

The Academy of Natural Sciences of Philadelphia

**(A Pennsylvania not-for-profit corporation doing business as
The Academy of Natural Sciences of Drexel University)**

**Financial Statements
June 30, 2015 and 2014**

The Academy of Natural Sciences of Philadelphia
(A Pennsylvania not-for-profit corporation)
Index
June 30, 2015 and 2014

	Page(s)
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities.....	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-26



Independent Auditors' Report

To the Board of Trustees
Drexel University
The Academy of Natural Sciences of Philadelphia

Report on the Financial Statements

We have audited the accompanying statements of financial position of The Academy of Natural Sciences of Philadelphia (a Pennsylvania not-for-profit corporation dba The Academy of Natural Sciences of Drexel University) as of June 30, 2015 and 2014, and the related statements of activities and of cash flows 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 the 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 the financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 our 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, we consider 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 The Academy of Natural Sciences of Philadelphia as of June 30, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

November 17, 2015

The Academy of Natural Sciences of Philadelphia
Statements of Financial Position
As of June 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents		
Operating	\$ 2,656,435	\$ 3,693,953
Restricted	1,055,595	-
Grants and other receivables, net	2,916,466	2,634,082
Contributions receivables, net	4,608,715	898,601
Investments	52,266,220	54,104,953
Beneficial interest in trusts	9,292,021	9,142,464
Buildings and equipment, net	20,593,050	21,399,384
Other assets	212,144	169,061
	<u> </u>	<u> </u>
Total assets	<u>\$ 93,600,646</u>	<u>\$ 92,042,498</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 1,984,748	\$ 1,685,116
Deferred revenue	888,239	1,169,669
Postretirement and pension benefits	7,163,188	5,946,275
Other liabilities/due to Drexel	735,308	2,000,292
Line of credit	1,442,681	1,442,681
Long-term debt	364,040	544,030
	<u> </u>	<u> </u>
Total liabilities	<u>12,578,204</u>	<u>12,788,063</u>
Net assets		
Unrestricted	11,581,382	14,189,267
Temporarily restricted	8,623,852	8,479,314
Permanently restricted	60,817,208	56,585,854
	<u> </u>	<u> </u>
Total net assets	<u>81,022,442</u>	<u>79,254,435</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 93,600,646</u>	<u>\$ 92,042,498</u>

The accompanying notes are an integral part of these financial statements.

The Academy of Natural Sciences of Philadelphia
Statement of Activities
For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Operating support and revenues				
Support from Drexel	\$ 3,298,431	\$ -	\$ -	\$ 3,298,431
Research programs				
Environmental Group	1,922,678	-	-	1,922,678
Center for Systematic Biology and Evolution	572,139	18,867	-	591,006
Other programs and grants	69,320	652	-	69,972
Endowment payout under spending formula	2,044,862	713,211	-	2,758,073
Contributions and bequests	1,951,554	2,491,007	-	4,442,561
Museum admissions	1,110,588	-	-	1,110,588
Public programs income	867,905	-	-	867,905
Membership dues	454,228	-	-	454,228
Museum shop income	69,873	-	-	69,873
Interest income	12,926	-	-	12,926
Other income	1,082,961	-	-	1,082,961
Total support and revenues	<u>13,457,465</u>	<u>3,223,737</u>	<u>-</u>	<u>16,681,202</u>
Net assets released from restriction	<u>2,140,880</u>	<u>(2,140,880)</u>	<u>-</u>	<u>-</u>
Total support, revenues and other revenues	<u>15,598,345</u>	<u>1,082,857</u>	<u>-</u>	<u>16,681,202</u>
Operating expenses				
Services provided by Drexel	2,288,431	-	-	2,288,431
Environmental Group	2,314,037	-	-	2,314,037
Center for Systematic Biology and Evolution	1,581,738	-	-	1,581,738
Public programs	3,201,082	-	-	3,201,082
Library	472,391	-	-	472,391
Administration	1,236,819	-	-	1,236,819
Development and membership	770,699	-	-	770,699
Marketing and communications	804,364	-	-	804,364
Building operations	1,682,769	-	-	1,682,769
Technology services	247,322	-	-	247,322
Depreciation and amortization	1,157,658	-	-	1,157,658
Interest expense	14,427	-	-	14,427
Total expenses	<u>15,771,737</u>	<u>-</u>	<u>-</u>	<u>15,771,737</u>
Change in net assets from operating activities	<u>(173,392)</u>	<u>1,082,857</u>	<u>-</u>	<u>909,465</u>
Non-operating activity				
Endowment and other gifts	-	-	6,327,747	6,327,747
Realized/unrealized net gain (losses) on investments, net of endowment payout	(354,258)	(938,319)	(2,096,393)	(3,388,970)
Expenses related to frozen defined benefit pension plan	(2,042,148)	-	-	(2,042,148)
Loss on disposal of equipment	(38,087)	-	-	(38,087)
Change in net assets from non-operating activities	<u>(2,434,493)</u>	<u>(938,319)</u>	<u>4,231,354</u>	<u>858,542</u>
Change in net assets	<u>(2,607,885)</u>	<u>144,538</u>	<u>4,231,354</u>	<u>1,768,007</u>
Net assets				
Beginning of year	<u>14,189,267</u>	<u>8,479,314</u>	<u>56,585,854</u>	<u>79,254,435</u>
End of year	<u>\$ 11,581,382</u>	<u>\$ 8,623,852</u>	<u>\$ 60,817,208</u>	<u>\$ 81,022,442</u>

The accompanying notes are an integral part of these financial statements.

