



PARKS FOUNDATION OF BURLINGTON, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021

**JMM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

PARKS FOUNDATION OF BURLINGTON, INC.

FINANCIAL STATEMENTS

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PARKS FOUNDATION OF BURLINGTON, INC.

TABLE OF CONTENTS

JUNE 30, 2021

| | <u>Page</u> |
|--|--------------------|
| Independent Accountant's Review Report | 1 |
| Financial Statements: | |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6 - 10 |



VT License #92-0000171

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Parks Foundation of Burlington, Inc.
Burlington, Vermont

We have reviewed the accompanying financial statements of Parks Foundation of Burlington, Inc., a nonprofit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

JMM & Associates

September 22, 2021

JMM & ASSOCIATES ■ CERTIFIED PUBLIC ACCOUNTANTS

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PARKS FOUNDATION OF BURLINGTON, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

A S S E T S

CURRENT ASSETS

| | |
|---------------------------------------|----------------|
| Cash | \$ 791,059 |
| Current portion of pledges receivable | <u>225,000</u> |

TOTAL CURRENT ASSETS 1,016,059

OTHER ASSETS

| | |
|--|----------------|
| Legacy Fund | 28,680 |
| Pledges receivable, net of current portion | <u>900,000</u> |

TOTAL OTHER ASSETS 928,680

TOTAL ASSETS \$ 1,944,739

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES \$ -

NET ASSETS

| | |
|---|------------------|
| Net assets without donor restrictions: | |
| Board-designated for Legacy Fund | 28,680 |
| Undesignated | <u>9,741</u> |
| Total net assets without donor restrictions | 38,421 |
| Net assets with donor restrictions | <u>1,906,318</u> |

TOTAL NET ASSETS 1,944,739

TOTAL LIABILITIES AND NET ASSETS \$ 1,944,739

See independent accountant's review report and accompanying notes.

PARKS FOUNDATION OF BURLINGTON, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|---------------------------------------|--|---|---------------------|
| SUPPORT AND REVENUE | | | |
| Contributions | \$ 30,029 | \$ 522,119 | \$ 552,148 |
| Investment income | 5,303 | - | 5,303 |
| Subtotal - support and revenue | <u>35,332</u> | <u>522,119</u> | <u>557,451</u> |
| Net assets released from restrictions | <u>548,882</u> | <u>(548,882)</u> | <u>-</u> |
| TOTAL SUPPORT AND REVENUE | <u>584,214</u> | <u>(26,763)</u> | <u>557,451</u> |
| | | | |
| EXPENSES | | | |
| Program services | 548,881 | - | 548,881 |
| General and administrative | 4,606 | - | 4,606 |
| Fundraising | <u>2,503</u> | <u>-</u> | <u>2,503</u> |
| TOTAL EXPENSES | <u>555,990</u> | <u>-</u> | <u>555,990</u> |
| | | | |
| CHANGE IN NET ASSETS | 28,224 | (26,763) | 1,461 |
| | | | |
| BEGINNING NET ASSETS | <u>10,197</u> | <u>1,933,081</u> | <u>1,943,278</u> |
| | | | |
| ENDING NET ASSETS | <u>\$ 38,421</u> | <u>\$ 1,906,318</u> | <u>\$ 1,944,739</u> |

See independent accountant's review report and accompanying notes.

PARKS FOUNDATION OF BURLINGTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

| | <u>Program Services</u> | <u>General and Administrative</u> | <u>Fundraising</u> | <u>Total Support Services</u> | <u>Total</u> |
|----------------------|-----------------------------|---|--------------------|---------------------------------------|-------------------|
| Grant expenses | \$ 548,881 | \$ - | \$ - | \$ - | \$ 548,881 |
| Printing and postage | - | - | 2,503 | 2,503 | 2,503 |
| Advertising | - | 2,181 | - | 2,181 | 2,181 |
| Insurance | - | 1,886 | - | 1,886 | 1,886 |
| Office expense | <u>-</u> | <u>539</u> | <u>-</u> | <u>539</u> | <u>539</u> |
| | <u>\$ 548,881</u> | <u>\$ 4,606</u> | <u>\$ 2,503</u> | <u>\$ 7,109</u> | <u>\$ 555,990</u> |

See independent accountant's review report and accompanying notes.

PARKS FOUNDATION OF BURLINGTON, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Cash received from contributions | \$ 152,148 |
| Interest received | 5,303 |
| Cash paid to suppliers for goods and services | <u>(555,990)</u> |

NET CASH USED BY OPERATING ACTIVITIES (398,539)

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------|-----------------|
| Investment in Legacy Fund | <u>(28,680)</u> |
|---------------------------|-----------------|

NET CASH USED BY INVESTING ACTIVITIES (28,680)

DECREASE IN CASH (427,219)

BEGINNING CASH 1,218,278

ENDING CASH \$ 791,059

See independent accountant's review report and accompanying notes.

PARKS FOUNDATION OF BURLINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations

Parks Foundation of Burlington, Inc. (the Foundation) is an independent, nonprofit organization founded in 2011, and operationalized by means of a resolution adopted by the Burlington City Council in 2013 with the purpose to seek opportunities to enhance park assets and recreation programs in Burlington, Vermont through specific initiatives. The Foundation receives its revenue primarily from private and foundation contributions.

