

Great Parks Forever



Financial Statements

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Great Parks Forever

Report on the Financial Statements

We have audited the accompanying financial statements of Great Parks Forever (a nonprofit organization), a component unit of Great Parks of Hamilton County, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization as of December 31, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2021, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Great Parks Forever's internal control over financial reporting and compliance.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.

Cincinnati, Ohio

April 5, 2021

GREAT PARKS FOREVER
STATEMENT OF FINANCIAL POSITION
December 31, 2020

	<u>2020</u>
ASSETS	
Cash and cash equivalents	\$ 366,246
Contributions receivable	31,784
Investments	<u>9,279,778</u>
TOTAL ASSETS	<u><u>\$ 9,677,808</u></u>
LIABILITIES	
Accounts payable	<u>\$ 12,993</u>
TOTAL LIABILITIES	<u>12,993</u>
NET ASSETS	
Without donor restrictions	9,372,294
With donor restrictions	<u>292,521</u>
TOTAL NET ASSETS	<u>9,664,815</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,677,808</u></u>

The accompanying notes are an integral part of this statement.

GREAT PARKS FOREVER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, & OTHER SUPPORT			
Contributions Received	\$ 82,729	\$ 57,362	\$ 140,091
Grants Received	11,640	137,050	148,690
Investment Income (Loss), net	935,177	12,704	947,881
Sponsorships	0	8,500	8,500
Other Income	301	0	301
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	175,870	(175,870)	0
TOTAL REVENUES, GAINS, & OTHER SUPPORT	1,205,717	39,746	1,245,463
EXPENSES			
Great Parks of Hamilton County Support	364,767	0	364,767
Related-Party Fees	100,000	0	100,000
Services and Professional Fees	77,273	0	77,273
Advertising Fees	2,977	0	2,977
Supplies, Printing, and Postage	6,179	0	6,179
Staff Development	830	0	830
Insurance	1,206	0	1,206
Software Licenses and Support	4,860	0	4,860
Miscellaneous	4,580	0	4,580
TOTAL EXPENSES	562,672	0	562,672
CHANGE IN NET ASSETS	643,045	39,746	682,791
NET ASSETS, BEGINNING OF YEAR	8,729,249	252,775	8,982,024
NET ASSETS, END OF YEAR	\$ 9,372,294	\$ 292,521	\$ 9,664,815

The accompanying notes are an integral part of this statement.

GREAT PARKS FOREVER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020
Cash Flows From Operating Activities	
Change in Net Assets	\$ 682,791
Adjustments To Reconcile Changes in Net Asset To Net Cash Provided (Used) By Operating Activities:	
Loss disposal of assets	1,377
Unrealized (gain) / loss on investment	(491,588)
(Increase) decrease in contributions receivable	(31,784)
Increase (decrease) in accounts payable	(27,221)
Increase (decrease) in accrued wages and benefits	(5,567)
Total Adjustments	(554,783)
Net Cash Provided (Used) By Operating Activities	128,008
Cash Flows From Investing Activities	
Sale of investments	2,349,636
Purchase of investments	(2,480,074)
Net Cash Provided (Used) By Investing Activities	(130,438)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,430)
Cash and Equivalents at Beginning of Year	368,676
Cash and Equivalents at End of Year	\$ 366,246

The accompanying notes are an integral part of this statement.

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

Note 1 - Description of the Organization

Great Parks Forever's (the Organization) 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 Organization is a not-for-profit organization established in accordance with Section 501 (c) (3) of the Internal Revenue Code. The Organization operates under a Board of Directors with eleven members. The Organization 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.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation

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

Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

With Donor Restrictions

Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments

The Organization 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 net assets without donor restrictions and net assets with donor restrictions 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 each net asset class.

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

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 restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions. Conditional promises are recognized when the donor conditions are substantially met.

For unconditional promises to give noncash assets, the Organization 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.

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.

Deferred revenue results when cash or other assets are received before donor conditions are substantially met.

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.

Note 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 Organization 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

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

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 Organization'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 use in pricing an asset or liability.

The fair value of investments held by the Organization at December 31, 2020 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	\$2,927,310	\$0	\$0
US Treasuries/Agency Securities	659,136	0	0
Corporate Bonds	0	1,360,765	0
Municipal Bonds	118,278	0	0
Exchange Traded Funds	122,293	0	0
Mutual Funds - Equity Securities	3,281,550	0	0
Mutual Funds - Fixed Income	532,981	0	0
Certificate of Deposits	108,709	0	0
Other Investments	168,756	0	0
Total	\$7,919,013	\$1,360,765	\$0

Note 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, 2020 there were no unconditional promises that required amortization.

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

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, 2020 there were no conditional promises.

