

**DENTON PARKS FOUNDATION**

ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2014

**DENTON PARKS FOUNDATION**

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014

**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

## **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, 2014 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, 2014, 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 22, 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 22, 2016

DENTON PARKS FOUNDATION

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014

---

ASSETS

Current Assets:

Cash - checking	\$ 123,573
Cash - money markets	59,453
Cash - certificates of deposit	47,236
Petty cash	100
Accounts receivable	<u>181</u>

Total Current Assets \$230,543

Total Assets \$230,543

LIABILITIES AND NET ASSETS

Current Liabilities:

None \$ -

Long-term Liabilities:

None -

Net Assets:

Unrestricted	5,889
Temporarily Restricted	<u>224,654</u>

Total Net Assets 230,543

Total Liabilities and Net Assets \$230,543

See Accompanying Notes to Financial Statements

**DENTON PARKS FOUNDATION**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
Support:			
Athletic Scholarships	\$ -	\$ 500	\$ 500
Bettye Myers Foundation	-	8,113	8,113
Bill Terry Scholarship Fund	-	115	115
Cinco De Mayo	-	16,408	16,408
Denia Rec Passes	-	100	100
Denton Senior Center	-	33,076	33,076
Executive Director	-	70,000	70,000
Eureka 2	-	38	38
Friends	-	4,505	4,505
Juneteenth	-	6,354	6,354
Legacy Forest	-	400	400
Liberty Run	-	1,450	1,450
Morale Fund	-	3,974	3,974
Northlake Recreation Center	-	350	350
Pound, Peddle, Paddle	-	300	300
Reindeer Romp	-	2,460	2,460
Scholarships	-	717	717
Splash Park	-	7,005	7,005
Splash Radio	-	4,350	4,350
Water Works	-	50	50
Youth Sports	-	10,785	10,785
Other Contributions & Grants	11,680	-	11,680
Other Revenue			
Interest and Dividend Income	89	239	328
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	148,924	(148,924)	-
Total Support and Revenue	<u>160,693</u>	<u>22,365</u>	<u>183,058</u>
Expenses:			
Program Services	154,053	-	154,053
Administration	9,147	-	9,147
Total Expenses	<u>163,200</u>	<u>-</u>	<u>163,200</u>
Changes in Net Assets	(2,507)	22,365	19,858
Net Assets as of Beginning of Year	8,396	202,289	210,685
Net Assets as of End of Year	<u>\$ 5,889</u>	<u>\$224,654</u>	<u>\$230,543</u>

See Accompanying Notes to Financial Statements

**DENTON PARKS FOUNDATION**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

---

	<u>Program Services</u>	<u>Administration</u>	<u>Total</u>
Expenses:			
Athletic Scholarships	\$ 6,420	\$ -	\$ 6,420
Back to School	175	-	175
Bettye Myers Foundation	3,496	-	3,496
Cemetary Improvements	50	-	50
Cinco De Mayo	12,510	-	12,510
Denia Rec Passes	10	-	10
Denton Senior Center	33,784	-	33,784
Executive Director	35,000	-	35,000
Eureka 2	250	-	250
Friends	263	-	263
Juneteenth	7,558	-	7,558
Legacy Forest	380	-	380
Mayor's Mile	150	-	150
Morale Fund	2,820	-	2,820
Pound, Peddle, Paddle	1,635	-	1,635
Reindeer Romp	2,850	-	2,850
Rotary Foundation	59	-	59
Scholarships	11,290	-	11,290
Splash Radio	4,298	-	4,298
Water Works	10,390	-	10,390
Youth Sports	7,033	-	7,033
Zach Tucker Memorial	723	-	723
Other Program Expenses	12,909	-	12,909
Admin Fees	-	66	66
Audit Fees	-	3,700	3,700
Community Events	-	700	700
Insurance	-	770	770
Memberships	-	972	972
Office Expenses	-	2,049	2,049
Parking Expenses	-	486	486
Postage	-	74	74
Printing	-	330	330
Total Expenses	<u>\$ 154,053</u>	<u>\$ 9,147</u>	<u>\$ 163,200</u>

See Accompanying Notes to Financial Statements

**DENTON PARKS FOUNDATION**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

---

Cash Flows From Operating Activities:	
Change in net assets	\$ 19,858
(Increase) decrease in accounts receivable	<u>(181)</u>
Net cash provided by operating activities	<u>19,677</u>
Net increase in cash and cash equivalents	19,677
Cash and cash equivalents as of beginning of year	<u>210,685</u>
Cash and cash equivalents as of end of year	<u>\$ 230,362</u>

See Accompanying Notes to Financial Statements.



# DENTON PARKS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014

---

### **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, 2014, 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, 2014

---

#### 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, 2014 investments consisted of one money market account at First United Bank in the amount of \$59,453, two Certificates of Deposit at Meridian Bank for \$36,899, and one Certificate of Deposit at Access Bank for \$10,337. 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.