

REGIONAL PARKS FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017**

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INTRODUCTORY SECTION

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REGIONAL PARKS FOUNDATION
Financial Statements
For the Year Ended December 31, 2017

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REGIONAL PARKS FOUNDATION

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

DECEMBER 31, 2017

BOARD OF DIRECTORS

William Yarborough
Chip Conradi
John Dilsaver
Robert Jacques
Lisa Baldinger
Jess Brown
Christina Clark
Patricia Deutsche
Nathan Falk
Les Hausrath
Audree Jones-Taylor
Peter Liu
Jenny Mack
John Martin
Thomas Meier
Helane Morrison
Brian Sharpes
George Sloan
Steve Wood

MANAGEMENT

Carol Johnson, Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Regional Parks Foundation
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Regional Parks Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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. 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 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Parks Foundation as of December 31, 2017, 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 Summarized Comparative Information

We have previously audited the Regional Parks Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazel & Associates

Pleasant Hill, California

April 4, 2018

REGIONAL PARKS FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2B)	\$1,077,474	\$599,306
Investments (Note 3)	3,972,696	3,459,942
Contributions receivable	150,084	608
Grants receivable (Note 4)	1,004,916	
Prepaid expenses	84,511	105,871
Total Current Assets	6,289,681	4,165,727
Property and equipment, net of accumulated depreciation of \$60,454 and \$60,885, respectively (Note 5)	19,886	2,630
Total Assets	\$6,309,567	\$4,168,357
LIABILITIES		
Current Liabilities:		
Accounts payable	\$17,766	\$87,401
Accrued liabilities	6,447	21,616
Total Current Liabilities	24,213	109,017
NET ASSETS (NOTE 2A)		
Unrestricted (Note 6A)	1,219,759	607,562
Board designated (Note 6B)	411,523	359,508
Total Unrestricted	1,631,282	967,070
Temporarily restricted (Note 6C)	4,327,543	2,765,741
Permanently restricted (Note 6D)	326,529	326,529
Total Net Assets	6,285,354	4,059,340
Total Liabilities and Net Assets	\$6,309,567	\$4,168,357

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2017</u>	<u>2016</u>
REVENUES					
Private gifts, grants and benefits	\$443,868	\$2,022,492		\$2,466,360	\$1,393,658
Contributed services and property (Note 8)	787,238			787,238	4,388,873
Membership fees	830,646	32,840		863,486	766,489
Investment income (Note 3)	479,761	65,931		545,692	206,438
Net assets released from restrictions:					
Satisfaction of usage requirements (Note 6C)	<u>559,461</u>	<u>(559,461)</u>			
Total Revenues	<u>3,100,974</u>	<u>1,561,802</u>		<u>4,662,776</u>	<u>6,755,458</u>
EXPENSES					
Program services	1,929,357			1,929,357	5,643,296
Supporting services:					
General and administrative	267,326			267,326	288,736
Fundraising and development	<u>240,079</u>			<u>240,079</u>	<u>220,815</u>
Total Expenses	<u>2,436,762</u>			<u>2,436,762</u>	<u>6,152,847</u>
Change in Net Assets	<u>664,212</u>	<u>1,561,802</u>		<u>2,226,014</u>	<u>602,611</u>
Net Assets at Beginning of Year	<u>967,070</u>	<u>2,765,741</u>	<u>\$326,529</u>	<u>4,059,340</u>	<u>3,456,729</u>
Net Assets at End of Year	<u>\$1,631,282</u>	<u>\$4,327,543</u>	<u>\$326,529</u>	<u>\$6,285,354</u>	<u>\$4,059,340</u>

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	General & Administrative	Fundraising & Development	Totals	
				2017	2016
FUNCTIONAL EXPENSES					
In kind property distributions (Note 8)					\$3,750,000
Support for EBRPD (Note 9)	\$814,350			\$814,350	939,991
In kind labor distributions (Note 8)	787,238			787,238	638,873
Scholarships	327,769			327,769	314,432
Membership program			\$162,205	162,205	145,130
Marketing, collateral and graphic design		\$62,353		62,353	59,559
Computer expense		44,834		44,834	39,652
Contract services		37,427		37,427	48,105
Bank charges		21,289		21,289	28,832
Investment expense		30,613		30,613	22,535
Grant writing and database consulting			37,695	37,695	49,516
Conferences and meetings		18,011		18,011	22,145
Legal and accounting		24,279		24,279	22,026
Professional services			40,179	40,179	26,169
Postage and courier fees		3,513		3,513	4,408
Dues and subscriptions		4,474		4,474	3,764
Depreciation (Note 5)		6,982		6,982	1,898
Travel and entertainment		2,197		2,197	7,500
Taxes		2,441		2,441	1,234
D & O Insurance		1,325		1,325	1,400
Office supplies		3,045		3,045	13,203
Public relations/Promotion		4,243		4,243	12,475
Bad debt		300		300	
Total Functional Expenses	<u>\$1,929,357</u>	<u>\$267,326</u>	<u>\$240,079</u>	<u>\$2,436,762</u>	<u>\$6,152,847</u>

