EISNERAMPER

# FAIRMOUNT PARK CONSERVANCY

FINANCIAL STATEMENTS

DECEMBER 31, 2025

**FAIRMOUNT PARK CONSERVANCY**

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Fairmount Park Conservancy

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Fairmount Park Conservancy (a nonprofit organization) (the "Conservancy"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fairmount Park Conservancy as of December 31, 2025, 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.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Conservancy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Correction of an Error*

As discussed in Note B[1] to the financial statements, the Conservancy's financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### *Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Conservancy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
June 25, 2026

## FAIRMOUNT PARK CONSERVANCY

**Statement of Financial Position**
**December 31, 2025**

| | |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | **$ 8,022,177** |
| Investments, at fair value | **5,669,705** |
| Unconditional promises to give, current portion | **832,861** |
| Accounts receivable, net of allowance for doubtful accounts of $22,345 | **10,306,717** |
| Prepaid expenses | **129,436** |
| Total current assets | **24,960,896** |
| Property and equipment, net of accumulated depreciation | **49,755** |
| Unconditional promises to give, net of current portion | **540,078** |
| | **$ 25,550,729** |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable and accrued expenses | **$ 2,440,648** |
| Grant payable | **235,650** |
| Current portion of long-term debt | **6,309,328** |
| Deferred revenue | **4,672** |
| Other liabilities | **2,350** |
| Total current liabilities | **8,992,648** |
| Long-term debt, net of current portion | **459,475** |
| Total liabilities | **9,452,123** |
| Commitments, contingencies and other uncertainties | |
| **NET ASSETS** | |
| Without donor restrictions | **485,281** |
| With donor restrictions | **15,613,325** |
| Total net assets | **16,098,606** |
| | **$ 25,550,729** |

*See notes to financial statements.*

## FAIRMOUNT PARK CONSERVANCY

### Statement of Activities and Changes in Net Assets
### Year Ended December 31, 2025

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|---|---|---|---|
| **Support and revenue:** | | | |
| Contributions: | | | |
| Foundation | $ 158,709 | $ 4,738,870 | $ 4,897,579 |
| Corporate | 121,877 | 93,730 | 215,607 |
| Individual | 625,729 | 516,287 | 1,142,016 |
| In-kind contributions – facilities | 132,768 | - | 132,768 |
| Government contracts | 9,478,518 | 20,700 | 9,499,218 |
| Rental income | 33,375 | - | 33,375 |
| Other earned revenue | 1,505,429 | 9,236 | 1,514,665 |
| Investment income, net | 547,276 | 428,809 | 976,085 |
| Net assets released from restrictions | 3,261,923 | (3,261,923) | - |
| Total support and revenue | 15,865,604 | 2,545,709 | 18,411,313 |
| **Expenses:** | | | |
| Program services: | | | |
| Park activation | 359,395 | - | 359,395 |
| Capital improvements | 11,253,146 | - | 11,253,146 |
| Civic engagement | 1,336,166 | - | 1,336,166 |
| Total program services | 12,948,707 | - | 12,948,707 |
| Supporting services: | | | |
| General and administrative | 3,439,905 | - | 3,439,905 |
| Fundraising | 1,292,317 | - | 1,292,317 |
| Total supporting services | 4,732,222 | - | 4,732,222 |
| Total expenses | 17,680,929 | - | 17,680,929 |
| **Change in net assets** | (1,815,325) | 2,545,709 | 730,384 |
| **Net assets at beginning of year - as previously reported** | (1,125,659) | 16,493,881 | 15,368,222 |
| **Prior period restatement (see Note B[1])** | 3,426,265 | (3,426,265) | - |
| Net assets at beginning of year - as restated | 2,300,606 | 13,067,616 | 15,368,222 |
| **Net assets at end of year** | $ 485,281 | $ 15,613,325 | $ 16,098,606 |