The Academy of Natural Sciences of Philadelphia
Statement of Activities
For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating support and revenues				
Support from Drexel	\$ 5,008,001	\$ -	\$ -	\$ 5,008,001
Research programs				
Environmental Group	1,334,219	-	-	1,334,219
Center for Systematic Biology and Evolution	477,108	-	-	477,108
Other programs and grants	100,328	3,424	-	103,752
Endowment payout under spending formula	2,077,432	691,824	-	2,769,256
Contributions and bequests	1,879,154	1,740,348	-	3,619,502
Museum admissions	1,242,888	-	-	1,242,888
Public programs income	615,829	-	-	615,829
Membership dues	457,866	-	-	457,866
Museum shop income	85,986	-	-	85,986
Interest income	7,570	65	-	7,635
Other income	1,131,104	-	-	1,131,104
Total support and revenues	<u>14,417,485</u>	<u>2,435,661</u>	<u>-</u>	<u>16,853,146</u>
Net assets released from restriction	2,766,697	(2,766,697)	-	-
Total support, revenues and other revenues	<u>17,184,182</u>	<u>(331,036)</u>	<u>-</u>	<u>16,853,146</u>
Operating expenses				
Services provided by Drexel	3,001,380	-	-	3,001,380
Environmental Group	2,147,011	-	-	2,147,011
Center for Systematic Biology and Evolution	1,608,832	-	-	1,608,832
Public programs	3,550,800	-	-	3,550,800
Museum shop	1,734	-	-	1,734
Museum restaurant	5,435	-	-	5,435
Library	485,021	-	-	485,021
Administration	1,458,558	-	-	1,458,558
Development and membership	892,652	-	-	892,652
Marketing and communications	861,528	-	-	861,528
Building operations	1,860,768	-	-	1,860,768
Technology services	293,259	-	-	293,259
Depreciation and amortization	1,094,795	-	-	1,094,795
Interest expense	16,242	-	-	16,242
Total expenses	<u>17,278,015</u>	<u>-</u>	<u>-</u>	<u>17,278,015</u>
Change in net assets from operating activities	<u>(93,833)</u>	<u>(331,036)</u>	<u>-</u>	<u>(424,869)</u>
Non-operating activity				
Endowment and other gifts	-	-	1,108,519	1,108,519
Realized/unrealized net gain (losses) on investments, net of endowment payout	(7,242)	912,532	5,124,868	6,030,158
Expenses related to frozen defined benefit pension plan	(987,367)	-	-	(987,367)
Change in net assets from non-operating activities	<u>(994,609)</u>	<u>912,532</u>	<u>6,233,387</u>	<u>6,151,310</u>
Change in net assets	(1,088,442)	581,496	6,233,387	5,726,441
Net assets				
Beginning of year	15,277,709	7,897,818	50,352,467	73,527,994
End of year	<u>\$ 14,189,267</u>	<u>\$ 8,479,314</u>	<u>\$ 56,585,854</u>	<u>\$ 79,254,435</u>

The accompanying notes are an integral part of these financial statements.

The Academy of Natural Sciences of Philadelphia
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,768,007	\$ 5,726,441
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization of property	1,157,658	1,094,795
Loss on disposal of equipment	38,087	-
Increase in beneficial interests in trusts	(149,557)	(1,395,803)
Contributions restricted for long-term investment	(6,327,747)	(1,108,519)
Noncash contributions received	(502,036)	(261,117)
Proceeds from sales of donated securities	498,866	93,336
Actuarial change on annuity liabilities	(23,738)	6,191
Realized/unrealized loss (gain) on investments	728,026	(6,343,621)
Changes in operating assets and liabilities		
Grants and other receivables	(282,384)	534,979
Contributions receivables	(456,226)	(298,081)
Other assets	(43,083)	(75,976)
Accounts payable and accrued expenses	361,224	356,092
Postretirement and pension benefits	1,216,913	512,581
Deferred revenue	(281,430)	346,925
	<u>(2,297,420)</u>	<u>(811,777)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(23,234,288)	(8,208,111)
Proceeds from sales and maturities of investments	24,354,054	9,514,204
Change in restricted cash	(1,055,595)	-
Purchase of buildings and equipment	(389,411)	(857,914)
	<u>(325,240)</u>	<u>448,179</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Contributions restricted for endowments	2,064,813	670,058
Payments on annuity obligations	(37,854)	(27,751)
Proceeds from sales of donated securities	1,003,157	37,320
Proceeds from short-term borrowings	-	1,826,513
Proceeds from long-term borrowings	-	364,463
Repayment of short-term debt	(1,264,984)	-
Repayment of long-term debt	(179,990)	(178,650)
	<u>1,585,142</u>	<u>2,691,953</u>
Net increase in cash and cash equivalents	(1,037,518)	2,328,355
Cash and cash equivalents at beginning of period	<u>3,693,953</u>	<u>1,365,598</u>
Cash and cash equivalents at end of period	<u>\$ 2,656,435</u>	<u>\$ 3,693,953</u>
SUPPLEMENTAL INFORMATION:		
Donated securities	\$ 1,511,082	\$ 298,437

The accompanying notes are an integral part of these financial statements.

