

SEATTLE PARKS FOUNDATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2017

SEATTLE PARKS FOUNDATION
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
AUDITED FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7-13
SUPPLEMENTARY INFORMATION	1



Dave Bembridge, CPA PS

Certified Public Accountants

340 15th Ave. East, Ste 303
Seattle, WA 98112
(206) 323-7103 FAX (206) 325-8939
email: dave@davecpa.com

Independent Auditor's Report

Board of Directors
Seattle Parks Foundation
Seattle, Washington

Report on the Financial Statements

We have audited the accompanying statements of financial position of the Seattle Parks Foundation (a not-for-profit organization) as of June 30, 2017, and the related statements of activities, functional expenses, 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 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 of 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.



Dave Bembridge, CPA PS

Certified Public Accountants

340 15th Ave. East, Ste 303
Seattle, WA 98112
(206) 323-7103 FAX (206) 325-8939
email: dave@davecpa.com

Independent Auditor's Report
(continued)

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

Opinion

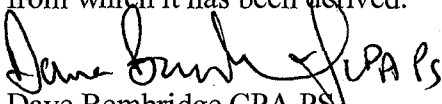
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Seattle Parks Foundation as of June 30, 2017, and the results of their operations and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Summarized Comparative Information

We have previously audited Seattle Parks Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Dave Bembridge CPA PS
Certified Public Accountants
December 22, 2017

**SEATTLE PARKS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017**

ASSETS

	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$2,997,938	\$3,119,031
Certificates of Deposit-Long Term	1,102,679	-
Investments (Note 4)	5,541,408	5,382,812
Pledges Receivable, net (Note 3)	1,259,124	1,049,400
Pre-paid Expenses and Deposit	5,101	2,564
Property and Equipment		
Office Equipment, at cost	33,617	31,077
Accumulated Depreciation	<u>(21,006)</u>	<u>(21,120)</u>
Net Property and Equipment	<u>12,611</u>	<u>9,957</u>
 Total Assets	 <u>\$10,918,861</u>	 <u>\$9,563,764</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ <u>120,777</u>	\$ <u>566,536</u>
Total Liabilities	120,777	566,536

Net Assets

Permanently Restricted Funds (Note 5)	221,318	217,931
Temporarily Restricted Funds (Note 6)	3,625,751	2,882,743
Unrestricted Funds-Board Designated Fund (Note 8)	5,863,731	5,341,059
Unrestricted Funds	<u>1,087,284</u>	<u>555,495</u>
Total Unrestricted Funds	<u>6,951,015</u>	<u>5,896,554</u>
Total Net Assets	<u>10,798,084</u>	<u>8,997,228</u>
Total Liabilities and Net Assets	<u>\$10,918,861</u>	<u>\$9,563,764</u>

