

REGIONAL PARKS FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020**

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INTRODUCTORY SECTION

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REGIONAL PARKS FOUNDATION
Financial Statements
For the Year Ended December 31, 2020

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REGIONAL PARKS FOUNDATION

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

DECEMBER 31, 2020

BOARD OF DIRECTORS

Jess Brown
Peter Liu
Thomas Meier
Les Hausrath
Lisa Baldinger
Bob Brown
Nik Dehejia
Patricia Deutsche
Renee Kemp
Bruce Kern
John Martin
Amber Miksza
Helane Morrison
Holly Potter
Taj Tashombe
Jack Uhalde
Keith White
Geoffrey Zimmerman

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 (Foundation), a nonprofit organization, which comprise the statement of financial position as of December 31, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maze & Associates

Pleasant Hill, California
April 15, 2021

REGIONAL PARKS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2B)	\$1,617,891	\$2,460,089
Investments (Note 3)	2,496,189	5,708,622
Accounts receivable	211,561	61,095
Contributions receivable	490	
Prepaid expenses	24,312	95,745
Total Current Assets	4,350,443	8,325,551
Non-Current Assets:		
Long-term investments (Note 3)	5,458,043	1,530,956
ECCCHC/NCCP Endowment (Note 3)	3,440,297	
Property and equipment, net of accumulated depreciation of \$80,340 and \$77,499, respectively (Note 4)		2,841
Total Non-Current Assets	8,898,340	1,533,797
Total Assets	\$13,248,783	\$9,859,348
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$19,625	\$56,077
Accrued liabilities	715,676	
Total Liabilities	735,301	56,077
Net Assets (Note 2A):		
Without donor restrictions	3,381,297	2,819,577
With donor restrictions (Note 6)	9,132,185	6,983,694
Total Net Assets	12,513,482	9,803,271
Total Liabilities and Net Assets	\$13,248,783	\$9,859,348

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	<u>Totals</u>	
			2020	2019
SUPPORT, REVENUE AND GAINS				
Private gifts, grants and benefits	\$897,227	\$3,287,703	\$4,184,930	\$3,437,701
Contributed services and supplies (Note 2F)	1,157,661		1,157,661	818,932
Membership fees	830,095	78	830,173	955,715
Net investment return (Note 3)	454,843	644,885	1,099,728	848,378
Special events, net (Note 9)				65,883
Net assets released from restrictions:				
Satisfaction of usage requirements (Note 6)	1,784,175	(1,784,175)		
	<u>5,124,001</u>	<u>2,148,491</u>	<u>7,272,492</u>	<u>6,126,609</u>
Total Support, Revenue and Gains				
EXPENSES				
Program services	4,127,322		4,127,322	2,522,074
Supporting services:				
General and administrative	269,221		269,221	450,691
Fundraising and development	165,738		165,738	228,400
	<u>4,562,281</u>		<u>4,562,281</u>	<u>3,201,165</u>
Total Expenses				
Changes in Net Assets	<u>561,720</u>	<u>2,148,491</u>	<u>2,710,211</u>	<u>2,925,444</u>
Net Assets at Beginning of Year	<u>2,819,577</u>	<u>6,983,694</u>	<u>9,803,271</u>	<u>6,877,827</u>
Net Assets at End of Year	<u><u>\$3,381,297</u></u>	<u><u>\$9,132,185</u></u>	<u><u>\$12,513,482</u></u>	<u><u>\$9,803,271</u></u>

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	General & Administrative	Fundraising & Development	Totals	
				2020	2019
FUNCTIONAL EXPENSES					
Support for EBRPD (Note 10)	\$2,387,519			\$2,387,519	\$1,293,517
In kind labor distributions (Note 2F)	1,157,661			1,157,661	818,932
Scholarships and program support	501,518			501,518	348,179
Membership program			\$100,862	100,862	161,847
Marketing, collateral and graphic design		\$44,526		44,526	28,320
Computer expense		70,073		70,073	48,653
Contract services		52,382		52,382	204,716
Bank charges		18,492		18,492	20,483
Fundraising and appeals			35,007	35,007	39,103
Conferences and meetings		11,479		11,479	74,991
Legal and accounting		14,768		14,768	30,492
Professional and grants writing services			29,869	29,869	27,450
Postage and courier fees		7,440		7,440	5,303
Dues and subscriptions		7,884		7,884	12,634
Depreciation (Note 4)		2,841		2,841	8,412
Travel and entertainment		5,927		5,927	14,418
Taxes		150		150	5,190
D & O insurance		1,981		1,981	2,181
Office supplies		7,777		7,777	4,743
Public relations/promotion	78,124	12,619		90,743	10,422
Advocacy	2,500			2,500	22,010
Printing		10,882		10,882	19,169
Total Functional Expenses	\$4,127,322	\$269,221	\$165,738	\$4,562,281	\$3,201,165