The Academy of Natural Sciences of Philadelphia

Notes to Financial Statements

June 30, 2015 and 2014

1. Nature of Organization and Summary of Significant Accounting Policies

The Academy of Natural Sciences of Philadelphia (the “Academy”) is a non-profit organization that has been granted tax-exempt status under Section 501 (c)(3) of the Internal Revenue Code. The Academy was founded in 1812. On September 30, 2011 the Academy became a non-profit subsidiary of Drexel University (“Drexel”).

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. All revenues received and expenditures paid prior to the end of the fiscal year which relate to the following fiscal year are recorded and reflected as deferred revenues and other assets, respectively.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into the categories as shown below.

Permanently Restricted

Net assets explicitly required by donor to be maintained permanently by the Academy. Generally, the donors of these assets permit the Academy to use all or part of the income earned on these assets. Such assets are included in the Academy’s permanent endowment funds.

Temporarily Restricted

Net assets subject to donor-imposed restrictions that can be fulfilled by actions of the Academy in accordance with those stipulations or by the passage of time. Contributions with donor-imposed restrictions are reported as temporarily restricted and are reclassified to unrestricted net assets when the donor-imposed restrictions have been met.

Unrestricted

Net assets not subject to donor-imposed stipulations that may be designated for specific purposes by action of the Board of Trustees. Expenses are shown as decreases in unrestricted net assets. Expirations of donor-imposed stipulations are reported as net assets released from restrictions. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless explicit donor stipulation or law restricts their use.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with an initial maturity date not exceeding 90 days. Included in cash and cash equivalent are amounts which are restricted in use by agency agreements, such as Federal government grants and contracts.

Contributions Receivable

Contributions and unconditional pledges are recorded at the present value of their expected future cash flows.

The Academy of Natural Sciences of Philadelphia

Notes to Financial Statements

June 30, 2015 and 2014

Beneficial Interests in Trusts

The Academy is the beneficiary of the income of certain trusts but has neither possession nor control of the investments. Beneficial interests in trusts are valued by the underlying securities held by the trusts and are primarily composed of equity and fixed income securities that have readily determinable values and would, if not for being held by third parties, be classified as Level 1. The primary unobservable inputs used in the fair value measurement of the trusts are the present value of expected future cash flows. Significant fluctuation in the securities held in the trusts could result in a material change in fair value.

Fair Value of Financial Instruments

The Academy applies fair value measurements to contributions receivable in the year of receipt, beneficial interests in trusts, endowment investments and annuities.

Functional Allocation of Services

The costs of providing the various programs and other activities of the Academy have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management estimates.

Fundraising

Fund-raising costs were \$603,830 and \$650,409 in 2015 and 2014, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and 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 differ from those estimates.

Income Taxes

The Academy is a nonprofit organization that has been granted tax exempt status under Section 501 (c)3 of the Internal Revenue Code. The Academy has from time to time reported unrelated business income from investments held in the endowment fund, when unrelated business income has been reported by the investment manager on Schedule K-1.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Academy and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management believes the Academy has not taken an uncertain position as defined in the accounting literature.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Revision

The Academy has revised its prior period financial statements to correct an error related to contributions restricted for endowment within the statement of cash flows. The previously reported amounts included accrual based contributions for which cash had not yet been received. Total cash flows were not impacted. Management does not believe the impact on the prior year is material, however, management has chosen to revise the previously issued financial statements.

	As reported	Revision	As revised
Cash flows from operating activities			
Noncash contributions received	\$ (298,437)	37,320	\$ (261,117)
Contributions receivable	\$ (699,222)	401,141	\$ (298,081)
Net cash used in operating activities	\$ (1,250,238)	438,461	\$ (811,777)
Cash flows from financing activities			
Contributions restricted for endowments	\$ 1,108,519	(438,461)	\$ 670,058
Net cash provided by financing activities	\$ 3,130,414	(438,461)	\$ 2,691,953

Reclassifications

Certain balances in prior years have been reclassified to conform to the current year's presentation. Reclassifications include certain restricted net asset balances totaling \$437,000 that have been reclassified within realized net gain (losses) on investments. There was no impact on total net assets.

2. Grants Receivable

Grants receivable represents invoices billed to grantor for services provided under the terms of the grant agreements which have not yet been collected as of June 30, 2015 and 2014. Accounts are written off against the allowance for doubtful accounts when they are determined to be uncollectible based upon management's assessment of the individual accounts. The allowance for doubtful accounts is estimated based on the Academy's historical losses and periodic review of the accounts.

	2015	2014
Grants and other receivables	\$ 2,977,382	\$ 2,694,998
Allowance for doubtful accounts	<u>(60,916)</u>	<u>(60,916)</u>
Total grant and other receivables, net	<u>\$ 2,916,466</u>	<u>\$ 2,634,082</u>

3. Contributions Receivable

Unconditional pledges are reported as contributions receivables and revenue in the appropriate net asset category. Contributions receivable with a payment more than a year from the pledge date are recorded net of a discount which averaged 1.5% at June 30, 2015 and 2014. The Academy considers these discount rates to be a Level 3 input in the context of ASC 820-10 (Note 5).