Income taxes

Parks Foundation of Burlington, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 501(a) of the Code.

The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

Basis of accounting

The financial statements of Parks Foundation of Burlington, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and investments

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts on deposit in financial institutions and other short-term investments with original maturities of three months or less. Cash and cash equivalents are stated at cost, which approximates market value. The amount on deposit in excess of the \$250,000 FDIC limit was \$532,000 as of June 30, 2021.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Financial statement presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Advertising

Advertising costs are charged to expense when incurred.

See independent accountant's review report.

PARKS FOUNDATION OF BURLINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pledges receivable

Promises to give (pledges receivable) are recognized as revenue in the period received and as assets, decreases in liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met, and the promises become unconditional.

Changes in accounting principles

Effective July 1, 2020, Parks Foundation of Burlington, Inc. adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958), *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Effective July 1, 2020, Parks Foundation of Burlington, Inc. also adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue and, therefore, no changes to the previously-issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Effective July 1, 2020, Parks Foundation of Burlington, Inc. also adopted ASU 2016-18, *Statement of Cash Flows* (Topic 230), as amended. This ASU requires that a statement of cash flows explain the changes during the period in the total cash, cash equivalents and amounts generally described as restricted cash. The Foundation has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets.

Effective July 1, 2020, Parks Foundation of Burlington, Inc. adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. There was no material impact to the financial statements as a result of adoption, and no effect on net assets or previously-issued financial statements.

See independent accountant's review report.

PARKS FOUNDATION OF BURLINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. There were no indirect costs in the year ended June 30, 2021.

Donated services

The Foundation receives noncash contributions in the form of volunteers performing fundraising, administrative and clerical functions to support various program and support activities. Contributed professional services are recognized at fair market value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the statements as there were no items that met the criteria.

2) LIQUIDITY

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of program services, as well as the conduct of services undertaken to support those activities to be general expenditures.

The following table shows the financial assets held by the Foundation which could readily be made available within one year of the date of the Statement of Financial Position to meet general expenditures:

| | |
|--|--------------------|
| Cash | \$ 791,059 |
| Pledges receivable - current | 225,000 |
| Pledges receivable - noncurrent | 900,000 |
| Legacy Fund | 28,680 |
| Subtotal - financial assets | <u>1,944,739</u> |
| Less amounts not available to meet general expenditures over the next 12 months: | |
| Legacy Fund | (28,680) |
| Net assets with donor restrictions | <u>(1,906,318)</u> |
| Funds available for general use within one year | <u>\$ 9,741</u> |

See independent accountant's review report.

PARKS FOUNDATION OF BURLINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

3) LEGACY FUND

In fiscal year 2021, the Foundation's Board of Directors approved the establishment of a long-term reserve account, and deposited \$25,000 with the Vermont Community Foundation (VCF). Under the terms of the agreement with VCF, the Foundation retains a beneficial interest in the reserve account.

4) PLEDGES RECEIVABLE

Pledges receivable consist of promises to give to various initiatives undertaken by the Foundation. Promises to give are expected to be received as follows for the years ending June 30:

| | |
|--------------------|---------------------|
| Less than one year | \$ 225,000 |
| One to five years | 900,000 |
| | <u>\$ 1,125,000</u> |

Pledges receivable are reported in the Statement of Financial Position as follows:

| | |
|-----------|---------------------|
| Current | \$ 225,000 |
| Long-term | 900,000 |
| | <u>\$ 1,125,000</u> |

Due to the nature of the amounts, management has determined that no allowance for potentially uncollectible pledges is necessary. In addition, management has deemed any discount on pledges receivable would be immaterial. At June 30, 2021, 100% of pledges receivable were due from three donors.

5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets consisted of funds to support the following initiatives or projects as of June 30, 2021:

| | |
|------------------------------------|---------------------|
| City Hall Park | \$ 1,100,000 |
| Kieslich Park | 459,000 |
| Recreational bikepath | 144,098 |
| Oakledge Park universal playground | 121,750 |
| CORE Adult Center | 57,856 |
| Rock Point and Arms Forest | 16,597 |
| Lakeview Cemetery Chapel | 4,440 |
| Roosevelt Park | 2,577 |
| | <u>\$ 1,906,318</u> |

See independent accountant's review report.

PARKS FOUNDATION OF BURLINGTON, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

6) GLOBAL PANDEMIC

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus to be a global pandemic. As a result, economic activity significantly decreased. In addition, the projects being managed by the City of Burlington Department of Parks, Recreation and Waterfront which the Foundation has pledged to support, were either paused or delayed until fiscal year 2021.

As the Foundation is managed by volunteers and does not have any employees, it was not eligible for any Federal or State economic assistance.

As of the report date of the financial statements, it is not possible to determine the impact of this health crisis on the Foundation.

7) SUBSEQUENT EVENTS

Parks Foundation of Burlington, Inc. has evaluated events and transactions for potential recognition or disclosure through September 22, 2021, the date the financial statements were available to be issued.

See independent accountant's review report.