

SAINT PAUL PARKS CONSERVANCY
AUDITED FINANCIAL STATEMENTS
December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Saint Paul Parks Conservancy
Saint Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Saint Paul Parks Conservancy (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saint Paul Parks Conservancy as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Saint Paul Parks Conservancy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Saint Paul Parks Conservancy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Mark Harrington, CPA (Retired) | Wayne Langer, CPA | Greg Emmerich, CPA | Michael Belknap, CPA
Nichole Fairbanks, CPA | Jesse Fraley, CPA | Anna Anderson, CPA | Steven Schurhamer, CPA | Logan Jenson, CPA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Saint Paul Parks Conservancy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Saint Paul Parks Conservancy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Harrington Langer & Associates

November 22, 2024

SAINT PAUL PARKS CONSERVANCY
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 336,765
Promises to give, current portion	310,720
Prepaid expenses	4,837
Certificates of deposit	<u>229,223</u>

TOTAL CURRENT ASSETS 881,545

OTHER ASSETS

Promises to give, net of current portion & discount	36,468
Investments	<u>277,365</u>

TOTAL OTHER ASSETS 313,833

TOTAL ASSETS \$ 1,195,378

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	<u>\$ 77,807</u>
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NET ASSETS

Without donor restrictions	107,325
With donor restrictions	<u>1,010,246</u>

TOTAL NET ASSETS 1,117,571

TOTAL LIABILITIES AND NET ASSETS \$ 1,195,378

SAINT PAUL PARKS CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	\$ 104,729	\$ 762,542	\$ 867,271
In-kind donations	287,400	-	287,400
Special event income, net	4,515	-	4,515
Investment income, net	33,713	-	33,713
Other income	414	-	414
Net assets released from restrictions	413,340	(413,340)	-
	844,111	349,202	1,193,313
EXPENSES			
Program services	711,491	-	711,491
Management and general	75,296	-	75,296
Fundraising	-	-	-
	786,787	-	786,787
	57,324	349,202	406,526
CHANGE IN NET ASSETS			
NET ASSETS, BEGINNING OF YEAR	50,001	661,044	711,045
NET ASSETS, END OF YEAR	\$ 107,325	\$1,010,246	\$ 1,117,571

See notes to financial statements

SAINT PAUL PARKS CONSERVANCY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 406,526
Adjustments to Reconcile Change in Net Assets	
to Net Cash Provided by (Used in) Operating Activities:	
Interest and dividends reinvested	(9,398)
Unrealized and realized investment (gains) losses, net	(13,677)
Discount on promises to give	(7,532)
Changes in:	
Promises to give	(263,755)
Prepaid expenses	(3,980)
Accounts payable	59,512

NET CASH PROVIDED BY OPERATING ACTIVITIES	167,696
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of certificates of deposit	(225,000)
Proceeds from investment	10,238

NET CASH USED IN INVESTING ACTIVITIES	(214,762)
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DECREASE IN CASH AND CASH EQUIVALENTS	(47,066)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	383,832
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 336,765
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SAINT PAUL PARKS CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 97,753	\$ 21,457	\$ -	\$ 119,210
Payroll taxes	7,669	1,683	-	9,352
Management fees	-	38,913	-	38,913
Accounting fees	-	2,000	-	2,000
Investment management fees	-	2,559	-	2,559
Advertising and promotion	8,133	-	-	8,133
Office expenses	6,630	1,455	-	8,085
Information technology	5,447	1,196	-	6,643
Special event	35,467	-	-	35,467
Conferences, conventions, and meetings	-	4,204	-	4,204
Insurance	-	1,829	-	1,829
Parks improvements	297,114	-	-	297,114
Memberships and dues	1,345	-	-	1,345
In-kind supplies expense	287,400	-	-	287,400
Total expenses by function	<u>746,958</u>	<u>75,296</u>	<u>-</u>	<u>822,254</u>
Less expenses included in revenues				
Special event expense	<u>(35,467)</u>	<u>-</u>	<u>-</u>	<u>(35,467)</u>
Total expense included in the expense section on the statement of activities	<u>\$ 711,491</u>	<u>\$ 75,296</u>	<u>\$ -</u>	<u>\$ 786,787</u>

See notes to financial statements

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

Founded in 2008, Saint Paul Parks Conservancy (the Organization) has had a major impact on the preservation and growth of both Saint Paul's parks and community. The Organization intends to always create community vibrancy by making strong parks superb. They envision that all citizens of Saint Paul have equitable access to truly great green spaces where they feel welcome, pursue wellness, and find joy. The Organization continuously partners with the City of Saint Paul Parks and Recreation, and other local neighborhood committees to begin campaigns to create and maintain services and amenities at parks that will benefit the community.