Conditional promises to give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. The Academy had no conditional promises to give for the years ended June 30, 2015 and 2014.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Contributions Receivable (Continued)

Net contributions receivable at June 30 were as follows:

	2015	2014
Amounts due in		
Less than one year	\$ 80,949	\$ 898,601
One year to five years	1,993,454	-
More than five years	<u>3,000,000</u>	<u>-</u>
Gross contributions receivables	5,074,403	898,601
Less: Discount to present value	<u>(465,688)</u>	<u>-</u>
Total contributions receivables, net	<u><u>\$ 4,608,715</u></u>	<u><u>\$ 898,601</u></u>

4. Investments

At June 30, 2015 and 2014, the fair value of investments included the following:

	<u>Fair Value</u>	
	<u>2015</u>	<u>2014</u>
Equity securities	\$ 28,556,258	\$ 28,553,855
Fixed income securities	4,698,519	5,630,769
Alternative investments	13,182,872	13,762,975
Real estate and real assets funds	4,095,798	4,373,069
Money market funds	<u>1,732,773</u>	<u>1,784,285</u>
Total investments	<u><u>\$ 52,266,220</u></u>	<u><u>\$ 54,104,953</u></u>

The Academy of Natural Sciences of Philadelphia

Notes to Financial Statements

June 30, 2015 and 2014

5. Fair Value Measurements

The three-level hierarchy for fair value measurements is based on observable and unobservable inputs to the valuation of an asset or liability at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (“exit price”) at the measurement date.

The Academy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. When available, fair value is based on actively-quoted market prices. In the absence of actively-quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, prices are estimated based on available historical financial data or comparable investment vehicles that reflect widely accepted market valuation practices.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In those cases, the lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset. Fair value measurements are categorized as Level 3 when a significant number of price or other inputs, considered to be unobservable, are used in their valuations. The fair value hierarchy and inputs to valuation techniques are as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly-traded range of equity and debt securities.

- Level 2 Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 primarily include nonexchange-traded fixed income securities, certain bond investments, mutual funds, structured products, and interest rate swaps.

- Level 3 Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 consist of partnership investments in hedge funds, alternative and private equities, contributions receivable and annuities, directly held real estate, and real estate portfolio investments.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Fair Value Measurements (Continued)

As a practical expedient, the Academy estimates the fair value of an investment in an investment company at the measurement date using the reported net asset value (NAV). The fair values of alternative investments represent the Academy's ownership interest in the net asset value (NAV) of the respective fund. Investments held by the funds consist of marketable securities as well as securities that do not have readily determinable fair values. The fair values of the securities held that do not have readily determinable fair values are based on historical cost, appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issue, and subsequent developments concerning the companies to which the securities relate.

The Academy assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within hierarchy levels as a result of changes in valuation methodologies.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2015 and 2014:

	2015			
	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Beneficial interest in trusts	\$ -	\$ -	\$ 9,292,021	\$ 9,292,021
Investments				
Equity securities	26,461,767	2,094,491	-	28,556,258
Fixed income securities	1,609,828	3,088,691	-	4,698,519
Alternative investments	-	-	13,182,872	13,182,872
Real estate and real asset funds	749,009	-	3,346,789	4,095,798
Money market funds	1,732,773	-	-	1,732,773
Total investments	<u>30,553,377</u>	<u>5,183,182</u>	<u>16,529,661</u>	<u>52,266,220</u>
Total assets at fair value	<u>\$ 30,553,377</u>	<u>\$ 5,183,182</u>	<u>\$ 25,821,682</u>	<u>\$ 61,558,241</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Fair Value Measurements (Continued)

	2014			
	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Beneficial interest in trusts	\$ -	\$ -	\$ 9,142,464	\$ 9,142,464
Investments				
Equity securities	26,213,157	2,340,698	-	28,553,855
Fixed income securities	2,365,885	3,264,884	-	5,630,769
Alternative investments	-	-	13,762,975	13,762,975
Real estate and real asset funds	1,013,588	-	3,359,481	4,373,069
Money market funds	1,784,285	-	-	1,784,285
Total investments	<u>31,376,915</u>	<u>5,605,582</u>	<u>17,122,456</u>	<u>54,104,953</u>
Total assets at fair value	<u>\$ 31,376,915</u>	<u>\$ 5,605,582</u>	<u>\$ 26,264,920</u>	<u>\$ 63,247,417</u>

Information related to the fair value of investments that have been estimated using a net asset value equivalent (e.g. ownership interest in partners' capital to which a proportionate share of net assets is attributable) was as follows:

<i>(in thousands)</i>	June 30, 2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (If Applicable)
Multi-Strategy Hedge Funds (a)	\$ 2,376,328	\$ -	Annual	45-60 days
Distressed Debt Hedge Funds (b)	1,169,551	-	Annual	90 days
Fixed Income and Related Hedge Funds (c)	3,794,042	-	Monthly/Quarterly	45/65 days
Private Capital Funds-Secondaries (d)	680,037	874,237		
Private Capital Funds-Buy-out (e)	2,134,920	417,875		
Real Asset Funds (f)	1,839,869	866,873		
Real Estate Funds (g)	1,506,919	170,000		
Long/Short Equity Hedge Funds (h)	<u>3,027,995</u>	<u>-</u>	Annual/Quarterly	95/45 days
	<u>\$ 16,529,661</u>	<u>\$ 2,328,985</u>		

- a. This category invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. As of June 30, 2015, the composite portfolio includes approximately 52% in distressed investments with a liquidation period of 1 to 3 years, 11% arbitrage opportunities, 29% cash, and 8% in private equity investments which can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets in the portfolio. It is estimated that the underlying assets would be liquidated over the next 1 to 3 years. The fair values of the investments have been estimated using the net asset value per share of the hedge fund.

