories. Dividends and interest are recorded when earned. Gains and losses are recognized as incurred upon sale or based on market value changes during the period.

Dividends, interest, fees, and net realized and unrealized gains (losses) on investments are reported as non-operating revenue as follows:

- As increases in permanently restricted net assets, if the donor-imposed stipulation requires that they be added to the corpus of a permanently restricted endowment fund.
- As increases (decreases) in temporarily restricted net assets, net of related investment fees, if the terms of the contribution or relevant state law impose restrictions of current use of income or net gains.
- As increases (decreases) in unrestricted net assets, net of related investment fees, as in all other cases.

The Conservancy adheres to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Subject to the intent of a donor, an institution may appropriate for expenditure or accumulate so much of a permanently restricted endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the permanently restricted endowment fund is established. The assets in a permanently restricted endowment fund are donor-restricted assets until appropriated according to the donor stipulation for expenditure by the Conservancy.

The Conservancy has adopted an investment and spending policy for its endowment assets and for any Board-Designated net assets that are designed to preserve capital through downside risk management while providing a level of support for the Conservancy and its programs in accordance with UPMIFA. Under its investment policy, the endowment assets are to be invested to provide a total rate of return commensurate with prudent diversification and moderate risk. Risk and diversification parameters have been established and the endowment is maintained and rebalanced accordingly.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Spending Policy (Continued)

The Conservancy relies on a total rate of return strategy that targets 4.5% plus the rate of inflation over a full seven year business cycle. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). While it is understood that the endowment assets are to be managed with a long-term focus, endowment performance is monitored quarterly in relation to several appropriate benchmarks.

The Conservancy has a policy of appropriating for operations each year up to 4.5% of the rolling average of the prior twelve quarter-end fair values. These amounts are reflected as endowment draw for current operations in the accompanying statements of activities and changes in net assets. In establishing this policy, the Conservancy considered the expected returns plus an adjustment for inflation. This is consistent with the stated goal of enhancing the purchasing power of the endowment over time, while providing necessary funds for operations. In the event of a significant market decline, the Conservancy will consider all factors relevant to the stated goal in determining any change to the appropriation as allowed by UPMIFA.

Functional Allocation of Expenses

The costs of providing the Conservancy's various programs and activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Income Taxes

The Conservancy accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Conservancy has determined that there are no uncertain tax positions which qualify for recognition or disclosure in the financial statements at December 31, 2017 and 2016. The Conservancy's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

The Conservancy has evaluated events and transactions subsequent to December 31, 2017, for potential recognition or disclosure in the financial statements through March 27, 2018, which is the date the financial statements were available for issuance. There were no events that met the criteria for recognition or disclosure in the financial statements.

Fair Value Measurements

The Conservancy determines the fair value of investments and other assets using a framework for measuring fair value, which 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) and the lowest priority to unobservable inputs (Level 3).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The three (3) levels of the fair value hierarchy under US GAAP are described as follows:

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:

- 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 is observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

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: Valued at the daily closing prices as reported by the funds. The funds held by the Conservancy are deemed to be actively traded and are valued using Level 1 inputs (see page 11).

TIFF Multi Asset Fund (the Fund): The provisions of Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* allow the Conservancy to measure the fair value of these investments using the value per share of the investments. For the Fund, this is valued at the monthly closing price as reported by the Fund, a cooperative style investment organization that supports non-profit organizations by using an asset mix that seeks to achieve long-term returns that exceeds inflation plus 5% per annum through a globally diversified portfolio that includes domestic and foreign equities and fixed income instruments as well as hedging and futures vehicles. Shares in the Fund may be redeemed by the Conservancy at its request. However, the shares held by the Conservancy are deemed not to be actively traded.

NOTE 3 - RESTRICTED CASH

Restricted cash is restricted for the following purposes as of December 31:

	<u>2017</u>	<u>2016</u>
Capital projects	\$ 792,975	\$ 199,611
Endowment	<u>-</u>	<u>3,450</u>
	<u>\$ 792,975</u>	<u>\$ 203,061</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 4 - INVESTMENTS

A description of the valuation methodologies used for assets measured at fair value is included in Note 2. The following table sets forth by level, within the fair value hierarchy (see Note 2), the Conservancy's invested assets at fair value as of December 31:

<u>Investment Type</u>	<u>2017</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds – stock funds	\$ 5,078,088	\$ -	\$ -	\$ 5,078,088
Other investments:				
TIFF Multi Asset Fund*				<u>10,960,110</u>
Total investments				<u>\$ 16,038,198</u>

