

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)
Pittsburgh, Pennsylvania

Financial Statements
For the years ended December 31, 2016 and 2015

and Independent Auditors' Report Thereon



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Allegheny County Parks Foundation
Pittsburgh, Pennsylvania

We have audited the accompanying financial statements of Allegheny County Parks Foundation (Parks Foundation), a component unit of the County of Allegheny, Pennsylvania, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 the auditors' 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 Parks Foundation as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
March 10, 2017

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ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 243,685	\$ 55,085
Restricted cash	1,009,682	1,878,926
Contributions receivable	183,797	415,059
Prepays and other assets	2,027	1,338
Fixed assets, net	397	1,232
	\$1,439,588	\$2,351,640
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 68,659	\$ 16,861
NET ASSETS		
Unrestricted	243,351	215,691
Temporarily restricted	1,127,578	2,119,088
	1,370,929	2,334,779
	\$1,439,588	\$2,351,640

See notes to financial statements.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT						
Foundations and trusts	\$ 18,985	\$ 137,943	\$ 156,928	\$ 91,023	\$ 685,660	\$ 776,683
Corporations	45,178	13,494	58,672	4,647	4,280	8,927
Individuals	44,727	32,339	77,066	34,018	16,165	50,183
Government	250,000	80,271	330,271	-	249,000	249,000
Special events	29,091	2,065	31,156	-	-	-
In-kind contributions	16,331	-	16,331	13,800	-	13,800
Miscellaneous	-	-	-	3,134	-	3,134
Interest	2,206	-	2,206	101	-	101
	<u>406,518</u>	<u>266,112</u>	<u>672,630</u>	<u>146,723</u>	<u>955,105</u>	<u>1,101,828</u>
Net assets released from restrictions:						
Satisfaction of program restrictions	1,257,622	(1,257,622)	-	850,087	(850,087)	-
Total Revenues And Support	1,664,140	(991,510)	672,630	996,810	105,018	1,101,828
EXPENSES						
Contractor services	727,232	-	727,232	472,277	-	472,277
Salaries	383,025	-	383,025	309,485	-	309,485
Design consultants	101,584	-	101,584	104,868	-	104,868
Professional services and consultants	236,990	-	236,990	45,536	-	45,536
Fringe benefits	35,221	-	35,221	32,909	-	32,909
Payroll taxes	33,234	-	33,234	26,947	-	26,947
Program modification expense	32,922	-	32,922	-	-	-
Event expenses	31,554	-	31,554	14,019	-	14,019
Rent - in-kind	13,800	-	13,800	13,800	-	13,800
Printing and copying	5,139	-	5,139	12,759	-	12,759
Information technology	9,073	-	9,073	10,641	-	10,641
Travel and entertainment	8,735	-	8,735	7,835	-	7,835
Communications	3,480	-	3,480	4,090	-	4,090
Supplies	1,631	-	1,631	3,912	-	3,912
Fees	1,550	-	1,550	-	-	-
Insurance	5,030	-	5,030	2,572	-	2,572
Dues and subscriptions	2,082	-	2,082	1,717	-	1,717
Depreciation and amortization	835	-	835	1,608	-	1,608
Postage	832	-	832	639	-	639
Other expenses	2,531	-	2,531	414	-	414
Interest	-	-	-	13	-	13
	<u>1,636,480</u>	<u>-</u>	<u>1,636,480</u>	<u>1,066,041</u>	<u>-</u>	<u>1,066,041</u>
Change In Net Assets	27,660	(991,510)	(963,850)	(69,231)	105,018	35,787
NET ASSETS						
Beginning of year	215,691	2,119,088	2,334,779	284,922	2,014,070	2,298,992
End of year	<u>\$ 243,351</u>	<u>\$1,127,578</u>	<u>\$1,370,929</u>	<u>\$ 215,691</u>	<u>\$2,119,088</u>	<u>\$2,334,779</u>

See notes to financial statements.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (963,850)	\$ 35,787
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Program modification expense	32,922	-
Depreciation and amortization	835	3,462
Changes in assets and liabilities:		
Contributions receivable	198,340	38,005
Prepays and other assets	(689)	(1,216)
Accounts payable	51,798	(12,218)
Net Cash (Used In) Provided By Operating Activities	<u>(680,644)</u>	<u>63,820</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(1,504)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligations	<u>-</u>	<u>(1,052)</u>
Net (Decrease) Increase In Cash And Cash Equivalents	(680,644)	61,264
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,934,011</u>	<u>1,872,747</u>
End of year	<u><u>\$ 1,253,367</u></u>	<u><u>\$ 1,934,011</u></u>

