



July 31, 2007

Reeves-Reed Arboretum's 2006 audit was recently completed, and we are pleased to announce a significant improvement in the Arboretum's financial status. The following are highlights from the audit:

- ☞ On a modified accrual basis, the bottom line went from a net loss of \$200,749 in 2005, to a *net surplus* of \$16,008 in 2006. This is determined by taking the net loss, adding back depreciation, and subtracting expenditures on capitalized fixed assets.
- ☞ Cash and investments *grew* from \$1,445,261 at the end of 2005, to \$1,495,399 at the end of 2006.
- ☞ 78% of expenses went to Programming, and 9% went to Management & General.
- ☞ It took 28 cents per dollar to raise a dollar.

To quote James Wood, CPA, and Auditor for the Arboretum, "RRA remains rock solid financially, despite recent losses. Management and board have assessed programming and modified accordingly. Going forward, net income is projected."

The significant turnaround in the Arboretum's finances is the direct result of the re-assessment and re-structuring that the organization began in 2006 and which continues through 2007 and beyond. Positive changes include a change in leadership at the board level, the hiring of an Executive Director with extensive fundraising experience, and a re-organization of staff, programming, and accounting procedures.

An aggressive fundraising campaign was initiated, beginning with the dedication of three new staff positions to development, grant writing and membership. Programs offered by the Arboretum were re-evaluated; education programs were consolidated and re-structured to reduce costs and maximize revenue. While maintaining our commitment to horticulture and working to rebuild our education programming we have refocused on our historic preservation mission. Many of our development efforts have been focused on raising funds for important capital projects that need to be addressed to maintain the site and address public safety issues. In addition, a strategic planning session is being arranged for early 2008.

As a result of this re-structuring, the Arboretum has experienced positive growth as follows:

- ☞ 42% *increase* in membership.
- ☞ 46% *increase* in rentals of the Wisner House and gardens.

- ☞ 40% increase in income.
- ☞ Art in the Garden held on June 2<sup>nd</sup>, 2007 was the *highest revenue raising fundraiser* with the *greatest attendance* in the history of the Arboretum, achieving more than \$65,000 net revenue.

While we have successfully addressed the escalating deficits of the last years we still have many challenges ahead of us. Significant cuts were made in staff in 2006 which impacted our educational programs. We are looking to explore ways to re-instate some of these educational programs without dramatically increasing costs. In addition, important capital improvements were delayed in the past which are now needed to maintain the historic site and address public safety issues.

More than ever, we are committed to preserving the history which is embodied in this unique site and to making our future programs more relevant for a changing community. We thank everyone for their support during this transition phase.

Thank You.



Gilles Mesrobian  
Executive Director

To view the Reeves-Reed 2006 Financial Statements, click [here](#)

To view the Reeves-Reed Form 990 Return of Organization Exempt From Income Tax Year Ending December 31, 2006 , click [here](#)