<u>Investment Type</u>	<u>2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds – stock funds	\$ 4,567,637	\$ -	\$ -	\$ 4,567,637
Other investments:				
TIFF Multi Asset Fund*				<u>9,971,983</u>
Total investments				<u>\$ 14,539,620</u>

* In accordance with ASC Subtopic 820-10, *Fair Value Measurement: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Investment income, net, consists of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 1,791,162	\$ 425,543
Net unrealized gains on investments	633,259	412,023
Net realized gains on sale of investments	3,073	13,365
Investment fees	<u>(5)</u>	<u>(17)</u>
	<u>\$ 2,427,489</u>	<u>\$ 850,914</u>

Substantially all investments are components of the Conservancy's endowment (see Note 7). Accordingly, these investments have been classified as non-current assets in the accompanying statement of financial position regardless of maturity or liquidity of the individual securities held. Investments are not insured and are subject to ongoing market fluctuations.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 5 - GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable are due as follows as of December 31:

	<u>2017</u>	<u>2016</u>
Due in one year	\$ 700,749	\$ 135,672
Due in two to five years	<u>90,000</u>	<u>100,000</u>
	<u>\$ 790,749</u>	<u>\$ 235,672</u>

As of December 31, 2017 and 2016, all grants and pledges receivable are deemed to be fully collectible and, as a result, no allowance has been recorded. The Conservancy has not recorded a discount on long-term grants and pledges receivable as the amount is not material.

Pledges to endowment funds are classified as long-term assets in the accompanying statements of financial position regardless of expected payout date.

NOTE 6 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets were available for use based upon donor-imposed stipulations and time periods as follows as of December 31:

	<u>2017</u>	<u>2016</u>
Appreciation on permanently restricted net assets	\$ 1,824,918	\$ 165,100
Capital Projects	792,975	199,611
Public Art	280,000	321,387
Strategic Business Planning	114,147	-
Maintenance, Horticulture, and Rangers	90,132	119,554
General Operations – time restricted	40,000	55,500
Programs	<u>17,296</u>	<u>159,604</u>
	<u>\$ 3,159,468</u>	<u>\$ 1,020,756</u>

During the years ended December 31, 2017 and 2016, net assets were released from restriction for the following programs and purposes and other restrictions:

	<u>2017</u>	<u>2016</u>
Maintenance, Horticulture, and Rangers	\$ 2,107,048	\$ 2,063,556
Endowment draw for current operations	638,425	638,076
Public Art	358,169	335,409
Capital Projects	280,244	212,294
Programs	181,201	138,516
General Operations – time restricted	15,500	26,104
Strategic Business Planning	<u>10,853</u>	<u>-</u>
	<u>\$ 3,591,440</u>	<u>\$ 3,413,955</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 6 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Permanently Restricted Net Assets

Permanently restricted net assets were restricted for the following purposes as of December 31:

	<u>2017</u>	<u>2016</u>
General endowment	\$ 12,319,020	\$ 12,319,020
Park specific	1,487,000	837,000
Education	<u>348,750</u>	<u>348,750</u>
	<u>\$ 14,154,770</u>	<u>\$ 13,504,770</u>

NOTE 7 - ENDOWMENTS

The composition of endowment net assets and the changes in endowment net assets by class are as follows for the years ended December 31, 2017 and 2016:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2015	\$ -	\$ 13,504,770	\$ 13,504,770
Investment return:			
Investment income	404,436	-	404,436
Unrealized gains	<u>398,740</u>	<u>-</u>	<u>398,740</u>
Total investment return	<u>803,176</u>	<u>-</u>	<u>803,176</u>
Endowment draw for current operations	<u>(638,076)</u>	<u>-</u>	<u>(638,076)</u>
Endowment net assets, December 31, 2016	<u>165,100</u>	<u>13,504,770</u>	<u>13,669,870</u>
Endowment pledge	<u>-</u>	<u>650,000</u>	<u>650,000</u>
Investment return:			
Investment income	1,723,188	-	1,723,188
Unrealized gains	571,982	-	571,982
Realized gains	<u>3,073</u>	<u>-</u>	<u>3,073</u>
Total investment return	<u>2,298,243</u>	<u>-</u>	<u>2,298,243</u>
Endowment draw for current operations	<u>(638,425)</u>	<u>-</u>	<u>(638,425)</u>
Endowment net assets, December 31, 2017	<u>\$ 1,824,918</u>	<u>\$ 14,154,770</u>	<u>\$ 15,979,688</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Greenway Carousel at The Tiffany & Co.		
Foundation Grove	\$ 3,628,218	\$ 3,616,953
Greenway improvements	1,645,308	1,342,718
Motor vehicles	160,565	160,565
Office equipment	<u>82,045</u>	<u>79,407</u>
	5,516,136	5,199,643
Less - accumulated depreciation	<u>1,405,330</u>	<u>1,077,920</u>
	<u>\$ 4,110,806</u>	<u>\$ 4,121,723</u>