See notes to financial statements.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 - ORGANIZATION

The Allegheny County Parks Foundation (Parks Foundation), a component unit of the County of Allegheny, Pennsylvania (Allegheny County), was established in 2007 to stimulate public investment in the Allegheny County parks system. The Parks Foundation and Allegheny County administration have partnered with Allegheny County Council in parks betterment. Historically, Allegheny County has committed to provide operating funds to the Parks Foundation. Operating funds received in 2016 and 2015 was \$250,000 per year. Under an agreement with Allegheny County, at Allegheny County's sole and exclusive discretion, \$250,000 will be due to the Parks Foundation in 2017. The Parks Foundation's ability to continue its mission is dependent upon securing this commitment from Allegheny County or some other funders.

The Parks Foundation's initial Board of Directors was elected by representatives of Allegheny County. Subsequently, Directors are jointly elected by the Parks Foundation's Board and Allegheny County. An agreement with Allegheny County indicates that Allegheny County is committed to match funds, dollar for dollar, raised by the Parks Foundation in the amount of \$10,000,000 for approved capital projects. The approved and proposed capital projects design, finance and construction will be governed by the individual capital project agreements. To date, as of December 31, 2016, Allegheny County had matched, or committed to match, approximately \$3,000,000 of capital projects for the Parks Foundation. At December 31, 2016 and 2015, respectively, approximately \$117,000 and \$265,000 was included in contributions receivable relating to matching funds.

At December 31, 2016 and 2015, two donors accounted for approximately 49% and 63%, respectively, of total revenue and support; and two donors accounted for 98% and one donor accounted for 67%, respectively, of total accounts receivable.

The accompanying financial statements are intended to present the financial position and changes in financial position of the Parks Foundation, and not the financial position of Allegheny County taken as a whole.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

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 amounts of assets and liabilities and disclosures 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.

Accounting Basis - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Parks Foundation and the changes therein are classified and reported as follows:

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Assets - These are net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - These are net assets subject to donor-imposed stipulations that may or will be met, either by action of the Parks Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted contributions are recorded as revenue when received or pledged. Temporarily restricted contributions are reported in the statement of activities as net assets released from restrictions when a stipulated time restriction ends or purpose restriction is accomplished. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. At December 31, 2016, the entire contributions receivable is to be received within the next year. Decisions to charge-off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. The Parks Foundation did not estimate an allowance for doubtful accounts at either December 31, 2016 or 2015.

Cash and Cash Equivalents - The Parks Foundation maintains, at a financial institution, cash that may exceed federally insured amounts at times. For purposes of the statement of cash flows, the Parks Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At December 31, 2016, the Parks Foundation had \$1,269,244 on deposit at a financial institution, \$250,000 of which was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$1,019,244 was uninsured, exposed to custodial risk and was not otherwise collateralized.

Fixed Assets and Depreciation - Furniture, computer equipment and software with a purchase price in excess of \$500 are capitalized if the estimated useful lives are estimated to be three or more years and are valued at cost for purchased assets and fair value for contributed assets. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets. The Parks Foundation reviews the recoverability of the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable.

Functional Expenses - The costs of providing the Parks Foundation's various programs and supporting services have been summarized on a functional basis in the footnotes. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Parks Foundation is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an entity that is not a private foundation. Accordingly, no provision for income taxes is recorded in the financial statements. The Parks Foundation has not identified any material uncertain tax positions requiring an accrual or disclosure in the financial statements. The Parks Foundation is no longer subject to examinations by taxing authorities in any major tax jurisdiction for years before December 31, 2013.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), which is the result of a joint project of FASB and the International Accounting Standards Board to clarify the principles for recognizing revenue and to develop a common revenue standard for use in the U.S. and internationally. ASU 2014-09 supersedes the revenue recognition requirements in Topic 605 of the FASB Accounting Standards Codification (Codification) and most industry-specific guidance throughout the Industry Topics of the Codification. ASU 2014-09 enhances comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, reduces the number of requirements an entity must consider for recognizing revenue, and requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14, which deferred ASU 2014-09 by one year. ASU 2014-09 is effective for nonpublic entities for annual reporting periods beginning after December 15, 2018. ASU 2014-09 requires either retrospective application by restating each prior period presented in the financial statements, or retrospective application by recording the cumulative effect on prior reporting periods to beginning retained earnings in the year that the standard becomes effective. The Parks Foundation is currently assessing the provisions of ASU 2014-09 and the impact that it will have on its financial statements.