*See notes to financial statements.*

## FAIRMOUNT PARK CONSERVANCY

### Statement of Functional Expenses
### Year Ended December 31, 2025

| | Program Services | | | | Supporting Services | | | |
|---|---|---|---|---|---|---|---|---|
| | Park Activation | Capital Improvements | Civic Engagement | Subtotal | General and Administrative | Fundraising | Subtotal | Total |
| Payroll | $ 163,747 | $ 987,942 | $ 556,741 | $ 1,708,430 | $ 609,222 | $ 425,743 | $ 1,034,965 | $ 2,743,395 |
| Payroll taxes | 13,152 | 79,348 | 44,716 | 137,216 | 48,744 | 34,194 | 82,938 | 220,154 |
| Employee benefits | 249 | 1,505 | 848 | 2,602 | 307,876 | 648 | 308,524 | 311,126 |
| Total payroll and related expenses | 177,148 | 1,068,795 | 602,305 | 1,848,248 | 965,842 | 460,585 | 1,426,427 | 3,274,675 |
| Automobile | 581 | 52,352 | 16 | 52,949 | 1,251 | 180 | 1,431 | 54,380 |
| Building repairs and materials | 229 | 802,557 | 11,029 | 813,815 | 15,849 | 2,150 | 17,999 | 831,814 |
| Construction contracts | - | 8,225,050 | 12,900 | 8,237,950 | 6,000 | - | 6,000 | 8,243,950 |
| Consultants | 900 | 969 | - | 1,869 | 85,385 | - | 85,385 | 87,254 |
| Depreciation | - | 2,323 | - | 2,323 | 11,824 | - | 11,824 | 14,147 |
| Development/materials and services | 2,085 | 15 | 64,220 | 66,320 | - | 11,142 | 11,142 | 77,462 |
| Marketing | 1,629 | - | 10,347 | 11,976 | - | 20,397 | 20,397 | 32,373 |
| Occupancy | - | 1,251 | 4,361 | 5,612 | 55,534 | - | 55,534 | 61,146 |
| Office expenses | 49,486 | 74,783 | 43,554 | 167,823 | 1,045,793 | 90,466 | 1,136,259 | 1,304,082 |
| Park expenses | 116,490 | 269,236 | 408,823 | 794,549 | 342,858 | 229,405 | 572,263 | 1,366,812 |
| Professional services | 4,745 | 740,493 | 129,206 | 874,444 | 896,139 | 427,688 | 1,323,827 | 2,198,271 |
| Travel and entertainment | 6,102 | 15,322 | 49,405 | 70,829 | 13,430 | 50,304 | 63,734 | 134,563 |
| Total expenses | $ 359,395 | $ 11,253,146 | $ 1,336,166 | $ 12,948,707 | $ 3,439,905 | $ 1,292,317 | $ 4,732,222 | $ 17,680,929 |

*See notes to financial statements.*

## FAIRMOUNT PARK CONSERVANCY

**Statement of Cash Flows**
**Year Ended December 31, 2025**

| | | |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Change in net assets | **$** | **730,384** |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | | **14,147** |
| Realized unrealized gain on investments | | **(445,241)** |
| Donated securities | | **(987,245)** |
| (Increase) decrease in assets: | | |
| Unconditional promises to give | | **2,761,605** |
| Accounts receivable | | **4,420,394** |
| Prepaid expenses | | **50,161** |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | | **(468,607)** |
| Grants payable | | **(461,693)** |
| Deferred revenue | | **4,672** |
| Net cash provided by operating activities | | **5,618,577** |
| **Cash flows from investing activities:** | | |
| Purchase of investments | | **(323,205)** |
| Purchase of property and equipment | | **(41,438)** |
| Net cash used in investing activities | | **(364,643)** |
| **Cash flows from financing activities:** | | |
| Proceeds from long-term debt | | **6,895,337** |
| Principal payments on long-term debt | | **(9,319,278)** |
| Net cash used in financing activities | | **(2,423,941)** |
| **Net increase in cash and cash equivalents** | | **2,829,993** |
| Cash and cash equivalents at beginning of year | | **5,192,184** |
| **Cash and cash equivalents at end of year** | **$** | **8,022,177** |

*See notes to financial statements.*

## NOTE A - NATURE OF OPERATIONS

On December 31, 2014, Fairmount Park Conservancy merged with the Fairmount Park Historic Preservation Trust (the "Trust"), a tax-exempt nonprofit organization. The Trust is the surviving corporate entity and the Fairmount Park Conservancy's corporate entity was merged into the Trust. The name of the corporation was changed to the Fairmount Park Conservancy (the "Conservancy").