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

**SEATTLE PARKS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017			Total	Summarized JUNE 30, 2016 Totals
	Unrestricted Operating	Temporarily Restricted	Permanently Restricted		
<u>Operating Support and Revenue</u>					
Pledges Raised (Net of Fees for Services)	\$476,402	\$ 2,359,696	3,387	\$ 2,839,485	\$ 2,222,364
Government Contracts	-	488,889		488,889	459,204
Event Revenue	78,137	-		78,137	-
In-Kind Donations (Note 9)	<u>1,000</u>	<u>12,756</u>	-	<u>13,756</u>	<u>11,100</u>
Total Funds Raised	555,539	2,861,341	3,387	3,420,267	2,692,668
Fees for Services	235,510			235,510	226,594
Gain (Loss) on Investments	523,192	24,087		547,279	(328,498)
Gain (Loss) on Donated Stocks	(364)			(364)	5,012
Dividends and Interest	<u>133,845</u>	<u>5,139</u>	-	<u>138,984</u>	<u>218,475</u>
Total Operating Support and Revenue	1,447,722	2,890,567	3,387	4,341,676	2,814,251
Temporarily Restricted Funds Released (Note 6)	<u>2,147,559</u>	<u>(2,147,559)</u>	-	-	-
	<u>\$ 3,595,281</u>	<u>\$ 743,008</u>	<u>\$ 3,387</u>	<u>\$ 4,341,676</u>	<u>\$ 2,814,251</u>
<u>Expenses</u>					
Program Services (Page 6)	2,039,958			2,039,958	2,010,568
Supporting Services (Page 6)					
Management and General	232,395			232,395	214,501
Fundraising and Development	<u>268,467</u>			<u>268,467</u>	<u>211,446</u>
Total Supporting Services	<u>500,862</u>			<u>500,862</u>	<u>425,947</u>
Total Expenses	<u>2,540,820</u>	-	-	<u>2,540,820</u>	<u>2,436,515</u>
<u>Change in Net Assets</u>	1,054,461	743,008	3,387	1,800,856	377,736
Net Assets – Beginning of the Year	6,476,062	2,303,235	217,931	8,997,228	8,619,492
Recategorization of Beginning Net Assets	<u>(579,508)</u>	<u>579,508</u>	-	-	-
Restated Beginning Net Assets (Note 7)	5,896,554	2,882,743	217,931	8,997,228	8,619,492
Net Assets – End of the Year	<u>\$ 6,951,015</u>	<u>\$ 3,625,751</u>	<u>\$ 221,318</u>	<u>\$ 10,798,084</u>	<u>\$ 8,997,228</u>

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

**SEATTLE PARKS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 1,800,856	\$ 377,736
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,446	6,188
Discount on Long Term Pledges	14,546	31,389
Gain/Loss on Investments	(547,279)	328,498
Changes in:		
Pledges Receivable	(224,270)	(552,123)
Pre-paid Expenses and Deposit	(2,537)	(439)
Accounts Payable	<u>(445,759)</u>	<u>418,369</u>
Net cash from operating activities	601,003	609,618
<u>Cash Flows from Investing Activities</u>		
Certificates of Deposit	(1,102,679)	-
Proceeds from Dispositions of Investments	2,412,967	-
Investments Purchased	(1,936,690)	-
Dividends Reinvested	(87,594)	(6,023)
Purchase of Equipment	<u>(8,100)</u>	<u>(5,542)</u>
Net Cash from Investing Activities	<u>(722,096)</u>	<u>(11,565)</u>
<u>Net Increase in Cash</u>	(121,093)	598,053
Cash and Cash Equivalents at the Beginning of the Year	<u>3,119,031</u>	<u>2,520,978</u>
Cash and Cash Equivalents at the End of the Year	<u>\$2,997,938</u>	<u>\$3,119,031</u>
Supplemental Information:		
Cost and Accumulated Depreciation of Scrapped Equipment	<u>\$5,560</u>	<u>\$ -</u>