The Academy of Natural Sciences of Philadelphia

Notes to Financial Statements

June 30, 2015 and 2014

Fair Value Measurements (Continued)

- b. This category includes investments in hedge funds that invest in debt of companies that are in or facing bankruptcy. The investment managers seek to liquidate these investments in 1 to 3 years. The fair values of the investments have been estimated using the net asset value per share of the hedge fund.
- c. This category includes investment in hedge funds that invest in: U.S. mortgage backed securities, publicly traded corporate bonds, and sovereign debt and currency forward contracts of emerging market countries. The fair values of the investments have been estimated using the net asset value per share of the hedge fund.
- d. This category includes investments in private equity funds that invest in the private equity secondary market. The private equity secondary market refers to the buying and selling of pre-existing investor commitments to private equity and other alternative investment funds. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that 39% of the underlying assets will be liquidated over 1 to 4 years and 61% over 8 to 10 years. The fair value has been estimated using the net asset value per share of the private capital fund.
- e. This category includes investments in private equity funds that invest in buy-outs. A buy-out is a purchase of a company or a controlling interest of a corporation's shares or product line or some business. These investments are primarily in U.S. technology and healthcare companies, with one investment dedicated to Asian companies. These investments can never be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the fund will be liquidated over 1 to 3 years. The fair value has been estimated using the net asset value per share of the private capital fund.
- f. This category includes investments in private equity funds that invest primarily in real assets (e.g. investments with intrinsic value, such as real estate or commodities). These investments can never be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the fund will be liquidated over the following time frames: 44% in 1 to 4 years; 30% in 5 to 7 years; and 26% in 8 to 10 years. The fair value has been estimated using the net asset value per share of the real asset fund.
- g. This category includes investments in private equity funds that invest in U.S. commercial real estate, and a broad range of mortgage-related investments. These investments can never be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the fund will be liquidated over the following time frames: approximately 53% in 1 to 4 years and 47% in 5 to 7 years. The fair value has been estimated using the net asset value per share of the real estate fund.
- h. This category includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks and from a net long position to a net short position. The fair values of the investments have been estimated using the net asset value per share of the hedge fund.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Fair Value Measurements (Continued)

The following table sets forth a summary of changes in the fair value of the Academy's Level 3 assets for the years then ended June 30, 2015 and 2014:

	2015	2014
Balance at beginning of year	\$ 26,264,920	\$ 24,051,697
Funds transferred into level 3	-	532,809
Net unrealized (losses) gains	(927,944)	2,487,713
Net realized gains	534,666	225,278
Net purchases	2,868,012	1,022,815
Net sales	<u>(2,917,972)</u>	<u>(2,055,392)</u>
Balance at end of year	<u>\$ 25,821,682</u>	<u>\$ 26,264,920</u>

6. Endowment Funds

The Academy has an investment policy for endowment assets designed to maximize the total return within an acceptable level of risk consistent with long-term preservation of the real value of the funds. The goal is to manage the portfolio for risk as well as total return, consistent with fiduciary standards of the prudent investor rule.

To satisfy its rate-of-return objectives, the Academy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Endowment assets are invested in several asset classes and subclasses thereof to moderate the volatility of the returns for the entire portfolio.

For the years ended June 30, 2015 and 2014, the Academy had an endowment spending rule that limited the spending of endowment resources to 6.5% of the average fair value of the pooled endowment portfolio for the prior seven fiscal years. This rule was applied except in cases where the spending rate had been stipulated by the donor (typically 5.0%).

The Academy's endowment funds include both donor-restricted funds and funds designated by the Board of Trustees to function as endowments (quasi endowments). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The earnings on these funds are utilized by the Academy in a manner consistent with specific donor restrictions on the original contributions.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Endowment Funds (Continued)

Interpretation of Relevant Law

The Board of Trustees has interpreted Pennsylvania Act 141 (“PA Act 141”) as requiring the preservation of the fair value of the original gift as specified in the individual trust instruments. As a result of this interpretation, the Academy classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) earnings of the endowment made in accordance with the direction of the applicable donor designation.