Fairmount Park Conservancy brings parks to life. The Conservancy works with the City of Philadelphia (the "City") and its communities to steward our parks and nurture our shared environment, cultural resources and public health. The Conservancy leads capital projects and historic preservation efforts, fosters neighborhood park stewardship, attracts and leverages investments, and develops innovative programs throughout the 10,200 acres that include Fairmount Park, six other watershed parks and more than 130 neighborhood parks and gardens around the City.

The Conservancy often receives support from funders for specific projects. In accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), this support is recognized with donor restrictions either for time or purpose. Often, these projects will go through several phases and span many years. Expenditures from one year to the next can vary significantly according to the various stages of these projects. Park improvement expenditures are a significant component of overall program expenditures and, therefore, the percentage of program expenditures to total expenditures can vary significantly between years.

The Conservancy also receives support to create and expand public programming, park activations and engagement opportunities that connect the public to the park system. Often these programs are tied to the signature capital projects, whether those projects are slated to start, in active construction or have been completed. These programs provide health and wellness opportunities while also building additional park supporters and advocates and the next generation of park stewards.

In addition, the Conservancy often receives support to preserve, develop, and manage the historic resources in Philadelphia's Fairmount Park. The Conservancy functions, in partnership with the Philadelphia Department of Parks and Recreation ("PPR"), on matters regarding the restoration, rehabilitation, and management of the properties designated to the Conservancy's care. Properties designated to the Conservancy's care are stipulated in a master lease between the City of Philadelphia and the Philadelphia Authority for Industrial Development ("PAID"), and a master sublease between PAID and the Conservancy.

The Conservancy's programs include the following:

- **Civic engagement:** Every spring and fall, the Conservancy partners with Philadelphia Parks & Recreation and Park Friends Groups to organize a city-wide park cleanup called Love Your Park. Over 100 parks participate, and each season’s mobilization has a “signature site.” This year partners and volunteers teamed up with the Friends of Carroll Park in West Philadelphia to host a spring Love Your park celebration and take on simultaneous park maintenance projects – and worked with the Friends of Gorgas Park in Roxborough for a special fall Love Your Park event with tree plantings, garden care, and more. In 2025, a record-setting 4,040 Love Your Park volunteers planted 344 trees and 10,260 flower bulbs, removed 1,307 bags of trash, and collected 3,981 bags of leaves and organic debris for composting.

- **Park activations and public programming:** Throughout 2025, the Conservancy offered free and low-cost programs designed to bring people together and encourage Philadelphians to enjoy their parks in new ways. From Second Saturday hikes to Wellness Wednesday meditations, the Conservancy and partners had something for everyone. In total, over 8,700 people attended the 81 program events that the Conservancy organized. Sixty percent of programs were completely free, and 70% of our program partners were minority and women-owned businesses.

**NOTE A - NATURE OF OPERATIONS (CONTINUED)**

- **Health & Wellness programming:** After expanding by 50% in 2024, the popular citywide We Walk PHL program kept up the pace throughout 2025, offering 28 locations for free weekly group walks in the spring and fall. To complement the walk seasons, partners hosted pop-up walks and wellness events in the winter and summer seasons as well. In November, We Walk PHL wrapped up the year with an end-of-season "We Walk, We Dance, We Bike, We Boat" celebration with several recreational activities in FDR Park. We Walk PHL is a partnership with Philadelphia Parks & Recreation and the Philadelphia Department of Public Health. Since launching in 2017, We Walk PHL has logged over 3,000 walks.