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$2,710,211	\$2,925,444
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	2,841	8,412
Unrealized loss (gains) on investments	986,872	585,796
Changes in operating assets and liabilities:		
Accounts receivable	(150,466)	(61,095)
Contributions receivable	(490)	5,360
Prepaid expenses	71,433	(8,285)
Accounts payable	(36,452)	(4,689)
Accrued liabilities	715,676	(29,625)
Net Cash Provided by Operating Activities	4,299,625	3,421,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,089,388)	(8,641,363)
Proceeds from sale of investments	4,048,121	5,231,420
Endowment	(3,100,556)	
Net Cash (Used) by Investing Activities	(5,141,823)	(3,409,943)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(842,198)	11,375
Cash and Cash Equivalents, Beginning of Year	2,460,089	2,448,714
Cash and Cash Equivalents, End of Year	\$1,617,891	\$2,460,089
SUPPLEMENTAL DISCLOSURES:		
No taxes or interest were paid by the Foundation during 2020 or 2019.		
Noncash activities:		
In-kind labor	\$1,157,661	\$818,932

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 2F). 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

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 (GAAP). The 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*.

The Foundation reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment, and all other financial support without donor restrictions received by the Foundation is considered designated to support programs which benefit the East Bay Regional Park District.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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 \$1,617,891 and \$2,460,089 at December 31, 2020 and 2019, respectively.

C. Investments

Investments are reported at their fair values in the statement of financial position using readily determinable market values. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

D. Receivables

Contributions and accounts receivable are stated at the amount the Foundation's management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation based on its assessment of the current status of individual accounts. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2020 and 2019, respectively.

E. Property and Equipment

The Foundation capitalizes property and equipment over \$500 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets assigned at 5 years for all fixed assets. Expenses for maintenance and repairs are charged to expenses as incurred. Replacements and capital improvements of assets are capitalized.

F. Support and Other Revenue

Contributions consist of grants and gifts from individuals, corporations, and foundations. 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. Membership fees are recorded as income when received.

Contributed services and supplies are recorded at the estimated fair value at the date of the donation. Fair value is determined by appraisals or estimates made by the Foundation. During 2020 and 2019, the Foundation received contributed services and supplies from the District with an estimated fair value of \$1,157,661 and \$818,932, respectively. These amounts are reflected as both revenue and expense in the statement of activities.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Advertising Costs

Advertising costs are expensed as incurred.

H. Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on the type of expense.

I. 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, 2020 or 2019, respectively.

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.

J. 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.

K. Fair Value Measurements

The Foundation reports certain assets and liabilities at fair value in the financial statements. 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 observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Foundations develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

L. Financial Instruments and Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash and investments. The Foundation holds substantially all of its cash with one financial institution, and substantially all of its investments with another financial institution. These balances may at times exceed FDIC and SIPC insurance limits. The Organization invests only with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity.

M. Comparative Data

The financial statement information for the year ended December 31, 2019, 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.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Subsequent Events

Regional Parks Foundation evaluated subsequent events for recognition and disclosure through April 15, 2021, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2020 that requires recognition or disclosure in such financial statements.

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
<i>Foundation Portfolio:</i>		
Short-Term Pool		
Equities	0%	10%
Fixed Income	0-20%	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
<i>ECCCHC/NCCP Endowment Fund:</i>		
Equities - Domestic	35-65%	N/A
Equities -International	20-40%	N/A
Fixed Income	15-45%	N/A
Alternative Investment	0-30%	N/A
Cash & Equivalents	0-10%	N/A

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 3 – INVESTMENTS (Continued)

As of December 31, 2020 and 2019, respectively, the Foundation’s investment portfolio was in compliance with its investment policy.

