

GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

March 8, 2018

Members of the Board of Directors
Geneseo Park District Foundation
Geneseo, Illinois

We have audited the accompanying financial statements of the Geneseo Park District Foundation (a not for profit in Illinois), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 Foundation'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 Foundation'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Geneseo Park District Foundation, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Statement of Financial Position
December 31, 2017**

ASSETS

Cash and Cash Equivalents	\$ 2,419,990
Receivables - Net of Allowances	<u>519,394</u>
Total Assets	<u><u>2,939,384</u></u>

NET ASSETS

With Donor Restrictions	2,326,963
Without Donor Restrictions	<u>612,421</u>
Total Net Assets	<u><u>2,939,384</u></u>

The notes to the financial statements are an integral part of this statement.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Statement of Activities
For the Year Ended December 31, 2017**

	Totals	Without Donor Restrictions	With Donor Restrictions
Public Support and Revenues			
Donations	\$ 135,606	135,606	-
Expenses			
General and Administrative Services			
Parktoberfest	12,254	12,254	-
Marketing Fees	1,000	1,000	-
Professional Fees	800	800	-
Service Fees	38	38	-
Donations/Gifts/Contributions	301,111	301,111	-
Total Expenses	315,203	315,203	-
Change in Net Assets	(179,597)	(179,597)	-
Net Assets - Beginning as Restated	3,118,981	792,018	2,326,963
Net Assets - Ending	2,939,384	612,421	2,326,963

The notes to the financial statements are an integral part of this statement.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Statement of Cash Flows
For the Year Ended December 31, 2017**

Cash Flows from Operating Activities	
Receipts from Customers and Users	<u>\$ (179,597)</u>
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Other Income	944,936
(Increase) in Current Assets	<u>(519,394)</u>
	<u>425,542</u>
Net Cash Provided by Operating Activities	245,945
Cash and Cash Equivalents	
Beginning	<u>2,174,045</u>
Cash and Cash Equivalents	
Ending	<u><u>2,419,990</u></u>

The notes to the financial statements are an integral part of this statement.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Notes to the Financial Statements
December 31, 2017**

NOTE 1 – NATURE OF ACTIVITIES AND ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Organization

The Geneseo Park District Foundation (Foundation) is an Illinois not-for-profit organization incorporated in 2014. The Foundation was formed to help remove the financial barriers that may prevent Geneseo Park District residents from enjoying positive recreational experiences through identifying and fundraising park and recreation based capital improvement projects, organizing and hosting community special events for fundraising purposes, supporting a financial assistance program for families who wish to participate in recreation programs in the community, support special recreation needs in the community, and support and promote the mission of the Geneseo Park District.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of Foundation and changes therein are classified and reported as follows:

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 Foundation'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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 Statement of Activities.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash is defined as cash on hand, demand deposits and all highly liquid investments with an original maturity of three months or less.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Notes to the Financial Statements
December 31, 2017**

NOTE 1 – NATURE OF ACTIVITIES AND ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributed Services

Contributed services are reported as contribution revenue and as assets or expenses only if the services create or enhance a non-financial asset (for example, property and equipment) or:

- Would typically need to be purchased by the Foundation if the services had not been provided by contribution
- Require specialized skills
- Are provided by individuals with those skills

Promises to Give

Promises to give consist of unconditional promised to give to the Foundation. The carrying amount of promises to give may be recorded by a valuation allowance based on management's assessment of the collectability of specific promise to give balances.

Income Taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended December 31, 2017.

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

Use of Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Notes to the Financial Statements
December 31, 2017**

NOTE 2 – IN-KIND DONATIONS

Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Contributed services that do not meet the above criteria are not recognized as revenues and are not reported in the accompanying financial statements. The Foundation received services from District employees, which includes grant/sponsorship writing, event fund-raising, and development coordination, a portion of which meets the criteria for recognition. Accordingly, contributions have been recorded for the estimated fair value of these services of \$4,112 for the year ending December 31, 2017. These amounts have been included as donations revenue and management and general expenses and fundraising expenses of the Statements of Activities. The Foundation also receives donated services from a variety of unpaid volunteers assisting the Foundation in its programs. However, these donated services are not reflected in the Statements of Activities because the criteria for recognition have not been satisfied.

NOTE 3 – CASH AND INVESTMENTS

At year-end the carrying amount of the Foundation’s cash deposits totaled \$2,419,990 and the bank balances totaled \$2,420,005. The entire balance of deposits was fully insured by federal deposit insurance.

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents Foundation’s financial assets at December 31, 2017:

Financial Assets at Year End:	
Cash and Investments	\$ 2,419,990
Receivables	519,394
	<hr/>
	2,939,384
Less Amounts not Available to be used within one year:	
Net Assets with Donor Restrictions	<hr/>
	-
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<hr/>
	2,939,384
	<hr/>

The Foundation’s goal is to generally maintain financial assets to maximize the annual Birdies for Charity Donation, meet the annual debt certificate requirements for the Aquatic Center until 2025 when the funds can be used as an early payoff for the debt certificate, and provide cash flow for the annual Parktoberfest. As part of its liquidity plan, excess cash will be invested in short term certificates of deposit.

NOTE 5 – NET ASSETS RESTATEMENT

Beginning net assets were increased \$945,536, due to converting the Foundation from the cash basis of accounting to the accrual basis of accounting.

**GENESEO PARK DISTRICT FOUNDATION
GENESEO, ILLINOIS**

**Notes to the Financial Statements
December 31, 2017**

NOTE 6 – PROMISES TO GIVE

Promises to give consist of the following at December 31, 2017:

Current Portion	\$ 32,565
Non-Current Portion (Receivable from 1 to 3 Years)	<u>486,829</u>
Total	<u><u>519,394</u></u>