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

**SEATTLE PARKS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising & Development</u>	<u>2017 Total</u>	<u>Summarized 2016 Totals</u>
<u>Staff Expenses</u>					
Salaries	\$ 384,433	\$ 141,633	\$ 148,377	\$ 674,443	\$ 582,159
Payroll Taxes	30,609	11,277	11,815	53,701	51,871
Medical Benefits	33,227	12,242	12,824	58,293	51,670
Retirement Plan	7,489	2,760	2,891	13,140	10,785
Recruiting	734	270	283	1,287	1,243
Transportation Benefit & Other	4,012	1,478	1,548	7,038	4,560
Training and Conferences	5,612	2,067	2,166	9,845	7,900
Total Staff Expenses	<u>466,116</u>	<u>171,727</u>	<u>179,904</u>	<u>817,747</u>	<u>710,188</u>
<u>Non-Staff Expenses</u>					
Neighborhood Park Projects	1,411,627	-	-	1,411,627	1,475,124
Consulting/Professional Fees	40,478	15,690	6,166	62,334	43,986
Recognition and Cultivation Events	14,929	-	18,710	33,639	30,301
Bad Debts	-	750	-	750	6,750
Allowance for Uncollectible Pledges	-	(13,900)	-	(13,900)	-
Office Supplies & Maintenance	6,228	2,294	2,404	10,926	7,173
Rent	19,156	7,057	7,394	33,607	28,141
Donations	5,483	-	-	5,483	2,150
Outreach, Appeals and Stewardship	17,208	-	9,552	26,760	15,074
Publications	520	-	17,883	18,403	13,479
Depreciation	3,104	1,144	1,198	5,446	6,188
Telecommunications & IT	13,513	4,979	5,215	23,707	15,356
Meeting Expenses	15,294	5,635	5,903	26,832	13,835
Insurance	2,616	963	1,009	4,588	5,019
Equipment and Software	3,218	1,186	1,242	5,646	6,973
Brokerage & Bank Fees	-	27,820	-	27,820	27,844
Travel	1,332	-	888	2,220	2,873
Data Systems and Fundraising Fees	18,195	6,703	10,636	35,534	24,815
Memberships, Dues & Subscriptions	740	273	286	1,299	806
Licenses, Taxes, Fees	201	74	77	352	440
Subtotal Non-Staff Expenses	<u>1,573,842</u>	<u>60,668</u>	<u>88,563</u>	<u>1,723,073</u>	<u>1,726,327</u>
Total Expenses	<u>\$ 2,039,958</u>	<u>\$ 232,395</u>	<u>\$ 268,467</u>	<u>\$ 2,540,820</u>	<u>\$ 2,436,515</u>

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

**SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - ORGANIZATION

Seattle Parks Foundation is an independent 501 (c) (3) nonprofit that supports networks of community, philanthropic, and public-sector partners to plan for, build, and sustain a thriving system of public spaces and investments across Seattle. Since its founding in 1999, Seattle Parks Foundation has raised approximately \$60 million to support community-led public space projects in neighborhoods across the city; these investments have leveraged at least three times as much in public sector support.

We currently serve as fiscal sponsor for some 70 community groups championing new and enhanced park space, school playgrounds, tree canopy projects, pedestrian and bike trails, stream daylighting, and myriad other projects—large and small—across Seattle. We provide these Community Partners with the administrative, financial, fundraising, communications, and advocacy services they need to make our city a safer, more beautiful, and more welcoming place for all of us to live.

In addition to supporting Community Partners across the city, we are concentrating efforts and resources on major, long-term green space initiatives in the underserved neighborhoods of Rainier Beach, Little Brook/Lake City, and the Duwamish River Valley. We are partnering with local groups and facilitating collaboration between these communities, other nonprofits, and city agencies to advance a coordinated public space agenda—one that integrates equitable planning and investment into a comprehensive approach to community development.

We have also been working for several years with both nonprofit and private sector partners to lay the groundwork for a dramatically revitalized Seattle Center. In 2018, we will begin implementation of Lake2Bay, which was added last year into the City's Right-of-Way Improvements Manual. This green, pedestrian-friendly corridor will connect the new Seattle Center to a transformed central waterfront, the Olympic Sculpture Park, Denny Park, and Lake Union Park.

In fiscal year 2017, donors to Seattle Parks Foundation contributed over \$4.3 million to support this work. In addition, we awarded \$253,000 from our Community Parks Fund to support the Urban Parks Activation Partnership, the Timber Fund/Occidental Park Pavilion, a pilot year for the Little Brook Youth Corps and a plan for daylighting Little Brook Creek in Lake City, and Link2Lake in Rainier Beach. We also used the Community Fund to match gifts to our Community Partners of up to \$2,500 to encourage donor participation in GiveBIG, a national day of giving.

SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Seattle Parks Foundation are as follows:

Financial Statement Presentation

The Parks Foundation is required under generally accepted accounting principles to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles has required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support and revenue during the reporting period. Thus, actual results could differ from these estimates.

Pledges

Pledges received are recorded as unrestricted, temporarily or permanently restricted support depending on the existence or nature of any donor restrictions. Time and purpose restrictions are reported as temporarily restricted support and then reclassified to unrestricted net assets upon expiration of the time or purpose restriction.