- **Capital improvements:** Large capital improvements to key geographies in Philadelphia's park system, including the following current projects:

  FDR Park: The Conservancy and partners continued to make progress with the historic FDR Park Plan, a generational investment to protect and revitalize South Philadelphia's largest park. In June, Fairmount Park Conservancy and partners cut the ribbon to officially open the Gateway Plaza in South Philadelphia's FDR Park. The new plaza features custom benches, bike racks, water misters, rain gardens, and a colorful six-foot-tall sign that makes the park more visible at the busy intersection of Broad St. and Pattison Ave. The space also includes new trees and thousands of new perennials, grasses, and ferns selected for their climate resiliency and collective biodiversity. Gateway Plaza is now the perfect place for pedestrians, transit users, and cyclists to begin their FDR Park adventure. The Conservancy also completed the construction of the FDR Park Welcome Center, an adaptive reuse of the park's historic guardhouse and stables. The park's first-ever Welcome Center is LEED Gold certified and features public restrooms, an open-air courtyard designed for food and beverage concessions and events, community meeting spaces, park offices, and an information center.

  Land Care: The Land Care team continued to work closely with partners to implement and advance tree planting projects in alignment with the goals of the Philly Tree Plan. Collectively, through the work of our Land Care team and volunteers, the Conservancy planted 1,409 trees and 498 shrubs in East and West Fairmount Park, FDR Park, Cobbs Creek Park, and in the neighborhood parks that participated in Love Your Park.

  West Fairmount Park: In West Fairmount Park, the Conservancy released new designs for the historic John Welsh Memorial Fountain and surrounding landscapes. This project envisions a restored fountain surrounded by welcoming spaces for play, learning, art, and relaxation. Informed by extensive community input, the plans for the Welsh Fountain Garden also improve pedestrian access, highlight the adjoining Parkside neighborhood's cultural history, and strengthen the landscape with resilient native plantings. Also in West Fairmount Park, the Conservancy worked with Philadelphia Parks & Recreation and the Belmont Plateau Trails Alliance to perform critical maintenance on the Trolley Trail. This work included removing invasive plants from the path, re-positioning and adding trail blazes, and repairing several wooden bridges.

  Cobbs Creek Park / Johnny Sample Recreation Center: The Conservancy completed the renovation of the Johnny Sample Recreation Center, a Rebuild-funded project to bring new life and function to the Cobbs Creek Park facility in West Philadelphia. The upgrades achieved LEED Gold certification and included a new two-story construction, a renovated basketball gymnasium, new multipurpose and fitness rooms, ADA accessibility upgrades, and new lighting. The project also included landscape upgrades based on community feedback. In September, the Conservancy and Rebuild led a community-supported effort to plant 2,000 native grasses and flowers throughout the recreation center grounds. This project drew on the expertise and efforts of our Capital Projects, Land Care, and Volunteer Program teams, who worked together to mobilize volunteers, enhance green spaces, and create a welcoming place for neighbors of all ages to gather, play, and connect.

## NOTE A - NATURE OF OPERATIONS (CONTINUED)

Historic Preservation: The Conservancy's historic preservation team continued to bring their award-winning expertise to maintaining and restoring the historic character of Philadelphia's landmark park structures. At Lemon Hill Mansion, the team completed the meticulous restoration of 23 of the house's original windows. This conservation work will help protect the 225-year-old mansion's history for generations to come. The Conservation team also shared their expertise with the public in multiple forums over the last year, including leading workshops for homeowners in Strawberry Mansion and Parkside.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### [1] Restatement of previously issued financial statements:

The Conservancy's net assets as of January 1, 2025 have been restated to correct an error in the application of accounting principles generally accepted in the United States of America ("U.S. GAAP"), arising in prior periods.

Specifically, the Conservancy raised donations from 2006 to 2008 restricted for the purpose of restoring specific parks in the area. The project was completed during 2010. Such restrictions were released prior to January 1, 2025 and therefore the contributions should have been released from restrictions at that time resulting in an increase to net assets without donor restrictions in the accompanying financial statements. The Conservancy recorded the cumulative effect of correcting the error as a reduction to net assets with donor restrictions with a corresponding increase to net assets without donor restrictions as of January 1, 2025.