In August 2014, the FASB issued ASU No. 2014-15 Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (ASU 2014-15), which is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 provides guidance to an organization's management with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations in the financial statement footnotes. ASU 2014-15 is effective for annual periods ending after December 15, 2016. Early adoption is permitted. The Parks Foundation adopted this ASU during the year ended December 31, 2016 with no impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which introduces a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by leases. This standard is effective for annual reporting periods beginning after December 15, 2019 with early adoption permitted and requires either retrospective application by restating each prior period presented in the financial statements, or retrospective application by recording the cumulative effect on prior reporting periods to beginning retained earnings in the year that the standard becomes effective. The Parks Foundation is currently evaluating the impact that this ASU will have on its financial statements.

In August 2016, the FASB completed Phase I of its Presentation of Financial Statements of Not-for-Profit Entities and issued ASU No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14), which is intended to simplify and improve not-for-profit financial reporting.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Specifically, the new guidance:

- Revises the net asset classification scheme to two classes (net assets with donor restrictions and net assets without donor restrictions) instead of the previous three classes, while maintaining the requirement to report total net assets and changes in the classes of and total net assets.
- Continues to allow for a choice between the direct and indirect method of reporting operating cash flows; however, presentation of the indirect reconciliation is no longer required if using the direct method.
- Enhances disclosures for:
 - Self-imposed limits on the use of resources without donor-imposed restrictions
 - Composition of net assets with donor restrictions, and how the restrictions affect the use of resources
 - Qualitative disclosures on how a not-for-profit manages its available liquid resources, to meet cash needs for general expenditures within one year of the balance sheet date
 - Quantitative disclosures that communicate the availability of financial assets to meet cash needs for general expenditures within one year of the balance sheet date
 - Methods used to allocate costs among program and support functions
- Requires the presentation of expenses by nature as well as function, including an analysis of expenses showing the relationship between functional and natural classification for all expenses.
- Updates the accounting and disclosure requirements for underwater endowment funds, which include required disclosure of (1) policy concerning appropriation from underwater endowment funds, (2) the aggregate fair value of such funds, (3) the aggregate original gift amount (or level required by donor or law) to be maintained, and (4) the aggregate amount by which funds are underwater, which are to be classified as part of net assets with donor restrictions.
- Requires net presentation of investment expenses against investment return on the statement of activities and eliminates the requirement to disclose investment expenses that have been netted.
- Requires the use of, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expiration of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassification of amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets, which have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restrictions over the estimated useful life of the acquired asset.)

ALLEGHENY COUNTY PARKS FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASU 2016-14 is effective for fiscal years beginning after December 15, 2017 with early application permitted. The Parks Foundation is currently evaluating the impact ASU 2016-14 will have on its financial statements.

The FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230). This ASU addresses how certain cash receipts and cash payments are presented and classified in the statement of cash flows under Topic 230, Statement of Cash Flows, and other Topics. The amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early-adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is currently assessing the impact of ASU 2016-15 on its financial statements.

Subsequent Events - Management has evaluated subsequent events through March 10, 2017, the date on which the restated financial statements were available to be issued.

NOTE 3 - FIXED ASSETS

The following is a summary of fixed assets at December 31:

	2016	2015
Furniture	\$ 4,000	\$ 4,000
Equipment	16,059	16,059
	20,059	20,059
Less - Accumulated depreciation and amortization	19,662	18,827
	\$ 397	\$ 1,232

NOTE 4 - NET ASSET RESTRICTIONS

Temporarily restricted net assets as of December 31 subject exclusively to purpose restrictions are as follows:

	2016	2015
North Park Multi-Use Trail	\$ 379,068	\$ 970,953
Volunteer Mobilization	262,409	512,236
Community Awareness	87,531	191,072
South Park Oval Green Parking	77,118	-
Chimney Swift Towers	56,706	195,604
Sub-total	862,832	1,869,865

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 - NET ASSET RESTRICTIONS (Continued)

	<u>2016</u>	<u>2015</u>
Balance forward	\$ 862,832	\$ 1,869,865
DEERL - Sign Implementation Plan	44,079	-
Hartwood Sculptures	43,390	-
Boyce Eco Plan Implementation	29,466	-
Children's Projects	28,000	43,000
Communication and Marketing	27,970	28,091
Bench Program	20,426	20,653
South Park Eco Plan	20,350	-
Signage - Interpretive	20,265	4,926
Operations	10,878	97,185
Youth Park Stewardship	8,922	5,000
Round Hill Shade Structures	4,534	4,534
Friends of South Park Projects	3,510	-
Eagle Scout	1,628	2,123
Culture of Health Program	631	-
Hartwood Mansion Restoration	597	597
Deer Lakes Improvement	100	100
Settlers Cabin Trails	-	1,567
South Park Oval	-	1,123
Boyce Eco Plan	-	35,660
South Park Outdoor Classroom EITC	-	3,614
South Park Connector Trail	-	1,050
	<u>\$ 1,127,578</u>	<u>\$ 2,119,088</u>

During 2016, certain temporarily restricted net assets were reclassified as a result of modifications in donor restrictions.