NOTE 9 – AGREEMENT WITH MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

The Greenway is a mile-and-a-half stretch of public land in downtown Boston reclaimed by the suppression of the Central Artery. It includes approximately 17 acres of public park land. The Greenway is owned by the Massachusetts Department of Transportation (Mass DOT), the successor of the Massachusetts Turnpike Authority (MTA). Chapter 306 of the Acts of 2008, as amended, 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's care of The Greenway, through the agreement with MassDOT, began on February 9, 2009, and will continue through June 30, 2027, with two follow-on renewal options of 10 years each. In conjunction with the agreement, MassDOT provides funding to the Conservancy (see Note 11) for care of the public park under subsidy agreements that currently end on June 30, 2023. The Conservancy received \$2,090,167 and \$1,992,680 in 2017 and 2016, respectively, and anticipates that it will receive an additional \$4,375,000 for maintenance and horticultural care, in accordance with the current funding agreement through June 30, 2023. This future funding is conditional on certain factors. The subsidy agreement also provides for continued in-kind support (see Note 10) and, through MassDOT's capital planning process, funding for repairs.

The Conservancy has its offices within a building operated by MassDOT. The Conservancy is not required to pay rent for use of the premises during the term of the agreement. The estimated fair market value of the occupancy was \$11,583 per month for the years ended December 31, 2017 and 2016, and has been reported in the accompanying financial statements as both in-kind revenue and expense. For the years ended December 31, 2017 and 2016, in-kind support and occupancy expense related to the offices was \$138,996 in each year (see Note 10).

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 10 - IN-KIND SUPPORT - GOODS, SERVICES AND USE OF FACILITIES

Organizations may contribute goods, services and use of facilities to the Conservancy in support of its programs. These goods, services and use of facilities 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 is as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Occupancy - public (see Note 9)	\$ 138,996	\$ 138,996
Direct expense - utilities - public	<u>105,210</u>	<u>144,053</u>
Total in-kind support - public	<u>244,206</u>	<u>283,049</u>
Legal - private	208,103	80,042
Other direct expense - private	35,378	39,851
Media and consulting - private	<u>18,513</u>	<u>343,365</u>
Total in-kind support - private	<u>261,994</u>	<u>463,258</u>
	<u>\$ 506,200</u>	<u>\$ 746,307</u>

NOTE 11 - CONCENTRATIONS

For the years ended December 31, 2017 and 2016, MassDOT (see Note 9) provided \$2,090,167 and \$1,992,680, respectively, in government support and an additional \$244,206 and \$283,049, respectively, of in-kind support (see Note 10). Government support is recorded as temporarily restricted contributions and the funds are released to unrestricted net assets as the Conservancy expends the funds as stipulated by MassDOT. In-kind support is recorded as unrestricted revenue (see Note 10).

Another donor comprised 16% of total revenue and support for the year ended December 31, 2017.

Two donors comprised 88% of the balance in grants and pledges receivable as of December 31, 2017 (see Note 5). Four donors comprised 83% of the balance in grants and pledges receivable as of December 31, 2016 (see Note 5).

The Conservancy has a potential concentration of credit risk in that it sometimes maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is \$250,000 per depositor at each bank after aggregating both non-interest and interest bearing accounts. At times, cash and cash equivalents and restricted cash exceeded the insured limits. The Conservancy has not experienced any losses in these accounts. The Conservancy believes it is not exposed to any significant credit risk on cash and cash equivalents and restricted cash.

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)**

NOTE 12 - COMMITMENT

The Conservancy has an agreement with a vendor to provide basic care services (e.g., lawn moving and trash removal) on The Greenway (see Note 1). On July 1, 2016, the contract was amended with a two-and-a-half-year extension expiring on December 31, 2018, with one remaining three-year renewal term subject to the mutual consent and negotiation of both parties. The agreement would terminate automatically prior to the end of the agreement should the Conservancy's lease with the MassDOT (see Note 9) terminate, and the agreement may be terminated by either party with thirty days written notice. During 2017 and 2016, the Conservancy paid the vendor approximately \$50,000 per month for basic services. The Conservancy pays additional amounts for additional services on an as-needed basis. Total expenses for basic services under this agreement were \$627,203 and \$597,302 for the years ended December 31, 2017 and 2016, respectively, and are included in contracted services in the accompanying statements of functional expenses. Remaining minimum payments for basic services under the current agreement ending on December 31, 2018, total \$639,408 in 2018.