The following table summarizes the restatement:

**Statement of Financial Position:**

| | As Previously Reported December 31, 2024 | Error Correction | As Restated January 1, 2025 |
|---|---|---|---|
| Net assets without donor restrictions | $ (1,125,659) | $ 3,426,265 | $ 2,300,606 |
| Net assets with donor restrictions | $ 16,493,881 | $ (3,426,265) | $ 13,067,616 |

The only impact to the statement of financial position as of December 31, 2024 was the classification of net assets without donor restrictions and net assets with donor restrictions. There was no impact to the statements of activities and changes in net assets, functional expenses or cash flows for the year ended December 31, 2024.

### [2] Basis of presentation:

The financial statements of the Conservancy have been prepared utilizing the accrual basis of accounting and conform to U.S. GAAP, as applicable to not-for-profit organizations. Resources in the financial statements are classified for accounting and reporting purposes into classes of net assets according to the existence or absence of donor-imposed restrictions.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[3] Classification of net assets:**

The Conservancy reports information regarding its financial position and activities based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*(i) Net assets without donor restrictions:*

Net assets without donor restrictions represent funds available for use in general operations and not subject to donor restrictions.

*(ii) Net assets with donor restrictions:*

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**[4] Cash and cash equivalents:**

Cash and cash equivalents consist of cash accounts at financial institutions and nonbank money market funds. The Conservancy considers all money market funds and certificates of deposit with original maturities of three months or less to be cash equivalents.

**[5] Investments:**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities and changes in net assets. Invested cash and investments in money markets are valued at cost which approximates fair value. Dividend and interest income is recorded as earned. Gains and losses on sales of investments are determined using the average cost method. Restricted investment income from investments whose restrictions are satisfied in the same period as the income is classified as net assets without donor restrictions. Investments received as gifts are initially recorded at fair value at the date of receipt.

Realized and unrealized gains and losses on investments (determined based on original cost) are included in investment income, net, which is included in the statement of activities and changes in net assets.

Donated marketable securities and other noncash donations are recorded as contributions at their fair value at the date of donation within the appropriate statement of activities and changes in net assets' line. The sale of donated securities typically occurs within a month of receipt.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### [6] Unconditional promises to give:

Unconditional promises to give represent payments due in future periods for awards recorded as donor-restricted support and revenue. The Conservancy considers unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

### [7] Accounts receivable and allowance for credit losses:

Accounts receivable consist of monies due for billings for work completed under performance grants. The allowance estimate is derived from a review of the Conservancy's historical losses based on the aging of receivables**.** This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Conservancy. The Conservancy believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Conservancy's portfolio segments have remained constant since the Conservancy's inception. As of December 31, 2025, there was an allowance of $22,345.

### [8] Property and equipment and depreciation:

Property and equipment are stated at cost less accumulated depreciation. Equipment and other fixed assets in excess of $1,000 are capitalized and recognized in the statement of financial position. Contributed property and equipment are recorded at fair value at the date of donation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets, which range from two to ten years on a straight-line basis.

Maintenance and repairs are charged to expense as incurred; major renewals 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 revenue.

### [9] Grants payable:

Grants payable represent future payments that the Conservancy has awarded to subrecipients, which are considered unconditional promises to give. These grants are recorded as expenses at the time they become unconditional, which is usually when they are awarded (see Note I).

### [10] Rental income:

Rental income from tenants is recorded ratably over the term of the lease. See Note K for more information.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[11] Revenue recognition – contributions:**

Funding for the Conservancy's activities is partially achieved through foundation, corporate, individual, and in-kind contributions, including unconditional promises to give. These donations provide funding to be used to support the mission of the Conservancy. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the Conservancy. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

The Conservancy recognizes contributions as revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

*Government contracts:*

The City has contracts with the Conservancy to perform services for the City's parks over a period of time. The benefits received by the City include the maintenance and beautification of parks, which are owned by the City. The City simultaneously receives and consumes the benefit of work done by the Conservancy through maintaining the City's parks; therefore, revenue is recognized ratably over the course of the year. There are no open contracts as of year-end that would be included in deferred revenue.