Temporarily restricted net assets were released from donor restrictions primarily by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors or grantors. Net assets were released during the years ended December 31 for the following purposes:

	<u>2016</u>	<u>2015</u>
North Park Multi-Use Trail	\$ 600,052	\$ 238,716
Operating Funds	199,204	251,816
Chimney Swift Towers	132,314	-
Communications and Marketing	101,833	30,786
Hartwood Sculptures	40,426	-
Boyce Eco Plan	36,099	-
South Park Eco Plan	31,988	-
Signage Program	30,734	15,061
Sub-total	1,172,650	536,379

ALLEGHENY COUNTY PARKS FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 - NET ASSET RESTRICTIONS (Continued)

	2016	2015
Balance forward	\$ 1,172,650	\$ 536,379
Bench Program	25,715	3,920
DEERL - Signage Imp. Plan	19,086	-
Children's Projects	10,000	5,000
Culture of Health Program	9,370	-
Park Connections	9,091	-
Youth Park Stewardship	2,914	-
Boyce Eco Plan Implementation	2,701	-
Design Guidelines	2,500	-
Settler's Cabin Trails	1,567	231,287
South Park Oval Project	1,123	5,375
Eagle Scout Program	495	577
South Park Outdoor Classroom EITC	277	-
General Communications	121	-
South Oval Green Parking	12	-
Friends of the Park Projects	-	47,083
Round Hill Project	-	20,466
	\$ 1,257,622	\$ 850,087

NOTE 5 - LEASES

In 2013, the Parks Foundation entered an agreement with Allegheny County for donated space at the Boyce Park Administration building. The agreement is for three years with an option for two, one-year extensions. For 2016 and 2015, the Foundation recorded in-kind contributions of \$13,800. In 2017, the Parks Foundation exercised the one-year option.

The Parks Foundation is committed to an operating lease agreement for a copier that requires monthly payments approximating \$300 and expires February 2020. Lease expense approximated \$3,600 and \$900 for the years ended December 31, 2016 and 2015, respectively.

ALLEGHENY COUNTY PARKS FOUNDATION
(A Component Unit of the County of Allegheny, Pennsylvania)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 - EMPLOYEE BENEFIT PLAN

In lieu of establishing a retirement plan, the Parks Foundation has committed to contribute 2% of salary annually to the personal retirement accounts of each of its employees. Retirement expense for the years ended 2016 and 2015 was approximately \$3,500 and \$3,300, respectively.

NOTE 7 - ALLEGHENY COUNTY AGREEMENT

Under the agreement with Allegheny County, the design, finance and construction of the capital projects will be governed by the individual project agreements. Depending on the nature of the costs and the project agreement, the Parks Foundation may pay the respective costs directly to a third party and be reimbursed by Allegheny County for the 50% match of the associated costs, or Allegheny County may pay the third party directly and the Parks Foundation will reimburse Allegheny County for 50% of the associated costs. The Parks Foundation will only recognize a matching contribution from Allegheny County in the statements of activities for contracts and costs whereby Allegheny County reimburses the Parks Foundation directly. The Parks Foundation has committed to fund approximately \$604,000 of design costs for ongoing projects, of which approximately \$483,000 has been funded at December 31, 2016.

As of December 31, 2016, Allegheny County has committed to match approximately \$1,100,000 for construction costs of ongoing projects. These matching funds will be paid by Allegheny County directly to the contractor as invoices are presented. As such, no receivable or revenue has been recorded by the Parks Foundation for these matching funds at or for the year ended December 31, 2016. Additionally, the Parks Foundation recognized approximately \$33,000 in program modification expense during 2016 related to Allegheny County matching funds recognized in a prior year, which will be paid by Allegheny County directly to third parties rather than to the Parks Foundation.

NOTE 8 - FUNCTIONAL EXPENSES

Expenses related principally to providing parks betterment and fundraising activities are as follows:

	<u>2016</u>	<u>2015</u>
Program services	\$ 1,200,057	\$ 751,445
Fundraising	225,274	178,602
General and administrative	<u>211,149</u>	<u>135,994</u>
	\$ <u>1,636,480</u>	\$ <u>1,066,041</u>

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