Income Taxes

The Parks Foundation is exempt from income taxation under the provisions of Section 501(c)3 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements. The Parks Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by the Foundation in its federal and state tax returns are more likely than not to be sustained upon examination. The Foundation's federal tax returns could be subject to examination for three years after they are filed.

Cash & Cash Equivalents

Cash and cash equivalents include all highly liquid assets with maturity dates of one year or less. Certificates of Deposit with maturity dates of more than one year are shown separately as Certificates of Deposit-Long Term.

Property and Equipment

Property and equipment are stated at cost except for donated equipment, which is recorded at fair value at the date of the gift. Purchases of property and equipment with a value greater than \$1,000 are capitalized. Depreciation is recorded using the straight line method over the useful life of the asset. The depreciation charge for the years ended June 30, 2017 and 2016 was \$5,446 and \$6,188, respectively.

SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments – Publicly Traded Securities

Investments in publicly traded securities are valued at fair value using Level I methodology set by accounting standards, which means using unadjusted quoted prices in active markets for identical assets. Unrealized gains and losses are included in the changes in net assets.

Pledges Receivable

Pledges Receivable are valued at the amount of the pledge discounted to present value for the portions of pledges receivable after more than one year. An allowance for doubtful pledges has been estimated based upon management's assessment of pledges receivable outstanding.

In-Kind Donations

Donated goods and space are valued at their fair market value. Donated services are recognized in the financial statements at their fair value if the following criteria are met:

- The services require specialized skills, and the services are performed by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

The fair value of non-specialized volunteer services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Publicly traded securities are received on occasion for gift and pledge payments. These securities are not held for investment and are sold as soon as possible after receipt. The Parks Foundation records these receipts as cash contributions or cash payments against pledges. These receipts totaled \$250,235 and \$196,344 for the fiscal years ending June 30, 2017 and 2016, respectively.

Fees for Services

The Parks Foundation retains fees under the terms of certain fiscal sponsorships, capital campaigns, and initiatives. These fees are excluded from gross revenues for parks projects and separately stated in the statement of activities.

Functional Expense Allocation

Management estimates the Foundation's salary expense allocation based on individual time spent by employees by function. Management's estimated allocation of other expenses is based on the salary allocation, unless a different allocation is more appropriate.

**SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(continued)**

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable for Seattle Parks Foundation projects are as follows:

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Pledges Receivable due in less than one year	\$ 639,770	\$ 704,400
Pledges Receivable due after one year and less than five years	680,000	405,000
Less: Allowance for doubtful pledges	(9,100)	(23,000)
Less: Unamortized discount on pledges	<u>(51,546)</u>	<u>(37,000)</u>
	<u>\$ 1,259,124</u>	<u>\$ 1,049,400</u>

The allowance for uncollectible pledges has been estimated by management, based in part on historic write-off experience and an assessment of the balance of outstanding pledges receivable. Bad Debts totaling \$750 (2016 - \$6,750) were written off during the year.

NOTE 4 – INVESTMENTS

Investments are publicly traded securities managed by a professional management firm for the Streissguth Gardens Endowment Fund and the Board Designated Fund.

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Investments in Publicly Traded Securities	<u>\$ 5,541,408</u>	<u>\$ 5,382,812</u>
<u>Investment Income</u>		
Gain (Loss) on Publicly Traded Securities	\$ 547,279	\$ (328,498)
Dividends and Interest	<u>\$ 120,172</u>	<u>\$ 209,885</u>
	<u>\$ 667,451</u>	<u>\$ (118,613)</u>

NOTE 5 – STREISSGUTH GARDENS ENDOWMENT FUND

The Parks Foundation received permanently restricted gifts from private donors to establish an endowment fund. The purpose of the fund is to provide supplemental maintenance funds for the Streissguth Gardens.