**[12] Revenue recognition – services:**

In addition, some contracts with the City relate to a specific park project or performance obligation. Government contracts revenue is recognized at a point in time when the project listed in the contract is complete as that is when the performance obligation transfers to the government. The Conservancy invoices the City when the project has been completed for the work performed to complete the project. The amount recognized is the amount that reflects the consideration received or expected to be received in exchange for completing park projects.

*Other earned income:*

Contracts with nongovernment sources are included as other earned income. These contracts relate to a specific park project or performance obligation. Other earned income revenue is recognized at a point in time when the project listed in the contract is complete as that is when the performance obligation transfers to the beneficiary. The amount recognized is the amount that reflects the consideration received or expected to be received in exchange for completing park projects.

**[13] Administrative fee:**

The Conservancy receives a fee to administer and oversee some grants restricted for a specific purpose. These fees are included in other earned income on the statement of activities and changes in net assets. The fee recognized by the Conservancy varies by project or program and by the source of funds. The fee is charged at 0% to 15% of the grant as stipulated by the grant agreement.

**[14] Project management fee:**

The Conservancy receives a project management fee to implement certain projects and programs. These fees are included in foundation grants, corporate grants, government grants and contracts on the statement of activities and changes in net assets. The fee recognized by the Conservancy varies by project or program and by the source of funds.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[15] In-kind contributions – facilities:**

The Conservancy records the value of contributed facilities and utilities at their perceived market value when received. Contributed facilities and utilities are reflected as revenue in the accompanying financial statements at their estimated values at the date of receipt. Fair value is based on the estimated fair rental value of comparable rental properties in the area. The Conservancy recorded $132,768 of contributed facilities and utilities for the year ended December 31, 2025, which is included in general and administrative as occupancy in the accompanying statement of activities and changes in net assets.

**[16] Functional allocation of expenses:**

Directly identifiable expenses are charged to program services, general and administrative, and fundraising. Salaries, payroll taxes, and benefits are charged to the different functions based on the employees' actual functions performed. Remaining expenses are allocated to program and supporting services based on direct expenses incurred by each function. Park expenses consist of various expenses supporting the Conservancy's programing, such as program supplies, permit fees, equipment rental and professional program services.

**[17] Advertising costs:**

The Conservancy uses advertising to promote its services among the audience it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2025 was $32,373.

**[18] 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 at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

**[19] Income taxes:**

The Internal Revenue Service has classified the Conservancy as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability if the Conservancy has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Conservancy and has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Conservancy recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the year ended December 31, 2025.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**[20] Concentrations of credit risk:**

During the year ended December 31, 2025, the Conservancy may have deposits with major financial institutions which exceed Federal Deposit Insurance Corporation limits.

### NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2025:

| | |
|---|---|
| Financial assets: | |
| Cash and cash equivalents | **$ 8,022,177** |
| Investments, at fair value | **5,669,705** |
| Unconditional promise to give | **832,861** |
| Accounts receivable | **10,306,717** |
| Total financial assets available within one year | **24,831,460** |
| Less: amounts not available for general expenditures within one year: | |
| Net assets with donor restrictions subject to expenditures for specified purposes | **2,991,851** |
| Net assets with donor restrictions subject to the Conservancy's spending policy and appropriation donor-restricted endowment funds | **100,000** |
| | **3,091,851** |
| Financial assets available to meet cash needs for general expenditures within one year | **$ 21,739,609** |

General expenditures include program services expenses, general and administrative expenses, and fundraising expenses expected to be paid in the subsequent year.

The Conservancy's total investments consist of operating investments and donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds of $100,000 are not available for general expenditure.

With the exception of the net assets with donor restrictions of $2,991,851, net assets with donor restrictions subject to expenditures for specified purposes are expected to be released or were released in 2026.

As part of the Conservancy's liquidity management plan, the Conservancy structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Conservancy invests cash in excess of daily requirements in money market funds and other short-term investments.