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$2,226,014	\$602,611
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	6,982	1,898
Unrealized (gains) on investments	(400,496)	(3,738)
Changes in operating assets and liabilities:		
Contributions receivable	(149,476)	(463)
Grants receivable	(1,004,916)	
Prepaid expenses	21,360	(24,902)
Accounts payable	(69,635)	(12,677)
Accrued liabilities	(15,169)	(14,074)
Net Cash Provided by Operating Activities	614,664	548,655
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(24,238)	(739)
Purchase of investments	(964,802)	(2,898,969)
Proceeds from sale of investments	852,544	2,220,830
Net Cash (Used) by Investing Activities	(136,496)	(678,878)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	478,168	(130,223)
Cash and cash equivalents, beginning of year	599,306	729,529
Cash and cash equivalents, end of year	\$1,077,474	\$599,306
SUPPLEMENTAL DISCLOSURES:		
Non-Cash Activities:		
Contribution of property		\$3,750,000

No taxes or interest were paid by the Foundation during 2017 or 2016.

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 - ORGANIZATION

The Regional Parks Foundation (the Foundation) was established in 1969 to support the East Bay Regional Park District (the District). The Regional Parks Foundation supports the East Bay Regional Park District through fundraising to provide universal access, environmental stewardship, educational and recreational programs and the acquisition of parklands. At the Regional Parks Foundation we believe connections with nature are critical for leading a healthy, balanced life. Every day, we provide resources to ensure underserved populations have equal access to nature through the East Bay Regional Park District's parks, trails, programs and services. When we do, lives are changed, and we inspire the next generation of environmental stewards to value and protect open space and the environment. Sources of revenue and support include direct public support, interest income, and contributed services and property.

The Foundation is not a direct employer. The District contributes the services of its employees to the Foundation (see Note 8). In addition, the District owns the majority of furniture, fixtures and equipment, as well as buildings used by the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, 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.

The financial statements are presented on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Under the provisions of ASC No. 958, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation, and changes therein, are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that are to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned or related investments for general or specific purposes.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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B. *Cash and Cash Equivalents*

The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents were \$1,077,474 and \$599,306 at December 31, 2017 and 2016, respectively.

C. *Investments*

The Foundation accounts for investments under FASB 958 (formerly, SFAS No. 124, “*Accounting for Certain Investments Held by Not-for-Profit Organizations.*”) Under FASB ASC 958, investments are reported at their fair values in the statement of financial position. Fair values are provided by quoted market prices. Investment income, gains and losses are included as increases or decreases in unrestricted, temporarily restricted, or permanently restricted net assets in the statement of activities.

D. *Property and Equipment*

Property and equipment are recorded at cost, unless they are donated. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets for a specific purpose. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The Foundation capitalizes property and equipment with an original cost in excess of \$500. Expenses for maintenance and repairs are charged to expenses as incurred. Replacements and capital improvements of assets are capitalized. The Foundation has assigned a useful life of five years to all fixed assets.

E. *Contributions*

The Foundation accounts for contributions under FASB ASC 958 (formerly, SFAS No. 116, “*Accounting for Contributions Received and Contributions Made,*”) whereby contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Restrictions that are met in the year received are recorded as unrestricted.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets 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.

F. *Designated Support*

All unrestricted financial support received by the Foundation is considered to be designated by the Board of Directors to support programs which benefit the East Bay Regional Park District.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Income Taxes*

The Foundation is exempt from income tax under Section 501(c)(3) of The U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Foundation paid no taxes on unrelated business income in the years ended December 31, 2017 or 2016.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Foundation's tax returns remain open for federal income tax examination for three years from the date of filing.

H. *Use of Estimates*

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

I. *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The three levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

**REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Comparative Data

The financial statement information for the year ended December 31, 2016, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statements for that fiscal year.