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Balance at the Beginning of the Year	239,044	241,948
Dividends and Interest	5,139	7,877
Investment Gains	24,087	(11,457)
Donations	3,387	1,765
Matching Funds from Board Designated Fund	1,811	-
Investment Fees	(1,193)	(1,089)
Funds Spent on Garden Maintenance	<u>(4,760)</u>	<u>-</u>
Balance at the End of the Year	<u>\$ 267,515</u>	<u>\$ 239,044</u>
Permanently Restricted Funds	221,318	217,931
Temporarily Restricted Funds	44,386	21,113
Unrestricted Funds	<u>1,811</u>	<u>-</u>
	<u>\$ 267,515</u>	<u>\$ 239,044</u>
Cash	11,873	21,189
Investments	<u>255,642</u>	<u>217,855</u>
	<u>\$ 267,515</u>	<u>\$ 239,044</u>

**SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(continued)**

NOTE 6 - TEMPORARILY RESTRICTED FUNDS

Temporarily restricted funds are held for the following donor restricted purposes:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
5 th Avenue and Cloverdale	25	-
8 th Avenue Trail (Duwamish)	2,697	2,697
12 th and Elmgrove	970	2,872
Beacon Hill International Playground	-	74
Burke Gilman Trail at Sand Point, Friends of	6,743	6,530
Capehart Restoration	41,979	-
Cayton Corner Park	1,112	2,528
Cheasty Greenspace	11,573	-
Columbia City Gateway	4,237	5,948
Counterbalance Park	-	602
Deadhorse Canyon	2,427	-
Denny Park	-	566
Detective Cookie Park	3,224	414
Duwamish Concord	2,689	-
Duwamish DIRT Corps	16,587	-
Duwamish Tree Canopy	2,633	61,770
Duwamish Waterway Capital Campaign	35,581	-
Duwamish Waterway Park	-	7,356
East Howe Steps	4,429	2,554
Georgetown Urban Farm and Forest	20	-
Golden Gardens, Friends of	1,363	991
Green Seattle Partnership	-	3,185
Growing Vine Street	1,109	-
Homer Harris Park Maintenance	6,840	6,840
John C Little Park	-	190
Lake Union Park (and Stewardship)	13,694	13,694
Lawton Park, Friends of	4,600	-
Lewis Park, Friends of	1,740	628
Lid I-5	23,607	23,968
Live in D5	8,396	-
Magnuson Children's Garden	475	-
Magnolia Blvd. Restoration	-	2,520
Melrose Promenade	8,023	9,577
Mighty-O Parklet	88	-
MoMentum Group	-	21,922
Mount Baker Town Center	5,781	1,232
North Beach, Friends of	1,335	1,307
Olympic Hills Pocket Park/Lake City Greenways	1,009	884
Orca Playground	7,271	6,900

SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(continued)

NOTE 6 - TEMPORARILY RESTRICTED FUNDS (Continued)

Partnership Events	-	635
Pier 86, Friends of Art	4,881	69
Rainier Beach Urban Farm	1,043,992	1,056,202
Seattle Neighborhood Greenways	259,762	254,098
Streissguth Gardens Maintenance Fund (Note 5)	44,386	21,113
Timber Fund	1,090,732	376,225
Torii Project, Seward Park	142,860	111,790
Uptown Parklet	261	261
Urban Parks Activation (Note 7)	360,200	579,508
Volunteer Park Conservatory	76,596	76,528
Volunteer Park Sustainability Coalition	781	-
Volunteer Park Trust	79,137	140,690
Walker Trail	218,468	-
Walking on Logs	460	1,047
West Seattle Fitness Parklet	-	644
Yesler Swamp	4,794	-
Yesler Terrace	76,184	76,184
	<u>\$3,625,751</u>	<u>\$2,882,743</u>

NOTE 7 – FUNDS RECHARACTERIZED

The \$579,508 listed for Urban Parks Activation in 2016 was previously treated as unrestricted. Management has now determined that these funds should be categorized as temporarily restricted funds. This re-categorization is shown on the statement of activities, and the statement of financial position has been restated, as well as Note 6 above.