## NOTE D - INVESTMENTS

The investments of $5,669,705 as of December 31, 2025 are comprised of equity mutual funds.

## NOTE E - FAIR VALUE MEASUREMENTS

The fair value of each investment is determined at the statement of financial position date in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*. Accordingly, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants in the market in which the reporting entity transacts, and fair value measurements are separately disclosed by level within the fair value hierarchy.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; or inputs that are derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The financial instruments within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodology used for instruments measured at fair value. This valuation methodology was applied to all of the Conservancy's assets and liabilities that are carried at fair value as of December 31, 2025.

*Mutual funds* – Valued at the daily closing price as reported by the fund. Mutual funds held by the Conservancy are open-ended equity mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Conservancy are deemed to be actively traded.

### NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth, by level, the Conservancy's investments at fair value, within the aforementioned fair value hierarchy, as of December 31, 2025:

| | Investment Assets at Fair Value | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Mutual funds | $ 5,669,705 | $ 5,669,705 | $ - | $ - |

**Changes in fair value levels:**

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the year ended December 31, 2025, there were no transfers into or out of Levels 1, 2 or 3.

### NOTE F - UNCONDITIONAL PROMISES TO GIVE

The Conservancy has received unconditional promises to give, some of which are receivable in future years. Unconditional promises to give that are receivable in more than one year are discounted at an interest rate commensurate with the risk involved to approximate the net present value of the estimated future cash flows. In considering estimated cash flows, the Conservancy considers the creditworthiness of the donors, the Conservancy's past collection experience and its procedures to collect promises to give.

The Conservancy recorded the unconditional promises to give as of December 31, 2025 as follows:

| | |
|---|---|
| Receivable in less than one year | $ 832,861 |
| Receivable in one to five years | 551,439 |
| Total unconditional promises to give | 1,384,300 |
| Less: discount to net present value | (11,361) |
| Net unconditional promises to give | $ 1,372,939 |
| Current unconditional promises to give | $ 832,861 |
| Noncurrent unconditional promises to give | 540,078 |
| | $ 1,372,939 |

Pledges which are receivable in more than one year are discounted at an appropriate rate of return for the expected term of the promise to give range from 0.97% and 1.44% for the year ended December 31, 2025.

### NOTE G - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 consisted of the following:

| | | |
|---|---|---|
| Equipment and software | $ | 131,040 |
| Furniture and fixtures | | 47,635 |
| Leasehold improvements | | 44,905 |
| Trucks | | 130,907 |
| | | 354,487 |
| Less: accumulated depreciation | | 304,732 |
| | $ | 49,755 |

Depreciation for the year ended December 31, 2025 was $14,147.

### NOTE H - LONG-TERM DEBT

The Conservancy obtained a loan of $150,000 from the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") during 2021. During 2022, the Conservancy received an additional $350,000 loan from the SBA and repayment terms were amended. The loan is payable in monthly installments of interest and principal of $2,198 that began in December 2022 and continue through May 2050, with a fixed interest rate of 2.75%. The loan is collateralized by the Conservancy's assets. As of December 31, 2025, the balance of the loan was $473,446.

On October 28, 2022, the Conservancy obtained two construction loans from the Reinvestment Fund to assist in financing a project to restore a historic building in Philadelphia's FDR Park and a new playground. The project is supported by grants with the City and a Redevelopment Assistance Capital Program grant with the Commonwealth of Pennsylvania. The grants are to be paid to the Conservancy after the project is complete. On November 1, 2023, the Conservancy obtained a third construction loan from the Reinvestment Fund. The total loan amount available to the Conservancy to be drawn upon for the project is $10,625,000. During 2025, $6,895,337 of loans were disbursed to the Conservancy. Repayment of principal is based on the timing of the receipt of the grant funding from the City and the Commonwealth of Pennsylvania. During 2025, $9,305,636 of loans that were disbursed were repaid. Interest accrued at a fixed interest rate of 6% and was payable on the 1st day of each month thru October 2026. In November 2024, the terms of the loans were amended. The first construction loan has interest accrue at a fixed rate of 8%. The second and third construction loans have interest accrue at a variable rate at the greater of the Secured Overnight Financing Rate (“SOFR”) plus 3.5% or 7%. SOFR was 3.87% as of December 31, 2025. The loans are collateralized by proceeds of the grants. As of December 31, 2025, the balance of the loan was $6,295,357.