Contributions receivable consisted of the following at December 31, 2020:

Without Donor Restrictions	\$ 31,784
Gross Unconditional	<u>\$ 31,784</u>

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

Dog Park	\$ 20,296
Education Scholarships	88
Land Acquisition & Preservation	3,141
Legacy Tree	24
Park & Program Support	113,249
Volunteer Management	2,000
Volunteer Stewardship	1,000
Donor restricted endowment supporting dog parks - Mablutz	<u>152,723</u>
Total	<u><u>\$ 292,521</u></u>

Donor-Restricted Endowment Fund

The Organization's Mablutz endowment fund was established to support Great Parks of Hamilton County's dog parks. The original contribution to the endowment fund is a donor restriction that stipulates the original principal is to be held and invested by the Organization indefinitely, and income from the fund and future contributions are to be expended for dog parks. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence of donor imposed restrictions.

At December 31, 2020, the endowment fund is composed of the following:

Endowment fund balance	\$152,723
Amount required to be invested in perpetuity	<u>(100,000)</u>
Amount available for appropriation for dog park	<u><u>\$52,723</u></u>

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

Interpretation of UPMIFA: The Organization 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 Organization classifies as perpetual in nature (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 as perpetual in nature is classified as purpose or time restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization 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 Organization to retain as a fund of perpetual duration. The Organization had no such deficiencies as of December 31, 2020.

The changes in endowment net assets for the year ending December 31, 2020 are as follows:

Endowment net assets, January 1, 2020	\$139,538
Contributions	570
Investment return net	12,704
Amounts appropriated for expenditure	(89)
Endowment net assets, December 31, 2020	<u><u>\$152,723</u></u>

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Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

Note 6 – Expense Disclosures

	<u>Program Activities</u>	<u>Supporting Activities</u>			<u>Total Expenses</u>
	<u>Parks Support</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Supporting Total</u>	
Great Parks of Hamilton County Support	\$364,767	\$0	\$0	\$0	\$364,767
Related-Party Fees	0	35,000	65,000	100,000	100,000
Services and Professional Fees	0	36,916	40,357	77,273	77,273
Advertising Fees	0	0	2,977	2,977	2,977
Supplies, Printing, and Postage	0	798	5,381	6,179	6,179
Staff Development	0	207	623	830	830
Insurance	0	1,206	0	1,206	1,206
Software Licenses and Support	0	2,430	2,430	4,860	4,860
Misc Expense	0	1,145	3,435	4,580	4,580
Total Expenses	<u>\$364,767</u>	<u>\$77,702</u>	<u>\$120,203</u>	<u>\$197,905</u>	<u>\$562,672</u>

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis.

Other expenses are assigned directly to specific activities as expenditures are made.

Fundraising expenses that are related to special events (no events held in 2020) have been reported net on the statement of activities, if applicable.

Note 7 - Income Taxes

The Organization 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.

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expenses in the current year. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions, or settlements. The Organization is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding the uncertainty in income taxes will be subjective to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

The Organization's informational returns filed in the U.S. federal jurisdiction are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Organization is no longer subject to income tax examinations by tax authorities for years prior to 2017.

Great Parks Forever
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2020

Note 8 - Subsequent Events

The Organization has evaluated events occurring between the end of its most recent fiscal year and April 5, 2021, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

Note 9 - Related-Party Transactions

The Organization has no employees and minimal property (other than cash and investments). Clerical and management duties are provided by Great Parks of Hamilton County (GPHC) employees, including the utilization of equipment and facilities of Great Parks of Hamilton County. The Organization and GPHC executed a Memorandum of Understanding (MOU) that outlines roles and responsibilities of both entities. This agreement requires the Organization to pay \$100,000 for the use of employees, equipment and facilities.

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, 2020, management believes that any amount in excess of the MOU is not material and therefore no amounts are recognized in the financial statements.

Note 10 – Liquidity and Availability of Financial Assets

The following reflect the Organization's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	<u>2020</u>
Cash and Cash Equivalents	\$366,246
Investments	9,279,778
Contributions Receivable	<u>31,784</u>
	9,677,808
Less amounts unavailable for general expenditures within one year, due to:	
Donor-restricted purpose	192,521
Donor-restricted to maintain as an endowment	<u>100,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$9,385,287</u></u>

As part of the Organization's liquidity management, the Organization invests cash in excess of requirements in various types of investments.

Note 11 – New Accounting Principles

The Organization has adopted new accounting guidance, FASB ASU 2020-03, **Codification Improvements to Financial Instruments: Issues 1, 2, 3, 4, and 5** and FASB ASU 2019-03, **Not-for-Profit Entities (Topic 958): Updating the Definition of Collections**. This guidance did not have an effect on the financial statements or require changes to the presentation of required disclosures.