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)	
	2020	2019
<u>Foundation:</u>		
<i>Investments:</i>		
Stocks and bonds	\$2,814,877	\$2,681,380
Equities	4,124,689	4,558,198
Mutual funds	1,014,666	
Sub-total	7,954,232	7,239,578
 <i>Cash Equivalents:</i>		
UBS money market	668,722	1,119,386
Totals	\$8,622,954	\$8,358,964
	Fair Value (Level 3)	
	2020	2019
<u>ECCCCHC/NCCP Endowment Fund:</u>		
<i>Investments:</i>		
Stocks and bonds	\$467,432	
Equities	2,555,152	
Mutual funds	382,942	
Sub-total	3,405,526	
 <i>Cash Equivalents:</i>		
UBS money market	34,771	
Totals	\$3,440,297	

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2020 or 2019, respectively.

Cash Equivalents – consist primarily of money market funds and are valued at the closing prices reported on the active markets in which the securities are traded at fiscal year end.

Investments – are valued at quoted market prices in active markets or require using significant unobservable inputs.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 3 – INVESTMENTS (Continued)

Investments classified as Level 1 are valued using quoted prices in active markets. Although the underlying investments in the ECCCHC/NCCP Endowment Fund are measured at Level 1 and Level 2 inputs, the Fund itself is not publicly traded nor can it be valued based on observable direct or indirect inputs. Accordingly, it is classified as a Level 3 measurement. The valuation methodologies used by the Foundation may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Net investment return consisted of the following for the years ended December 31:

	2020	2019
<u>Foundation:</u>		
Dividends and interest income	\$146,813	\$200,512
Realized gain on investments	2	104,837
Unrealized gain (loss) on investments	656,119	585,796
Investment expense	(46,471)	(42,767)
Net investment return	\$756,463	\$848,378
	2020	2019
<u>ECCCHC/NCCP Endowment Fund:</u>		
Dividends and interest income	\$15,668	
Realized gain on investments		
Unrealized gain (loss) on investments	330,753	
Investment expense	(3,156)	
Net investment return	\$343,265	

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Computer equipment	\$80,340	\$80,340
Accumulated depreciation	(80,340)	(77,499)
Property and Equipment, net		\$2,841

Depreciation expense was \$2,841 and \$8,412 at December 31, 2020 and 2019, respectively.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 5 – BOARD DESIGNATED NET ASSETS

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 Net Assets to the Fund. The Board Designated Endowment Fund at December 31, 2020 and 2019, amounted to \$477,489 and \$444,969, respectively.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2020	2019
<i>Subject to expenditure for specified purpose:</i>		
Funds for Parks	\$5,049,664	\$6,127,667
Youth Development		203,770
Environmental Restoration and Enhancement	24,013	65,486
Tilden Regional Park Carousel Restoration	21,031	21,031
Signature Event	28,922	28,922
	5,123,630	6,446,876
<i>Endowments:</i>		
Subject to the Foundation's endowment spending policy and appropriation:		
Campership Program	40,488	40,488
Educational programs, camperships and environmental remediation	127,841	120,517
Botanic Garden	399,929	375,813
East Contra Costa County HCP/NCCP	3,440,297	
	4,008,555	536,818
Total Endowments		
Total Net Assets With Donor Restrictions	\$9,132,185	\$6,983,694

**REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

For the years ended December 31, 2020 and 2019, net assets were released from restriction for the following:

	2020	2019
Funds for Parks	\$1,489,471	\$833,211
Youth Development	235,878	232,603
Environmental Restoration and Enhancement	49,472	45,243
Tilden Regional Park Carousel Restoration	4,472	1,901
Botanic Garden		93,521
Educational Programs, Camperships and Environmental Remediation	1,358	767
East Contra Costa County HCP/NCCP	3,524	
Total	\$1,784,175	\$1,207,246

NOTE 7 – ENDOWMENTS

The Foundation’s endowment consists of 4 individual funds established by donors for the following purposes:

Campership Program – A donor-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 – Donor-restricted contributions of \$66,750 were received in 2008. These contributions are associated with the purposes of the Regional Park Foundation Endowment Fund.