Interest expense under the loan agreements for the year ended December 31, 2025 was $486,338.

### NOTE H - LONG-TERM DEBT (CONTINUED)

Scheduled future maturities of long-term debt as of December 31, 2025 are as follows:

| Year Ending December 31, | Amount |
|---|---|
| 2026 | $ 6,309,328 |
| 2027 | 14,307 |
| 2028 | 14,653 |
| 2029 | 15,009 |
| 2030 | 15,375 |
| Thereafter | 400,131 |
| | $ 6,768,803 |

### NOTE I - GRANTS PAYABLE

As of December 31, 2025, grants payable of $235,650 represent grants payable related to sub-grantees for the design and construction of playful learning enhancements to two playgrounds in Philadelphia. These grants are expected to be paid by the Conservancy within one year from respective year-end.

### NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2025:

| | |
|---|---|
| Subject to expenditures for specified purpose: | |
| Civic engagement: | |
| Civic engagement | **$ 185,999** |
| Park stewardship | **3,464,822** |
| Capital projects | **11,340,709** |
| Historic preservation | **390,265** |
| Park activation: | |
| Park events | **14,392** |
| General operating | **117,138** |
| | **15,513,325** |
| Endowment: | |
| Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation: | |
| McNeil endowment - maintenance of Waterworks Project | **100,000** |
| Total endowments | **100,000** |
| | **$ 15,613,325** |

### NOTE J - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Income earned from the McNeil endowment is to be used for maintenance of the Waterworks Project. Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the year ended December 31, 2025:

| | |
|---|---|
| Satisfaction of purpose restriction: | |
| Civic engagement: | |
| Civic engagement | **$ 183,137** |
| Park stewardship | **383,580** |
| Capital projects: | |
| Capital projects | **2,223,303** |
| Natural lands | **34,715** |
| Historic preservation | **56,817** |
| Park activation: | |
| Park events | **260,820** |
| Administrative/development | **119,551** |
| | **$ 3,261,923** |

### NOTE K - RENTAL INCOME

The Conservancy is the lessor of property under a master sublease between Philadelphia Authority for Industrial Development and the Conservancy (see Note A) expiring in various years through November 2055. Rental income was $33,375 for the year ended December 31, 2025. Minimum future annual rentals to be received on noncancelable leases as of December 31, 2025 are as follows:

| Year Ending December 31, | Amount |
|---|---|
| 2026 | $ 178,549 |
| 2027 | 20,461 |
| 2028 | 20,460 |
| 2029 | 20,459 |
| 2030 | 14,487 |
| Thereafter | 89,403 |
| | $ 343,819 |

### NOTE L - PENSION PLANS

The Conservancy has a 401(k) plan for eligible employees who have completed six months of service. For each payroll period, the Conservancy will match 100% of the salary deferrals that employees make to the plan up to 4% of the total salary. Matching 401(k) contributions are fully vested. Nonelective contributions may be permitted at the discretion of the Conservancy for each plan year.

The Conservancy also had a 401(k) plan covering all full-time employees with 12 months of eligible experience. For each payroll period, the Conservancy would match 100% of elective salary deferrals that employees make to the plan up to 3% of the total salary plus 50% of elective salary deferrals up to 5% of total salary. Nonelective contributions were permitted at the discretion of the Conservancy for each plan year. In December 2024, the Board of Directors voted to terminate the plan. The Conservancy is in the process of formally terminating the plan.

For the year ended December 31 2025, employer contributions were $68,638.

### NOTE M - SUBSEQUENT EVENTS

The Conservancy has evaluated subsequent events through June 25, 2026, which is the date the financial statements were available to be issued.