

DENTON PARKS FOUNDATION

ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

DENTON PARKS FOUNDATION

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

TABLE OF CONTENTS

Independent Auditors' Report.....	2-3
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-9

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AMERICAN INSTITUTE OF
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ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Denton Parks Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Denton Parks Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Denton Parks Foundation as of December 31, 2015, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2016, on our consideration of Denton Parks Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Denton Parks Foundation's internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn & Seay
A Professional Corporation
Certified Public Accountants

September 26, 2016

DENTON PARKS FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Current Assets:

Cash - checking	\$ 179,293
Cash - money markets	59,543
Cash - certificates of deposit	57,573
Petty cash	<u>100</u>

Total Current Assets \$296,509

Total Assets \$296,509

LIABILITIES AND NET ASSETS

Current Liabilities:

None \$ -

Long-term Liabilities:

None -

Net Assets:

Unrestricted	7,094
Temporarily Restricted	<u>289,415</u>

Total Net Assets 296,509

Total Liabilities and Net Assets \$296,509

See Accompanying Notes to Financial Statements

DENTON PARKS FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
Support:			
Athletic Scholarships	\$ -	\$ 3,400	\$ 3,400
Cinco De Mayo	-	15,874	15,874
Denia Rec Passes	-	120	120
Denia Special Projects	-	75	75
Denton Senior Center	-	38,310	38,310
Eureka 2	-	378,351	378,351
Foothills Foundation	-	102,500	102,500
Friends of the Park	-	15,105	15,105
Juneteenth	-	2,500	2,500
Legacy Forest	-	1,300	1,300
Liberty Run	-	3,900	3,900
Mayor's Mile	-	1,150	1,150
Morale Fund	-	2,730	2,730
Northlake Recreation Center	-	600	600
Quakertown Park	-	1,200	1,200
Reindeer Romp	-	2,800	2,800
Scholarships	-	174	174
Splash Radio	-	1,000	1,000
Youth Sports	-	10,410	10,410
Other Contributions & Grants	8,479	-	8,479
Other Revenue			
Interest and Dividend Income	89	338	427
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	517,076	(517,076)	-
Total Support and Revenue	<u>525,644</u>	<u>64,761</u>	<u>590,405</u>
Expenses:			
Program Services	515,222	-	515,222
Administration	9,217	-	9,217
Total Expenses	<u>524,439</u>	<u>-</u>	<u>524,439</u>
Changes in Net Assets	1,205	64,761	65,966
Net Assets as of Beginning of Year	5,889	224,654	230,543
Net Assets as of End of Year	<u>\$ 7,094</u>	<u>\$289,415</u>	<u>\$296,509</u>

See Accompanying Notes to Financial Statements

DENTON PARKS FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Administration</u>	<u>Total</u>
Expenses:			
Aquatic Scholarships	\$ 916	\$ -	\$ 916
Athletic Scholarships	3,807	-	3,807
Bettye Myers Foundation	3,200	-	3,200
Cinco De Mayo	20,185	-	20,185
Denia Rec Passes	30	-	30
Denton Senior Center	47,547	-	47,547
Executive Director	35,000	-	35,000
Eureka 2	360,151	-	360,151
Friends of the Park	20	-	20
Juneteenth	1,822	-	1,822
Legacy Forest	1,849	-	1,849
Liberty Run	6,416	-	6,416
Mayor's Mile	1,500	-	1,500
Morale Fund	2,426	-	2,426
Northlakes Rec Center	874	-	874
Pound, Peddle, Paddle	75	-	75
Quakertown Park	1,200	-	1,200
Reindeer Romp	2,500	-	2,500
Youth Sports	25,368	-	25,368
Zach Tucker Memorial	253	-	253
Other Program Expenses	83	-	83
Admin Fees	-	6,504	6,504
Advertising	-	106	106
Community Events	-	325	325
Insurance	-	870	870
Memberships	-	720	720
Office Expenses	-	285	285
Parking Expenses	-	8	8
Postage	-	15	15
Printing	-	384	384
Total Expenses	<u>\$ 515,222</u>	<u>\$ 9,217</u>	<u>\$ 524,439</u>

See Accompanying Notes to Financial Statements

DENTON PARKS FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash Flows From Operating Activities:	
Change in net assets	\$ 65,966
(Increase) decrease in accounts receivable	<u>181</u>
Net cash provided by operating activities	<u>66,147</u>
Net increase in cash and cash equivalents	66,147
Cash and cash equivalents as of beginning of year	<u>230,362</u>
Cash and cash equivalents as of end of year	<u>\$ 296,509</u>

See Accompanying Notes to Financial Statements.

DENTON PARKS FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The Denton Parks Foundation is an independent, non-profit agency which is governed by a voluntary board of directors comprised of professionals and concerned citizens from the City of Denton.

The mission of the Parks Foundation is to maintain an association of persons interested in promoting the programs of the Parks and Recreation Department of the City of Denton, Texas, including its youth activities, programs for the handicapped, senior citizens activities and improving the public parks, parkways and the public awareness of the opportunities for improving health and well-being through use of the public facilities and programs available.

Method of Accounting

The financial statements of the Denton Parks Foundation have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation

For the year ended December 31, 2015, the Denton Parks Foundation followed Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117 the Organization is required 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. In addition, the Organization is required to present a statement of cash flows.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other 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, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Services

The value of donated volunteer services is not reflected in the accompanying financial statements. The value of those services is not recorded because an objective value for such services could not be determined.

Income Tax Status

Denton Parks Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation.

DENTON PARKS FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

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

The Denton Parks Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Investments

Financial instruments are considered Level 1 when their values are determined using quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. Level 2 inputs are other than quoted prices included within Level 1, such as quoted prices for similar assets in active or inactive markets, inputs other than quoted prices that are observable for the asset, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

On December 31, 2015 investments consisted of one money market account at First United Bank in the amount of \$59,543, two Certificates of Deposit at Meridian Bank for \$37,084, and two Certificates of Deposit at Access Bank for \$20,490. These investments are using Level 2 measurement for fair value.

Subsequent Events

Management evaluates subsequent events through the date of the report, which is the date the financial statements were available to be issued.