Endowment net assets consisted of the following as of June 30, 2015 and 2014:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board designated fund	\$ 1,421,328	\$ -	\$ -	\$ 1,421,328
Donor restricted endowments	<u>(740,192)</u>	<u>4,488,137</u>	<u>51,211,052</u>	<u>54,958,997</u>
	<u>\$ 681,136</u>	<u>\$ 4,488,137</u>	<u>\$ 51,211,052</u>	<u>\$ 56,380,325</u>

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board designated fund	\$ 1,473,394	\$ -	\$ -	\$ 1,473,394
Donor restricted endowments	<u>(437,000)</u>	<u>5,418,899</u>	<u>47,156,964</u>	<u>52,138,863</u>
	<u>\$ 1,036,394</u>	<u>\$ 5,418,899</u>	<u>\$ 47,156,964</u>	<u>\$ 53,612,257</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Endowment Funds (Continued)

The following tables set forth a summary of changes in endowment net assets for the years ended June 30, 2015 and 2014:

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets at beginning of year	\$ 1,036,394	\$ 5,418,899	\$ 47,156,964	\$ 53,612,257
Investment return:				
Investment income, net of fees	10,995	101,828	482,193	595,016
Net realized gain / (loss)	33,567	310,882	1,472,147	1,816,596
Net unrealized gain / (loss)	(47,026)	(435,529)	(2,062,400)	(2,544,955)
Reclassification for funds with deficiencies	(303,192)	(408,568)	711,760	-
Total investment return	<u>(305,656)</u>	<u>(431,387)</u>	<u>603,700</u>	<u>(133,343)</u>
Contributions	-	-	5,659,483	5,659,483
Endowment asset use:				
Annual transfer for operations	(49,602)	(499,375)	(2,209,095)	(2,758,072)
Total endowment asset use	<u>(49,602)</u>	<u>(499,375)</u>	<u>(2,209,095)</u>	<u>(2,758,072)</u>
Endowment net assets at end of year	<u>\$ 681,136</u>	<u>\$ 4,488,137</u>	<u>\$ 51,211,052</u>	<u>\$ 56,380,325</u>

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets at beginning of year	\$ 1,371,406	\$ 5,019,161	\$ 42,248,045	\$ 48,638,612
Investment return:				
Investment income, net of fees	31,099	-	125,671	156,770
Net realized gain	29,919	81,821	730,076	841,816
Net unrealized gain	245,495	671,353	5,990,410	6,907,258
Reclassification for funds with deficiencies	(437,000)	437,000	-	-
Total investment return	<u>(130,487)</u>	<u>1,190,174</u>	<u>6,846,157</u>	<u>7,905,844</u>
Contributions	-	-	707,000	707,000
Endowment asset use:				
Annual transfer for operations	(124,650)	-	(2,644,238)	(2,768,888)
Other transfers	(79,875)	(790,436)	-	(870,311)
Total endowment asset use	<u>(204,525)</u>	<u>(790,436)</u>	<u>(2,644,238)</u>	<u>(3,639,199)</u>
Endowment net assets at end of year	<u>\$ 1,036,394</u>	<u>\$ 5,418,899</u>	<u>\$ 47,156,964</u>	<u>\$ 53,612,257</u>

Endowment Funds with Deficiencies

From time to time, the fair value of some assets associated with individual donor-restricted endowment funds may fall below the level that donors require to be retained as a perpetual fund. The aggregate amount of deficiencies of these funds is reported in unrestricted net assets in the statement of activities. Subsequent investment gains will be used to restore the balance to the fair market value of the original amount of the gift. Subsequent gains above that amount will be recorded as temporarily restricted net assets. Aggregate deficiencies for the years ended June 30, 2015 and 2014 were approximately \$740,000 and \$437,000 respectively.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

7. Buildings and Equipment

Buildings and equipment consisted of the following as of June 30, 2015 and 2014:

	2015	2014
Buildings	\$ 21,278,818	\$ 21,071,437
Equipment	5,164,193	12,102,291
Less: Accumulated depreciation and amortization	<u>(5,849,961)</u>	<u>(11,774,344)</u>
Net Fixed Assets	<u>\$ 20,593,050</u>	<u>\$ 21,399,384</u>

During fiscal year 2015, the Academy conducted an inventory of its equipment which resulted in the removal of \$510,144 in assets. Additionally, \$6,546,289 in fully depreciated assets that were below the current threshold for capitalization were removed.

Depreciation and amortization expenses for the years ended June 30, 2015 and 2014 were \$1,157,658 and \$1,094,795 respectively.

8. Collections

Collections acquired through purchases and contributions are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements.

The Academy's collections are made up of library holdings, scientific specimens, minerals, gems, exhibits, and art objects that are held for educational research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

9. Pension Plan

Through December 31, 2009, the Academy offered participation in either a defined benefit pension plan or a defined contribution pension plan. These plans covered all full-time employees with a minimum of one year of service.

The Board of Trustees approved freezing the Academy's Defined Benefit Pension Plan, along with the TIAA-CREF Defined Contribution Plan, effective December 31, 2009, replacing them with a new Defined Contribution 403(b) Retirement Plan for all eligible Academy employees, effective January 1, 2010.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Pension Plan (Continued)

The new defined contribution plan does not provide for a defined employer contribution. The Board of Trustees may declare an employer contribution at its discretion. The defined contribution plan is a calendar year plan, with declared employer contributions made at the conclusion of the plan year. Matching contributions are based on a participant's compensation and allocated to employee accounts annually. Only participants who make 403(b) contributions, who complete 1,000 hours of service unless their employment ends due to retirement, disability, or death and who are actively employed on the last day of the allocation period shall be eligible to share in the matching contribution for such allocation period. Employees can receive a grandfathered match of 3% of their salary through 2015 if they have either reached the age of 49 and completed at least 10 years of service, or reached the age of 45 and completed at least 15 years of services as of December 31, 2009. The Academy approved and made contributions totaling \$84,864 and \$87,591 in 2015 and 2014, respectively.