NOTE 8 – BOARD DESIGNATED FUND

The Foundation's Board of Directors established a reserve for future planned operating activities, emergencies and opportunities.

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Balance at Beginning of the Year	\$5,341,059	\$5,705,582
Gain (Loss) on Investments	523,192	(317,040)
Dividends and Interest	115,033	202,008
Investment Fees	(26,444)	(26,517)
Funds Released on Projects	(89,109)	(222,974)
Balance at End of the Year	<u>\$5,863,731</u>	<u>\$5,341,059</u>

The Board Designated Fund is comprised of:

Cash	577,965	176,102
Investments	<u>5,285,766</u>	<u>5,164,957</u>
	<u>\$5,863,731</u>	<u>\$5,341,059</u>

**SEATTLE PARKS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

(continued)

NOTE 9 – IN-KIND DONATIONS

The following In-Kind donations are included in the financial statements:

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Event Expenses - Services	\$1,000	\$ -
Donated Goods	2,413	-
Project Expenses-Professional Fees	<u>10,343</u>	<u>11,100</u>
	<u>\$13,756</u>	<u>\$11,100</u>

NOTE 10 - COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended June 30, 2016 from which the summarized information was derived.

NOTE 11– RETIREMENT/SAVINGS PLAN

The Parks Foundation has a contributory retirement plan known as a SIMPLE-IRA plan. The plan covers all full-time employees who meet certain age and service requirements, and who elect to participate. Contributions are invested at the discretion of the plan participant. The plan expense for the years ending June 30, 2017 and 2016 was \$13,140 and \$10,785, respectively.

NOTE 12 – LEASE COMMITMENT

The Parks Foundation renewed its lease agreement for office premises effective from January 2017 to December 2021. The Parks Foundation is also committed to an operating lease for office equipment. The following are the minimum lease payments for the years ended June 30:

	<u>Office</u>	<u>Equipment</u>
2018	31,125	4,769
2019	31,875	4,373
2020	32,625	3,580
2021	16,500	3,580
2022	-	895
	<u>\$112,125</u>	<u>\$17,197</u>

NOTE 13 – SUBSEQUENT EVENTS

Management of the Foundation has evaluated events and transactions subsequent to June 30, 2017 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued, November 22, 2017.

SUPPLEMENTARY INFORMATION

**SEATTLE PARKS FOUNDATION
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

PROJECTS TO BE FUNDED BY THE BOARD DESIGNATED FUND:

	<u>Beginning</u>	<u>Allocated</u>	<u>Released</u>	<u>Remaining</u>
Terminal 117 (no longer needed)	65,625	(60,000)	5,625	-
Rainier Beach Urban Farm	125,000	-	-	125,000
Lake to Bay	73,485	-	-	73,485
Duwamish Waterway	25,000	-	7,554	17,446
Duwamish Program Manager	39,473	-	16,089	23,384
Seattle Fitness Zones	6,275	-	6,275	-
Yesler Terrace (correction)	-	-	(50,000)	50,000
Olympic Hills	10,000	36	-	10,036
Hing Hay Park	40,000	-	35,390	4,610
Cheasty Trails	45,823	868	-	46,691
Seward Park Torii	30,000	543	-	30,543
Concord Elementary	25,000	1,915	-	26,915
Georgetown Vision Plan	73,605	-	58,743	14,862
Little Brook/Lake City Neighborhood Assoc.	-	50,000	8,660	41,340
Rainier Beach/Link to Lake	-	50,000	71	49,929
Cheasty Greenspace	-	10,000	-	10,000
12 th & Elmgrove	10,000	-	-	10,000
Occidental Square (Timber Fund)	-	75,000	-	75,000
Urban Parks Initiative	50,000	50,000	-	100,000
Other Projects	-	24,833	702	24,131
	<u>\$619,286</u>	<u>\$203,195</u>	<u>\$ 89,109</u>	<u>\$733,372</u>