

**OAKLAND PARKS AND RECREATION
FOUNDATION
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Oakland Parks & Recreation Foundation,
Oakland, California

We have audited the accompanying financial statements of Oakland Parks and Recreation Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities 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 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 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 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakland Parks and Recreation Foundation as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Grant & Smith, LLP

Oakland, California

January 11, 2017



**OAKLAND PARKS AND RECREATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2016**

ASSETS	2016		
	Unrestricted Fund	Temporarily Restricted Fund	Total
Current Assets			
Cash & Cash Equivalents	\$ 77,624	\$ 613,162	\$ 690,786
Grants Receivable	20,000		20,000
Prepaid Expenses	4,142		4,142
Total Current Assets	101,766	613,162	714,928
TOTAL ASSETS	\$ 101,766	\$ 613,162	\$ 714,928
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 20,984	\$ 53,928	\$ 74,912
Accrued Liabilities	1,261		1,261
Total Current Liabilities	22,245	53,928	76,173
Net Assets			
Total Net Assets	79,521	559,234	638,755
TOTAL LIABILITIES & NET ASSETS	\$ 101,766	\$ 613,162	\$ 714,928

See accompanying notes.

**OAKLAND PARKS AND RECREATION FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	2016		
	Unrestricted	Temporarily Restricted	Total
Support			
Government Contracts	\$ 50,000		\$ 50,000
Custodial Income		\$ 895,187	895,187
General Contribution	54,164		54,164
In-Kind Contribution	42,000		42,000
Fundraising	79,667		79,667
Total Support	225,831	895,187	1,121,018
Revenue			
Program Services	49,585		49,585
Investment Income	1,568		1,568
Other Income	4,698		4,698
Net Assets Released From Restriction	934,509	(934,509)	
Total Revenue	990,360	(934,509)	55,851
Total Support & Revenue	1,216,191	(39,322)	1,176,869
Operating Expenses			
Programs	206,781		206,781
General & Administrative	853,240		853,240
Fundraising	124,328		124,328
Total Expenses	1,184,349		1,184,349
CHANGE IN NET ASSETS	31,842	(39,322)	(7,480)
NET ASSETS, BEGINNING OF THE YEAR	47,679	598,556	646,235
NET ASSETS, END OF THE YEAR	\$ 79,521	\$ 559,234	\$ 638,755

See accompanying notes.

**OAKLAND PARKS AND RECREATION FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	2016
Cash Flow From Operating Activities:	
Changes in Net Assets	\$ (7,480)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:	
(Increases)/Decreases in Operating Assets:	
Pledges Receivable	20,000
Prepaid expenses	(4,142)
Increases/(Decreases) in Operating Liabilities:	
Accounts Payable	45,789
Accrued Liabilities	1,261
Net Cash Provided (Used) by Operating Activities	55,428
 Net Increase in Cash	 55,428
 Cash at the Beginning of the Year	 635,358
 Cash at the End of the Year	 \$ 690,786
 <i>Supplement disclosure for cash flow information:</i>	
Cash paid for:	
Interest	_____
Tax	_____

See accompanying notes.

**OAKLAND PARKS AND RECREATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	2016			
	Management & General	Custodial & TRNA	Fundraising	TOTAL
EXPENSES				
Custodial & TRNA Expenses		\$ 851,406	\$ 83,104	\$ 934,510
Personnel Expenses	\$ 104,265			104,265
Professional Fees	36,195		3,378	39,573
Meetings & Travel	992		28,940	29,932
Office Expenses	15,912		4,798	20,710
Grant & Scholarships		1,000		1,000
Occupancy	45,389		3,339	48,728
Insurance	2,711			2,711
Business Expenses	1,317	834	768	2,919
TOTAL EXPENSES	\$ 206,781	\$ 853,240	\$ 124,328	\$ 1,184,349

See accompanying notes.

**OAKLAND PARKS AND RECREATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Oakland Parks and Recreation Foundation, (the Organization) is a California nonprofit organization that provides grants to foster environmental education, recreation, sports, and the beautification of Oakland parks.

Basis of Accounting

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. Under this method, revenues are recorded when rights to receive are earned, or when services have been provided and expenditures are recorded when obligation to pay is incurred.

Financial Statement Presentation

As required, the accompanying financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by the classification of net assets and transactions into the following classes of assets:

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations and that may or will be met by actions of the Organization and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The Organization uses temporarily restricted funds in accordance with donor-imposed restrictions to support specific programs and associated administrative functions. Unrestricted funds are used to support general programs and associated general and administrative functions.

There were no permanently restricted net assets as of June 30, 2016.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

OAKLAND PARKS AND RECREATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the balance sheets and statement of cash flows, the Organization considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired, to be cash equivalents.

Grants Receivable

Accounts receivable consist of amounts due from funding sources, as described in Note 3, and are considered by management to be fully collectible.

Fair Value of Financial Instruments

The carrying amounts of cash equivalents are at approximate fair values due to the short-term maturities of these instruments.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise tax under section 23701(d) of the Revenue and Taxation Code. Accordingly, no provisions for income or franchise taxes have been made. The Organization has been determined by the Internal Revenue Service to be classified as a publicly supported organization as described in Section 509 (a)(1) of the Internal Revenue Code.

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and

**OAKLAND PARKS AND RECREATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization's returns for years 2014 through 2016 are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

Functional Expense Reporting

The cost of providing the Organization's programs has been summarized on a functional basis in these financial statements.

NOTE 2 - CASH & CASH EQUIVALENTS

The balance as of June 30, 2016, consisted of:

Torrey Pines - 4147	\$ 244,959
Torrey Pines - 1320	167,419
Torrey Pines - 1312	277,183
Paypal	1,225
Total	<u>\$ 690,786</u>

Bank accounts with Torrey Pines exceeded the federal insurance coverage by \$439,561.

NOTE 3 - GRANTS & PLEDGES RECEIVABLE

At June 30, 2016, grants and pledges receivable consisted of the following:

Kim Thompson & John Bliss	\$ 20,000
Total	<u>\$ 20,000</u>

**OAKLAND PARKS AND RECREATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

NOTE 4 - NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets released from restriction are as follows:

Custodial TRNA	\$ 934,509
Total	<u>\$ 934,509</u>

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Net assets balance as of June 30, 2016 for temporarily restricted funds represents the unspent portions of grants recorded as current year's increases to net asset balances in accordance with the requirements of *Accounting for Contributions Received and Contributions Made*. These funds are restricted in use for the next fiscal year for the purpose set forth in the grant document.

Temporarily Restricted Net Assets	\$ 559,234
Total	<u>\$ 559,234</u>

NOTE 7 – INVESTMENT INCOME

The Organization receives income from interest-bearing banks accounts from Torrey Pines Bank. These accounts accrue interest at an annual-percent rate of .20%. In year end June 30, 2016, the Organization has accrued \$1361 in interest income.

NOTE 8 – IN-KIND CONTRIBUTION

The Organization recognized in-kind contributions from the City of Oakland in the form of office rent. These contributions and expenses are recognized at the book value of rental of the office space at \$3,500 per month.

NOTE 9 - SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of operations for the period of time from its year end June 30, 2016, through January 11, 2017, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.