The assumptions for the pension liabilities, the accumulated benefit obligation, change in projected benefit obligation, and change in plan assets are noted as follows:

	<u>2015</u>	<u>2014</u>
Weighted average assumptions as of June 30		
Discount rate	4.60 %	4.40 %
Expected return on plan assets	6.50 %	6.50 %
Accumulated benefit obligation		
Accumulated benefit obligation at June 30	\$ 17,562,286	\$ 16,193,353
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 16,193,353	\$ 14,841,014
Service cost	115,000	125,000
Interest cost	697,034	724,753
Actuarial (gain)/loss	1,310,275	1,191,670
Benefits paid	<u>(753,376)</u>	<u>(689,084)</u>
Benefit obligation at end of year	<u>\$ 17,562,286</u>	<u>\$ 16,193,353</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Pension Plan (Continued)

	<u>2015</u>	<u>2014</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 10,268,861	\$ 9,337,491
Actual return on plan assets	80,161	1,054,056
Employer contributions	834,714	566,398
Benefits paid	<u>(753,376)</u>	<u>(689,084)</u>
Fair value of plan assets at end of year	<u>\$ 10,430,360</u>	<u>\$ 10,268,861</u>
Fair value of plan assets	\$ 10,430,360	\$ 10,268,861
Benefit obligation	<u>(17,562,286)</u>	<u>(16,193,353)</u>
Net amount recognized at end of year*	<u>\$ (7,131,926)</u>	<u>\$ (5,924,492)</u>

* These amounts are recognized in the statement of financial position in the post-retirement and pension benefits classification.

The components of net periodic benefit cost are noted below:

	<u>2015</u>	<u>2014</u>
Weighted average assumptions used to used to determine net periodic benefit cost		
Discount rate	4.40 %	5.00 %
Expected return on plan assets	6.50 %	6.75 %
Components of net periodic benefit cost		
Service cost	\$ 115,000	\$ 125,000
Interest cost	697,034	724,753
Expected return on assets	(678,050)	(628,990)
Amortization of actuarial (gain) loss	<u>1,908,164</u>	<u>766,604</u>
Net periodic benefit cost	<u>\$ 2,042,148</u>	<u>\$ 987,367</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Pension Plan (Continued)

As of June 30, 2015 and 2014 the pension plan had a projected benefit obligation in excess of plan assets and an accumulated benefit obligation in excess of plan assets. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plan are as follows:

	Projected Benefit Obligation Exceeds Fair Value of Plan Assets	
	<u>2015</u>	<u>2014</u>
Projected benefit obligation	\$ 17,562,286	\$ 16,193,353
Fair value of plan assets	10,430,360	10,268,861

	Accumulated Benefit Obligation Exceeds Fair Value of Plan Assets	
	<u>2015</u>	<u>2014</u>
Accumulated benefit obligation	\$ 17,562,286	\$ 16,193,353
Fair value of plan assets	10,430,360	10,268,861

Information about the expected cash flows for the pension plan is as follows:

Expected benefit payments

2016	\$ 768,245
2017	891,123
2018	967,250
2019	1,016,417
2020	1,054,205
2021-2025	5,637,267

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Pension Plan (Continued)

Plan Assets

The Academy's pension plan weighted-average asset allocations at June 30, 2015 and 2014 by asset category are as follows:

	<u>2015</u>	<u>2014</u>
Asset Category		
Equity securities	20.5%	34.3%
Fixed income securities	64.6%	36.3%
Alternative investments	11.1%	11.1%
Cash	3.8%	18.3%
	<u>100.0%</u>	<u>100.0%</u>

The Academy's investment policy and strategy is to shift investments to the target allocation to control the volatility of investment returns for the portfolio. As the investment horizon is expected to be long-term, the portfolio needs to provide long-term capital growth while also being protected from incurring major losses due to the poor performance of one sector of the market and must be invested to reduce the overall investment risk and volatility of investment returns.

The target composition of the Academy's plan assets is characterized as a 34%, 37%, 27%, 2% allocation between equity, fixed income investments, alternative investments and cash. The strategy currently utilizes indexed equity funds and fixed income funds, and a number of alternative investment vehicles. The alternative investments are allocated among various classes, including but not limited to: equities, hedge funds, fixed income, natural resources, and real estate. The strategy allows the Academy to invest in a diversified manner with a mix of assets that are set not to be highly correlated. The expected rate of return on assets was based on the current interest rate environment and historical market premiums of equity and other asset classes relative to fixed income rates.