NOTE 3 - INVESTMENTS

The Foundation's investment policy allows management to invest in the following investment types:

Authorized Investment Type	% of Portfolio	Maximum Investment In One Issuer
Short Term Pool		
Equities	0-20%	10%
Fixed Income	0%	N/A
Alternative Investment	0%	N/A
Cash & Equivalents	80-100%	N/A
Medium Term Pool		
Equities - Domestic	15-40%	10%
Equities -International	5-15%	10%
Fixed Income	40-80%	10%
Alternative Investment	0-10%	N/A
Cash & Equivalents	0-100%	N/A
Long Term Pool		
Equities - Domestic	25-60%	10%
Equities -International	10-40%	10%
Fixed Income	20-50%	10%
Alternative Investment	0-20%	10%
Cash & Equivalents	0-10%	N/A

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 3 – INVESTMENTS (Continued)

Substantially all of the Foundation’s investments are in the custody of and managed by eight different investment management firms with coordination and oversight provided by UBS Financial Services, Inc. The following table summarizes the Foundation’s investments at December 31:

	Fair Value (Level 1)	
	2017	2016
Stocks/Bonds	\$892,446	\$853,661
Equities	2,499,913	1,889,754
Mutual funds	489,619	459,448
UBS money market	90,718	257,079
Totals	\$3,972,696	\$3,459,942

Investment return consisted of the following for the years ended December 31:

	2017	2016
Dividends and interest income	\$86,336	\$76,700
Realized gain on investments	58,986	126,000
Unrealized gain (loss) on investments	400,370	3,738
Total	\$545,692	\$206,438

NOTE 4 - GRANTS RECEIVABLE

Grants receivable consists of amounts awarded but not yet paid and due within the next year. At December 31, 2017 the balance of grants receivable was \$1,004,916 which consisted of a \$1,000,000 grant from the Wayne and Gladys Valley Foundation.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2017	2016
Computer equipment	\$80,340	\$63,515
Accumulated depreciation	(60,454)	(60,885)
Property and Equipment, net	\$19,886	\$2,630

Depreciation expense was \$6,982 and \$1,898 at December 31, 2017 and 2016, respectively.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 6 - NET ASSETS

A. Unrestricted

Unrestricted net assets are not subject to donor-imposed stipulations. Unrestricted net assets at December 31, 2017 and 2016, amounted to \$1,219,759 and \$607,562, respectively.

B. Board Designated Regional Park Foundation Endowment

In 2008 the Foundation established the Regional Park Foundation Endowment Fund (Fund). The purpose of the Fund is to support projects to further the charitable and educational purposes of the East Bay Regional Parks District. The intent of the Fund is to provide a permanent source of income for the stated purposes on a long-term basis. Only a portion of the earnings of the Fund will be spent with the excess being added to the principal balance. In 2008 the Foundation made an initial contribution in the form of a Quasi Endowment by designating \$250,000 from the Foundation's Unrestricted/Net Assets to the Fund. The Board Designated Endowment Fund at December 31, 2017 and 2016, amounted to \$411,523 and \$359,508, respectively.

C. Temporarily Restricted

Temporarily restricted net assets represent contributions whose use by Regional Parks Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of Regional Parks Foundation pursuant to those stipulations. At December 31, 2017 and 2016, temporarily restricted net assets consisted of the following purpose restricted net assets:

	2017	2016
Funds for Parks	\$3,824,248	\$2,402,319
Youth Development	199,006	156,736
Environmental Restoration and Enhancement	102,583	67,044
Other	201,706	139,642
Total	<u>\$4,327,543</u>	<u>\$2,765,741</u>

For the year ended December 31, 2017 and 2016, net assets were released from restriction for the following:

	2017	2016
Funds for Parks	\$298,552	\$455,288
Youth Development	243,269	210,205
Environmental Restoration and Enhancement	13,813	9,546
Other	3,827	3,063
Total	<u>\$559,461</u>	<u>\$678,102</u>

**REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 6 - NET ASSETS (Continued)

D. Permanently Restricted

Permanently restricted net assets represent contributions whose use by the Regional Park Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Investment income is reported as an increase in unrestricted, temporarily restricted, or permanently restricted net assets, depending on donor stipulations, if any, on the use of the income.

Campership Program - A permanently restricted contribution of \$40,000 was received in 2000. Interest income earned on these assets is restricted for use in the Campership program.

Regional Park Foundation Endowment - Permanently restricted contributions of \$66,750 have been received as of December 31, 2017. These contributions are associated with the purposes of the Regional Park Foundation Endowment Fund.

Botanic Garden Endowment – Permanently restricted contributions of \$219,779 have been received as of December 31, 2017. Interest income earned on these assets is restricted for the specific charitable and educational programs related to the East Bay Regional Park District's Botanic Garden.