Basis of Presentation:

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

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

Promises to give:

Promises to give are contributions that are to be collected in future years and are recorded at net present value based on a discounted cash flow rate which approximates the Organization's savings rate on certificates of deposit. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Organization uses the allowance method to determine uncollectible promises to give based on prior years' experience and management's analysis.

Outstanding promises to give from various individuals at December 31, 2023 were as follows:

	<u>Amount</u>
Promises to give due in:	
Less than one year	\$ 310,720
One to five years	38,000
Six to ten years	<u>6,000</u>
	354,720
Less: discount to net present value	<u>(7,532)</u>
Net promises to give	<u><u>\$ 347,188</u></u>

Certificates of Deposit:

At December 31, 2023, the Organization had certificates of deposit totaling \$229,223. These certificates of deposit mature on various dates and earn interest at rates of 4.18% to 5.29%. The certificates of deposit are measured by the cost plus accrued interest to date.

Investments:

Investments are stated at fair value in the Statements of Financial Position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the increase (decrease) in unrestricted net assets unless the income or loss is restricted by donor or law.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

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

In-kind Contributions:

Donated goods, equipment, services, and facilities are recorded at fair value at the date of donation. Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to the Organization's activities, but these services do not meet the criteria for recognition as contributed services. The criteria for recognition are services that require specialized skills and would, typically, be purchased if not provided by donation.

Revenue Recognition:

The Organization recognizes revenue from program service income when the services are provided.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional Expenses:

Expenses are allocated to program and support services directly when possible and indirectly using predetermined percentages derived from payroll and occupancy statistics.

Marketing and Promotion:

Marketing and promotion costs are expensed as incurred. For the year ended December 31, 2023 these costs were \$8,133.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

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

Income Taxes:

The Organization is a non-profit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to income taxes under section 501(c)(3) of the Internal Revenue Code and similar state statutes.

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 November 22, 2024, the date the financial statements were available to be issued.

NOTE 2. CONCENTRATIONS

From time to time, the Organization's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as the result of other concentrations of credit risk.

The Organization receives substantially all of its support and revenue from foundations located primarily in Minnesota. Any significant decrease in this support could negatively impact the Organization's operations.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 3. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

Investments held at Saint Paul and Minnesota Foundation are pooled with other organizations' funds and invested in diversified portfolios of U.S. Treasury, marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets is measured at Level 1 and Level 2 inputs. The Organization's ownership in such investments is represented by an undivided interest in investment portfolios managed by the Foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 3. FAIR VALUE MEASUREMENT (continued)

The fair value of investments held at Saint Paul and Minnesota Foundation at December 31, 2023 \$277,365.

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the years ended December 31, 2023:

	Amount
Balance at beginning of year	\$ 268,751
Withdrawals	(10,238)
Investment income (loss)	21,411
Fees	(2,559)
Balance at the end of year	\$ 277,365

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 net assets with donor restrictions consisted of the following:

	Amount
Subject to expenditure for specified purpose:	
Partner for Parks	\$ 492,604
Rice Park - Capital	50,000
Rice Park - Maintenance	291,900
Swede Hollow	81,125
Pedro Park	18,567
Friends of Mears Park	20,688
Historic Irvine Park	55,362
	\$1,010,246

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the year ended December 31, 2023:

	<i>Amount</i>
Satisfaction of purpose restrictions:	
Partner for Parks	\$ 223,666
Rice Park - Maintenance	24,867
Swede Hollow	54,784
Pedro Park	2,828
Pass-Through	34,010
Friends of Mears Park	2,826
Wacouta Commons	67,368
Historic Irvine Park	2,991
	\$ 413,340

NOTE 5. IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions consisting of physical fitness equipment valued at \$287,400 for the year ended December 31, 2023. The equipment is valued using estimated U.S. prices for identical products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed physical fitness supplies are used in program services. No restricted contributions of in-kind contributions were received for the year ending December 31, 2023.

SAINT PAUL PARKS CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 6. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023:

	Amount
Financial assets at year-end	
Cash and cash equivalents	\$ 565,988
Promises to give	347,188
Certificates of deposit	229,223
Investments	277,365
Financial assets available for expenditure	1,419,764
Less amounts not available to be used within one year	
Promises to give	36,468
Investments	277,365
Net assets with donor restrictions	1,010,246
Less net assets with restrictions to be met in less than one year	(631,878)
Financial assets available to meet general expenditures within one year	727,563

The Organization's goal is generally to maintain financial assets without donor restrictions to meet 180 days of operating expenses.