Great Parks Foundation

Great Parks Foundation

Financial Statements

December 31, 2015

PLATTENBURG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Great Parks Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Great Parks Foundation (the Foundation), a component unit of Great Parks of Hamilton County, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2015, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
April 8, 2016

Great Parks Foundation
Statement of Financial Position
December 31, 2015

Assets	
Current Assets	
Cash	$ 259,782
Investments	3,564,040
Contributions Receivable	3,312,032
Total Current Assets	7,135,854
Total Assets	$ 7,135,854
Liabilites and Net Assets	
Current Liabilities	
Accounts Payable	2,670
Total Current Liabilities	2,670
Net Assets	
Unrestricted	6,996,008
Temporarily Restricted	35,448
Permanently Restricted	101,728
Total Net Assets	7,133,184
Total Liabilites and Net Assets	$ 7,135,854

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

Great Parks Foundation
Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues & Reclassifications				
Contributions Received	$ (178,819)	$ 111,107	$ 1,118	$ (66,594)
Fundraising	17,238	-	-	17,238
Other Income Received	7,216	74,000	-	81,216
Investment income, including realized and unrealized gains an losses, net	(104,537)	(217)	-	(104,754)
Net Assets Released from Restriction	253,892	(253,892)	-	-
Total Revenues, Gains & Other Support	(5,010)	(69,002)	1,118	(72,894)
Expenses				
Program Services:				
Support & Scholarships	253,892	-	-	253,892
Management & General:				
Investment Expense	-	-	-	-
Fundraising	49,355	-	-	49,355
Other Expenses	192,070	-	-	192,070
Total Expenses	495,317	-	-	495,317
Change in Net Assets	(500,327)	(69,002)	1,118	(568,211)
Net Assets, Beginning of Year	7,496,335	104,450	100,610	7,701,395
Net Assets, End of Year	$ 6,996,008	$ 35,448	$ 101,728	$7,133,184

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

Great Parks Foundation
Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows From Operating Activities	
Change in Net Assets	$ (568,211)
Adjustments to Reconcile Net Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Unrealized (Gain)/Loss on Investments	105,382
(Increase)/Decrease in Accounts Receivable	371,152
Increase/(Decrease) in Accounts Payable	2,670
Increase/(Decrease) in Grants Payable	(50,000)
Total Adjustments	429,204
Net Cash Provided/(Used) by Operating Activities	(139,007)
Net Increase/(Decrease) in Cash	(139,007)
Cash at Beginning of Year	398,789
Cash at End of Year	$ 259,782

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

1. Description of the Foundation

Great Parks Foundation's (the Foundation) financial statements have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation is a not-for-profit organization established in accordance with Section 501 (c) (3) of the Internal Revenue Code. The Foundation operates under a Board of Directors with ten members. The Foundation was formed with the sole purpose of assisting Great Parks of Hamilton County in protecting and enhancing regional park land and providing outstanding outdoor recreation and nature education services.

2. Summary of Significant Accounting Policies

Financial Statement Presentation
The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958 the Foundation is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets
Net assets which are free of donor-imposed restrictions. Unrestricted net assets include all revenues, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets.

Temporarily Restricted Net Assets
Net assets which include gifts and pledges for which donor-imposed restrictions have not been met and for which the ultimate purpose of the proceeds are not permanently restricted.

Permanently Restricted Net Assets
Net assets that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. The income from permanently restricted net assets is included in the investment income of unrestricted and restricted funds, as appropriate, in the accompanying Statement of Activities.

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents
The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments
The Foundation reports investments in accordance with ASC No. 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investments in marketable securities

with readily determined fair values and all investments in debt securities are reported at their fair values in the Statement of Net Assets. Unrealized gains and losses are included in the change in net assets. Investments of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at fair value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to unrestricted, temporarily restricted, and permanently restricted funds.

Donated Service and Facilities
The Foundation has one employee and no property (other than cash and investments). Clerical and management duties are shared between Great Parks of Hamilton County employees and the Foundation Executive Director, including the utilization of equipment and facilities of Great Parks of Hamilton County.

For accounting purposes ASC No. 958 requires the value of facilities and services be recognized in the Statement of Activities. However, for the year ended December 31, 2015 these amounts are not material and therefore no amounts are recognized in the financial statements.

Contributions Receivable
Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Unconditional promises designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. Conditional promises are recorded when donor stipulations are substantially met.

For unconditional promises to give noncash assets, the foundation records the fair value of the underlying asset at the date of initial recognition as contributions receivable. Subsequent changes in fair value of such noncash assets after the date of initial recognition are recorded as adjustments to contributions receivable and as contribution revenue by either increasing or decreasing the net asset class in which the original contribution was recorded. This could result in negative contribution revenue being reported.

Prepaid Expenses
Certain payments to vendors for fundraising activities reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets
The foundation currently has no capital assets. All expenditures for capital assets in excess of $1,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets.

Deferred Revenue
Deferred revenue results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred revenue is recognized as revenue in the period that the fundraising activity actually occurs.

Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results may differ from those estimates.

3. Investments

The various investments in fixed income securities, mutual funds and other investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the financial statements.

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established ASC No. 820, *Fair Value Measurements and Disclosures*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation’s own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

> Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would rise in pricing an asset or liability.

The fair value of investments held by the Foundation at December 31, 2015 is summarized as follows:

Investment Type	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	$ 1,054,681	$ -	$ -
Corporate Bonds	587,092	-	-
Exchange Traded Funds	53,314	-	-
Mutual Funds - Equity Securities	1,578,488	-	-
Mutual Funds - Fixed Income	290,465	-	-
Total	$ 3,564,040	$ -	$ -

4. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and contributions of the appropriate net asset category. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate on those amounts is computed using a risk free interest rate applicable to the years in which the promises are to be received. The amortization of the discount is included in contribution revenue. For the year ended December 31, 2015 there were no unconditional promises that required amortization.

Unconditional promises to give noncash assets are reported as contributions receivable at fair value of the underlying asset at year end.

Conditional promises to give are not included as support until conditions of those promises have been met. For the year ended December 31, 2015 there were no conditional promises.

Contributions receivable consisted of the following at December 31, 2015:

Unrestricted	$ 3,312,032
Temporarily Restricted	-
Permanently Restricted	-
Less: Allowance for Uncollectible	
Gross Unconditional	$ 3,312,032

5. Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors.

Adopt-A-Bench	$	11,150
Education Scholarships		3,785
Land Acquisition & Preservation		73,255
Legacy Tree		24,932
Park & Program Support		125,275
Volunteer Stewardship		18,165
Total	$	256,562

Temporarily and permanently restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are available for providing scholarships, legacy trees, adopt-a-bench, land acquisitions, volunteer management, and stewardship.

The different types of temporarily restricted net assets are classified as follows:

Adopt-A-Bench	$	1,000
Dog Park		18,998
Education Scholarships		7,600
Land Acquisition & Preservation		25
Legacy Tree		1,100
Park & Program Support		3,725
Volunteer Management		2,000
Volunteer Stewardship		1,000
Total	$	35,448

6. Permanently Restricted Net Assets

Endowments:

Mablotz	$	96,903
Total	$	96,903

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor- restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund
b. The purposes of the organization and the donor-restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the organization
g. The investment policies of the organization

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. The Foundation had no such amounts totaled as of December 31, 2015.

7. Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501 (c) (3) of the Internal Revenue Code, and the organization is exempt from federal and state income taxes.

8. Subsequent Events

The Foundation has evaluated events occurring between the end of its most recent fiscal year and April 8, 2016, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.