At December 31, the balances of these funds are as follows:

	<u>2016</u>	<u>Additions</u>	<u>2017</u>
Campership Program	\$40,000		\$40,000
Regional Park Foundation Endowment	66,750		66,750
Botanic Garden Endowment	<u>219,779</u>		<u>219,779</u>
Permanently Restricted Assets	<u>\$326,529</u>	<u>\$0</u>	<u>\$326,529</u>

NOTE 7 - ENDOWMENTS

In 2009, the FASB issued ASC 958-205-45, Classification of Donor Restricted Endowment Funds Subject to UPMIFA, which provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA was enacted in California on September 30, 2009 with an effective date of January 1, 2009. The net asset classification provisions of FASB ASC 958-205-45 were adopted by the Foundation in 2009.

The Foundation has investment policies that attempt to provide a predictable stream of funding to programs supported by operations as well as endowment donations. Endowment assets include those assets of donor-restricted funds that the Foundation may hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Assets are invested in a manner that is intended to produce results that exceed the respective benchmark while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 7 – ENDOWMENTS (Continued)

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

The endowment net asset composition by type of fund as of December 31, 2017, consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds		\$173,180	\$326,529	\$499,709
Board-designated endowment funds	\$411,523			411,523
Total fund	<u>\$411,523</u>	<u>\$173,180</u>	<u>\$326,529</u>	<u>\$911,232</u>

The changes in endowment net assets for the year ended December 31, 2017, consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$359,508	\$111,077	\$326,529	\$797,114
Investment Return:				
Investment income	8,732	10,047		18,779
Unrealized Gain (Loss)	46,622	55,884		102,506
Net appreciation (depreciation)	55,354	65,931		121,285
Release of assets for fees and taxes	(3,339)	(3,828)		(7,167)
Endowment net assets, end of year	<u>\$411,523</u>	<u>\$173,180</u>	<u>\$326,529</u>	<u>\$911,232</u>

The endowment net asset composition by type of fund as of December 31, 2016, consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds		\$111,077	\$326,529	\$437,606
Board-designated endowment funds	\$359,508			359,508
Total fund	<u>\$359,508</u>	<u>\$111,077</u>	<u>\$326,529</u>	<u>\$797,114</u>

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 7 – ENDOWMENTS (Continued)

The changes in endowment net assets for the year ended December 31, 2016, consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$361,725	\$61,420	\$326,279	\$749,424
Investment Return:				
Investment income	8,868	9,635		18,503
Unrealized Gain (Loss)	16,751	18,085		34,836
Net appreciation (depreciation)	25,619	27,720		53,339
Contributions			250	250
Transfer of funds to adjust prior year	(25,000)	25,000		
Release of assets for fees and taxes	(2,836)	(3,063)		(5,899)
Endowment net assets, end of year	<u>\$359,508</u>	<u>\$111,077</u>	<u>\$326,529</u>	<u>\$797,114</u>

NOTE 8 - CONTRIBUTED SERVICES, SUPPLIES AND PROPERTY

Contributed services, supplies, and property are recorded at estimated fair value at the date of the donation. Fair value is determined by appraisals or estimates made by the Foundation. During 2017 and 2016, the Foundation received contributed services, supplies, and property with an estimated fair value of \$787,238 and \$4,388,873, respectively.

Of this amount, the donors contributed staffing and other services valued at and \$787,238 and \$638,873 for the years ended December 31, 2017 and 2016, respectively. These amounts are reflected as both revenue and expense in the statement of activities.

NOTE 9 - RELATED PARTY TRANSACTIONS

For the years ended December 31, 2017 and 2016, respectively, the Foundation made distributions of \$814,350 and \$939,991 to the East Bay Regional Park District to support the programs, services, and projects at the respective parks.

NOTE 10 - CONCENTRATIONS

A. Contributors

In 2017 and 2016, respectively, the East Bay Regional Park District contributed services that accounted for 17% and 21%, of the Foundation's support and revenue, excluding the one-time contribution of property received in 2016.

REGIONAL PARKS FOUNDATION
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NOTE 10 - CONCENTRATIONS (Continued)

B. *Membership Fees*

In 2017 and 2016, respectively, park membership fees accounted for 19% and 26% of the Foundation's total support and revenue, excluding the one-time contribution of property received in 2016.

NOTE 11 – SUBSEQUENT EVENTS

Regional Parks Foundation evaluated subsequent events for recognition and disclosure through April 4, 2018, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2017 that requires recognition or disclosure in such financial statements.