Botanic Garden Endowment – Donor-restricted contributions of \$219,779 were received in 1991. 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.

East Contra Costa County Habitat Conservation Plan/Natural Community Conservation Plan(ECCC HCP/NCCP) Endowment – Donor-restricted contributions of \$3,100,556 have been received as of December 31, 2020. Interest income earned on these assets is restricted for the long-term management and monitoring of the Preserve System after the end of the Permit Term (2037).

The donor contributions are maintained in perpetuity, the income of which is expendable for the donors’ intended purpose in proportion to each fund’s percentage of the total endowment fund corpus. Annual distributions are in accordance with the Organization’s distribution policy.

The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors (see Note 5).

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 7 – ENDOWMENTS (Continued)

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of the Foundation has interpreted UPMIFA as not requiring the preservation of the fair value of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the organization and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

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.

As of December 31, 2020, the Foundation had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$4,008,555	\$4,008,555
Board-designated endowment funds	\$477,489		477,489
Total fund	\$477,489	\$4,008,555	\$4,486,044

As of December 31, 2019, the Foundation had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$536,818	\$536,818
Board-designated endowment funds	\$444,969		444,969
Total fund	\$444,969	\$536,818	\$981,787

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 7 – ENDOWMENTS (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2020 and 2019, respectively, the Foundation had no underwater endowments.

Investment and Spending Policies

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 changes in endowment net assets for the year ended December 31, 2020, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$444,969	\$536,818	\$981,787
Contributions		3,100,556	3,100,556
Investment Return:			
Investment income	7,904	19,440	27,344
Unrealized Gain (Loss)	26,476	361,097	387,573
Net appreciation (depreciation)	34,380	380,537	414,917
Release of assets for fees and taxes	(1,860)	(9,355)	(11,215)
Endowment net assets, end of year	<u>\$477,489</u>	<u>\$4,008,556</u>	<u>\$4,486,045</u>

The changes in endowment net assets for the year ended December 31, 2019, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$396,253	\$482,249	\$878,502
Investment Return:			
Investment income	14,129	16,245	30,374
Unrealized Gain (Loss)	35,765	40,991	76,756
Net appreciation (depreciation)	49,894	57,236	107,130
Release of assets for fees and taxes	(1,178)	(2,667)	(3,845)
Endowment net assets, end of year	<u>\$444,969</u>	<u>\$536,818</u>	<u>\$981,787</u>

**REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, is as follows as of December 31:

	2020	2019
Total current financial assets:		
Cash and cash equivalents	\$1,617,891	\$2,460,089
Investments	7,954,232	7,239,578
Accounts receivable	211,561	61,095
Contributions receivable	490	
Total current financial assets	9,784,174	9,760,762
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions for specific purposes	(9,132,185)	(6,983,694)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$651,989	\$2,777,068

NOTE 9 – SPECIAL EVENTS

The Foundation held no special events during the year ended December 31, 2020. Income from the Foundation's 50th Anniversary Gala event consisted of the following for the year ended December 31, 2019.

	2019
Contributions and sponsorships	\$296,426
Less cost of direct donor benefit	(230,543)
Total	\$65,883

NOTE 10 – RELATED PARTY TRANSACTIONS

For the years ended December 31, 2020 and 2019, respectively, the Foundation made distributions of \$2,387,519 and \$1,293,517 to support the programs, services, and projects at the respective parks. The fiscal year 2020 distributions were comprised of \$2,168,044 in direct payments to the East Bay Regional Park District and \$219,475 paid to external vendors. In addition, the Foundation paid \$430,368 to the East Bay Regional Park District for scholarships, program support and membership reimbursements.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 11 – CONCENTRATIONS

A. *Contributors*

In 2020 and 2019, respectively, the East Bay Regional Park District contributed services that accounted for 16% and 13% of the Foundation's support and revenue.

B. *Membership Fees*

In 2020 and 2019, respectively, Foundation park membership fees accounted for 11% and 15% of the Foundation's total support and revenue.

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