

THE SAINT PAUL PARKS CONSERVANCY
FINANCIAL STATEMENTS
December 31, 2016

Mark D. Harrington, CPA
Wayne A. Langer, CPA
Nichole Fairbanks, CPA
Jesse Fraley, CPA



Gregory W. Heck, CPA, CVA
Greg L. Emmerich, CPA
Michael Belknap, CPA
Bryan W. Swartz, CPA

563 PHALEN BOULEVARD • ST. PAUL, MN 55130
phone 651.481.1128 • fax 651.481.0982

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Saint Paul Parks Conservancy
St. Paul, Minnesota

We have audited the accompanying financial statements of The Saint Paul Parks Conservancy (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities, cash flows and functional expenses 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 Saint Paul Parks Conservancy as of December 31, 2016, 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.

Hammington Langer & Associates

April 14, 2017

THE SAINT PAUL PARKS CONSERVANCY
STATEMENT OF FINANCIAL POSITION
December 31, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 371,831
Current portion of pledges receivable, net of discounts of \$2,550	<u>220,450</u>
TOTAL CURRENT ASSETS	<u>592,281</u>

OTHER ASSETS

Pledges receivable, net of discounts of \$3,497	<u>203,503</u>
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TOTAL ASSETS	<u><u>\$ 795,784</u></u>
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LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted	\$ 23,356
Temporarily restricted	<u>772,428</u>

TOTAL NET ASSETS	<u>795,784</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 795,784</u></u>
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THE SAINT PAUL PARKS CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants and contributions	\$ 267,523	\$ 758,032	\$ 1,025,555
Interest income	11	150	161
Net assets released from restrictions	120,332	(120,332)	-
 TOTAL SUPPORT AND REVENUE	 387,866	 637,850	 1,025,716
 EXPENSES			
Program services	310,230	-	310,230
Management and administrative	22,415	-	22,415
Fundraising and development	45,607	-	45,607
 TOTAL EXPENSES	 378,252	 -	 378,252
 CHANGE IN NET ASSETS	 9,614	 637,850	 647,464
 BEGINNING NET ASSETS	 13,742	 134,578	 148,320
 ENDING NET ASSETS	 \$ 23,356	 \$ 772,428	 \$ 795,784

THE SAINT PAUL PARKS CONSERVANCY
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 647,448
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Discount to present value on pledges receivable	6,047
(Increase) decrease in:	
Pledges receivable	<u>(334,484)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>319,011</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>52,820</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 371,831</u></u>

THE SAINT PAUL PARKS CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2016

	<u>Program Services</u>	<u>Management and Administrative</u>	<u>Fundraising & Development</u>	<u>Total</u>
Project expenses	\$ 310,230	\$ -	\$ -	\$ 310,230
Advertising	-	280	70	350
Bank charges	-	136	161	297
Insurance	-	991	248	1,239
Memberships and dues	-	255	64	319
Office supplies	-	1,859	461	2,320
Postage	-	602	151	753
Printing	-	1,081	2,120	3,201
Professional fees	-	16,056	35,992	52,048
Telephone and internet	-	346	86	432
Travel and meetings	-	183	46	229
Website development	-	642	161	803
Discount to present value	-	-	6,047	6,047
	<u>\$ 310,230</u>	<u>\$ 22,431</u>	<u>\$ 45,607</u>	<u>\$ 378,268</u>
Total Expenses	<u>\$ 310,230</u>	<u>\$ 22,431</u>	<u>\$ 45,607</u>	<u>\$ 378,268</u>

THE SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Saint Paul Parks Conservancy (the Organization) was incorporated May 8, 2008 as a Minnesota non-profit corporation. The Organization's purpose is to enhance and expand parks and recreation opportunities throughout Saint Paul.

The Organization has partnered with the Rice Park Association and The Saint Paul Garden Club to conduct a capital campaign. The capital campaign goal is to raise \$1.35 million for the Rice Park Revitalization Project. As of December 31, 2016, the campaign has raised approximately \$1,117,000 and incurred expenditures of approximately \$359,000.

Support and Expenses:

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allocation of Expenses:

Expenses are allocated to program and support services directly when possible.

Advertising:

Advertising costs are charged to expense as incurred. Advertising costs for the years ended December 31, 2016 was \$350.

THE SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash balances at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2016. At December 31, 2016, the Organization had an uninsured cash balance of \$121,831.

Allowances and Provisions:

Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding receivables. At December 31, 2016, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Income Taxes:

The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes. It is classified as an organization that is not a private foundation and charitable donations by donors are tax deductible.

Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

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 amounts and disclosures in these financial statements. Actual results could differ from those estimates.

Subsequent events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 14, 2017, the date the financial statements were available to be issued.

THE SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 2. GRANTS RECEIVABLE

Outstanding grants receivable from various foundations and individuals at December 31, 2016 were as follows:

Pledges due in:	
Less than one year	\$ 223,000
One to five years	<u>207,000</u>
	430,000
Less: discount to net present value	<u>(6,047)</u>
Net pledges receivable	<u><u>\$ 423,953</u></u>

The present value of grants receivable has been calculated using an interest rate of 1.20% which approximates the Federal Reserve Two-year Treasury bill at December 31, 2016.

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2016, temporarily restricted net assets consisted of the following:

Rice Park Project Revitalization Project	\$ 758,182
Stacy's Lights Shine	<u>14,246</u>
	<u><u>\$ 772,428</u></u>

NOTE 4. MAJOR FUNDING SOURCES

During the year ended December 31, 2016, major sources of support and revenue (as a percentage of total revenue) were as follows:

Hardenbergh Foundation	20%
F.R. Bigelow Foundation	10%
The Saint Paul Foundation	10%

At December 31, 2016, pledges receivable included amounts due from these sources of approximately \$140,000.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
The Saint Paul Parks Conservancy
St. Paul, Minnesota

We have audited the financial statements of The Saint Paul Parks Conservancy as of and for the year ended December 31, 2016, and have issued our report thereon dated April 14, 2017, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of financial position for the Rice Park Revitalization Project and supplementary schedule of activities the Rice Park Revitalization Project is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

April 14, 2017

THE SAINT PAUL PARKS CONSERVANCY
SUPPLEMENTARY SCHEDULE OF FINANCIAL POSITION FOR
THE RICE PARK REVITALIZATION PROJECT
December 31, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 332,680
Current portion of pledges receivable, net of discounts of \$2,550	<u>220,450</u>
TOTAL CURRENT ASSETS	<u>553,130</u>

OTHER ASSETS

Pledges receivable, net of discounts of \$3,497	<u>203,503</u>
TOTAL ASSETS	<u><u>\$ 756,633</u></u>

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted	\$ -
Temporarily restricted	<u>758,182</u>
TOTAL NET ASSETS	<u>758,182</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 758,182</u></u>

THE SAINT PAUL PARKS CONSERVANCY
SUPPLEMENTARY SCHEDULE OF ACTIVITIES FOR
THE RICE PARK REVITALIZATION PROJECT
For the Year Ended December 31, 2016

SUPPORT AND REVENUE	
Grants and contributions	\$ 990,714
Interest income	<u>150</u>
TOTAL SUPPORT AND REVENUE	<u>990,864</u>
EXPENSES	
Program services	300,000
Management and administrative	4,344
Fundraising and development	<u>44,490</u>
TOTAL EXPENSES	<u>348,834</u>
CHANGE IN NET ASSETS	<u><u>\$ 642,030</u></u>