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

Pension Plan (Continued)

The following table sets forth by level, within the fair value hierarchy, the Academy pension plan assets at fair value at June 30, 2015 and 2014:

	2015			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Cash equivalents	\$ 400,327	\$ -	\$ -	\$ 400,327
Mutual funds	8,276,960	-	-	8,276,960
Alternative investments	-	601,607	1,151,466	1,753,073
Total assets at fair value	<u>\$ 8,677,287</u>	<u>\$ 601,607</u>	<u>\$ 1,151,466</u>	<u>\$ 10,430,360</u>

	2014			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Cash equivalents	\$ 1,862,153	\$ -	\$ -	\$ 1,862,153
Mutual funds	6,691,156	-	-	6,691,156
Alternative investments	-	494,425	1,221,127	1,715,552
Total assets at fair value	<u>\$ 8,553,309</u>	<u>\$ 494,425</u>	<u>\$ 1,221,127</u>	<u>\$ 10,268,861</u>

The following table sets forth a summary of changes in the fair value of the Academy Plan's Level 3 assets for the years ended June 30, 2015 and 2014:

	2015	2014
Assets at beginning of year	\$ 1,221,127	\$ 2,633,440
Net investment income	-	29,303
Net realized gain (loss)	-	160,534
Net unrealized gain (loss)	3,522	85,731
Net transfers in (out)	<u>(73,183)</u>	<u>(1,687,881)</u>
Assets at end of year	<u>\$ 1,151,466</u>	<u>\$ 1,221,127</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

10. Other liabilities/due to Drexel

Includes amounts due to/from Drexel University and other liabilities. The amount due Drexel is \$735,308 and \$2,000,292 at June 30, 2015 and 2014 respectively. The intercompany accounts are repaid on a periodic basis.

11. Line of Credit

The Academy has an unsecured line of credit with Drexel University. This agreement allows the Academy to borrow up to \$1,500,000 to meet short term cash flow needs. Under the terms of the line of credit agreement, the full principal amount is available at an annual interest of 1.00%. The initial term of the line of credit shall be from June 30, 2012 to June 30, 2014 and shall automatically renew for an additional 12 months on each June 30th thereafter, unless notice of non-renewal is provided in writing by either Drexel University or the Academy, 30 days in advance of the termination date. Interest on each advance shall be payable in arrears on the first business day of each month. The outstanding principal balance of any advance under the line of credit must be reduced to and remain at zero dollars for any consecutive 30 day period during the current term of the line. If the Academy is unable to reduce outstanding advances to zero and remain at zero for a consecutive 30 day period thereafter, the line of credit will be considered in default and will terminate immediately and not renew. For the years ended June 30, 2015 and 2014, balances on the line of credit were \$1,442,681.

12. Long-Term Debt

On February 1, 2012 the Academy entered into a \$900,000 five-year unsecured term loan agreement with Drexel University. Interest on the outstanding principal of the term loan accrues at a rate per annum of 0.75%. The five-year term loan allows for prepayment in full or in part, without premium or penalty at any time, provided the Academy may not re-borrow any such amounts prepaid.

The principal repayment schedule for the Drexel five-year term loan is as follows:

2016	\$ 181,340
2017	182,700
	<u>\$ 364,040</u>

13. Net Assets Released From Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Operating		
Research programs	\$ 630,420	\$ 517,020
Public programs	686,262	868,727
Other programs	<u>824,198</u>	<u>1,380,949</u>
	<u>\$ 2,140,880</u>	<u>\$ 2,766,696</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

14. Restriction on Assets

Net assets include the following:

	2015	2014
Unrestricted:		
Undesignated	\$ (9,692,804)	\$ (8,246,511)
Physical plant	20,593,050	21,399,384
Quasi-endowment funds	681,136	1,036,394
Total unrestricted	<u>11,581,382</u>	<u>14,189,267</u>
Temporarily restricted:		
Support of designated programs	9,093,982	8,449,125
Endowment realized/unrealized gain	(493,762)	-
Life income gifts	23,632	30,189
Total temporarily restricted	<u>8,623,852</u>	<u>8,479,314</u>
Permanently restricted:		
Endowment	51,752,715	47,699,019
Beneficial interests in trust	9,064,493	8,886,835
Total permanently restricted	<u>60,817,208</u>	<u>56,585,854</u>
Total net assets	<u>\$ 81,022,442</u>	<u>\$ 79,254,435</u>

15. Related Party Transactions

Per an affiliation agreement dated September 2011, the Academy of Natural Sciences is a subsidiary of Drexel University. Drexel provided services valued at \$2,288,431 and \$3,001,890 for the years ending June 30, 2015 and 2014, respectively. The Academy paid the full cost of the services, reported as Services provided by Drexel University in the accompanying statements of activities. In addition, Drexel provided \$3,298,431 and \$5,008,001 to the Academy for operations in the fiscal years 2015 and 2014, respectively, reported as Support from Drexel University. The total administrative and non-administrative services paid by the Academy in fiscal years 2015 and 2014 are as follows:

	2015	2014
Drexel affiliated support expenses	\$ 2,288,431	\$ 3,001,380
Center for Systematic Biology and Evolution	273,282	201,042
Environmental Group	184,415	363,579
Development and membership	2,216	-
Public programs	19,042	3,500
Administration	86,357	48,102
	<u>\$ 2,853,743</u>	<u>\$ 3,617,603</u>

The Academy of Natural Sciences of Philadelphia
Notes to Financial Statements
June 30, 2015 and 2014

16. Subsequent Events

The Academy has evaluated events subsequent to through the report issue date, November 17, 2015.