NOTE 13 - CONTINGENCY

In the ordinary course of its business, the Conservancy is, from time-to-time, involved in disputes; the Conservancy denies any wrongdoing in these cases and is taking the appropriate legal steps in defense of these disputes. It is management's opinion that any potential settlement would not be material to the accompanying financial statements as of December 31, 2017.

NOTE 14 - RELATED PARTY TRANSACTION

A not-for-profit organization (the Organization) has a park that is adjacent to the Conservancy's space on The Greenway. The Organization's Board of Directors chairperson is also on the Conservancy's Board of Directors. Based on a contract executed before the chairperson became a member of the Conservancy's Board of Directors, the Organization pays the Conservancy for maintenance, horticulture, snow removal, and related work done at the park. When the contract was renewed on June 30, 2016, the chairperson recused himself from discussions. These payments totaled approximately \$78,000 and \$81,000, respectively, for the years ended December 31, 2017 and 2016.

NOTE 15 - CONDITIONAL GRANT

During the year ended December 31, 2017, a foundation awarded the Conservancy a grant of \$200,000, which was recognized in temporarily restricted contributions and grants revenue in the accompanying 2017 statement of activities and changes in net assets. Additionally, the foundation made a grant of up to \$400,000 payable in 2018 and 2019 that is not reflected in the accompanying financial statements since the grant is conditional on certain criteria.

NOTE 16 - RETIREMENT PLAN

The Conservancy maintains a defined contribution retirement plan (the Plan) under Section 403(b) of the IRC. The Conservancy matches certain employee contributions for eligible employees, as defined in the Plan. For the years ended December 31, 2017 and 2016, the Conservancy made matching contributions to the Plan totaling \$35,864 and \$27,461, respectively.

SUPPLEMENTAL INFORMATION

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND CAPITAL EXPENDITURES -
MASSACHUSETTS DEPARTMENT OF TRANSPORTATION
EXCLUDING IN-KIND
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for the year ended December 31, 2016)

	2017							2016
	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE, AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUNDRAISING	TOTAL
Salaries and related expenses	\$ 878,155	\$ -	\$ -	\$ -	\$ 878,155	\$ -	\$ -	\$ 878,155
Contracted services	735,681	-	-	-	735,681	-	-	735,681
Direct expense	224,462	-	-	-	224,462	-	-	224,462
Insurance	113,320	-	-	-	113,320	-	-	113,320
Office expense	28,981	-	-	-	28,981	-	-	28,981
Professional development	6,360	-	-	-	6,360	-	-	6,360
Legal and accounting	-	-	-	-	-	-	-	-
Total expenses	1,986,959	-	-	-	1,986,959	-	-	1,986,959
Capital expenditures	182,998	-	-	-	182,998	-	-	182,998
Total expenses and capital expenditures	<u>\$ 2,169,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,169,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,169,957</u>
								<u>\$ 2,034,049</u>

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, INC.

SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES AND CAPITAL EXPENDITURES -
MASSACHUSETTS DEPARTMENT OF TRANSPORTATION
EXCLUDING IN-KIND
FOR THE YEAR ENDED DECEMBER 31, 2016

	PROGRAMMATIC							
	MAINTENANCE, HORTICULTURE, AND RANGERS	PROGRAMS	PUBLIC ART	OUTREACH	TOTAL PROGRAMMATIC	ADMIN- ISTRATION	FUNDRAISING	TOTAL
Salaries and related expenses	\$ 811,745	\$ -	\$ -	\$ -	\$ 811,745	\$ -	\$ -	\$ 811,745
Contracted services	685,099	-	-	-	685,099	-	-	685,099
Direct expense	247,239	-	-	-	247,239	-	-	247,239
Insurance	117,259	-	-	-	117,259	-	-	117,259
Office expense	48,920	-	-	-	48,920	-	-	48,920
Professional development	8,955	-	-	-	8,955	-	-	8,955
Legal and accounting	10,014	-	-	-	10,014	-	-	10,014
Total expenses	1,929,231	-	-	-	1,929,231	-	-	1,929,231
Capital expenditures	104,818	-	-	-	104,818	-	-	104,818
Total expenses and capital expenditures	<u>\$ 2,034,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,034,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,034,049</u>