

**GUADALUPE RIVER PARK CONSERVANCY
(A CALIFORNIA NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2018

GUADALUPE RIVER PARK CONSERVANCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
GUADALUPE RIVER PARK CONSERVANCY

We have audited the accompanying financial statements of Guadalupe River Park Conservancy (a California nonprofit corporation), which comprise the statement of financial position as of December 31, 2018, 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 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 Guadalupe River Park Conservancy as of December 31, 2018, 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.

A handwritten signature in black ink, appearing to read "Joseph L.", is written over a light blue horizontal line.

Iryna Accountancy Corporation

Oakland, California
July 12, 2019

GUADALUPE RIVER PARK CONSERVANCY

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash	\$ 26,181	\$ 451,936	\$ 478,117
Grants and other receivable	18,219	21,019	39,238
Prepaid expenses	8,493	-	8,493
TOTAL CURRENT ASSETS	<u>52,893</u>	<u>472,955</u>	<u>525,848</u>
Investments	14,085	-	14,085
Endowment assets	9,078	6,075	15,153
Property and equipment, net	34,820	-	34,820
TOTAL OTHER ASSETS	<u>57,983</u>	<u>6,075</u>	<u>64,058</u>
TOTAL ASSETS	\$ <u><u>110,876</u></u>	\$ <u><u>479,030</u></u>	\$ <u><u>589,906</u></u>
LIABILITIES			
Accounts payable	\$ 6,725	\$ -	\$ 6,725
Employment liabilities	32,500	-	32,500
TOTAL LIABILITIES	<u>39,225</u>	<u>-</u>	<u>39,225</u>
NET ASSETS			
Without donor restrictions			
Undesignated	62,573	-	62,573
Board designated endowment	9,078	-	9,078
With donor restrictions			
Perpetual in nature	-	6,000	6,000
Purpose and time restrictions	-	473,030	473,030
TOTAL NET ASSETS	<u>71,651</u>	<u>479,030</u>	<u>550,681</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>110,876</u></u>	\$ <u><u>479,030</u></u>	\$ <u><u>589,906</u></u>

See Accompanying Notes and Independent Auditor's Report.

GUADALUPE RIVER PARK CONSERVANCY

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Purpose and time restrictions</u>	<u>Perpetual in nature</u>	
REVENUE AND SUPPORT				
Support				
Grants and contributions	\$ 145,858	\$ 328,935	\$ -	\$ 474,793
In-kind donations	176,347	-	-	176,347
Membership income	12,419	-	-	12,419
Pumpkins-in-the-park festival	23,084	-	-	23,084
Special events	143,001	-	-	143,001
Fiscal agent	-	86,595	-	86,595
Revenue				
Sales of inventory	7,804	-	-	7,804
Investment return	1,294	24	-	1,318
Program fees	25,841	-	-	25,841
Net assets released from restrictions	<u>294,860</u>	<u>(294,860)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>830,508</u>	<u>120,694</u>	<u>-</u>	<u>951,202</u>
EXPENSES				
Program services				
Education and outreach	777,688	-	-	777,688
Supporting services				
Management and general	71,654	-	-	71,654
Fundraising	<u>94,411</u>	<u>-</u>	<u>-</u>	<u>94,411</u>
Total expenses	<u>943,753</u>	<u>-</u>	<u>-</u>	<u>943,753</u>
INCREASE/(DECREASE) IN NET ASSETS	(113,245)	120,694	-	7,449
NET ASSETS AT BEGINNING OF YEAR	<u>184,896</u>	<u>352,336</u>	<u>6,000</u>	<u>543,232</u>
NET ASSETS AT END OF YEAR	\$ <u><u>71,651</u></u>	\$ <u><u>473,030</u></u>	\$ <u><u>6,000</u></u>	\$ <u><u>550,681</u></u>

See Accompanying Notes and Independent Auditor's Report.

GUADALUPE RIVER PARK CONSERVANCY

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 401,894	\$ 18,315	\$ 31,202	\$ 451,411
Payroll taxes	30,050	5,985	1,608	37,643
Subtotal compensation	431,944	24,300	32,810	489,054
Conferences and meetings	5,227	250	-	5,477
Cost of goods sold	6,099	-	-	6,099
Development	-	348	-	348
Dues, fees and other charges	3,630	4,800	-	8,430
Equipment lease and purchase	3,900	242	173	4,315
Field trips	14,321	-	-	14,321
Fiscal agent expenses	51,527	-	-	51,527
Facility and services (in-kind)	132,000	10,500	7,500	150,000
Insurance	17,644	5,043	-	22,687
Maintenance and repairs	6,543	524	372	7,439
Marketing and advertising (include in-kind)	8,565	-	-	8,565
Outside services	45,617	44	32	45,693
Postage	4	446	220	670
Printing	1,071	531	608	2,210
Professional fees	1,040	21,629	-	22,669
Special and other events	-	-	51,239	51,239
Supplies	14,124	1,392	311	15,827
Telephone and internet	5,601	-	-	5,601
Travel	6,500	-	-	6,500
Utilities	10,179	810	578	11,567
Volunteer expenses	2,157	-	-	2,157
Depreciation expense	9,995	795	568	11,358
Total expenses	\$ <u>777,688</u>	\$ <u>71,654</u>	\$ <u>94,411</u>	\$ <u>943,753</u>

See Accompanying Notes and Independent Auditor's Report.

GUADALUPE RIVER PARK CONSERVANCY

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 7,449
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	11,358
(Increase) decrease in operating assets	
Grants and other receivables	84,027
Inventory	-
Prepaid expenses	(713)
Increase (decrease) in operating liabilities	
Accounts payable	(527)
Employment liabilities	375
	<u>101,969</u>
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	<u>101,969</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Endowment contributions	(446)
Purchases of investments	(24)
Proceeds from the sale of investments	191
Property and equipment purchases	<u>(1,504)</u>
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	<u>(1,783)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 100,186

Cash and cash equivalents, beginning of year	
Unrestricted cash and cash equivalents	25,646
Restricted cash and cash equivalents	352,285
Total cash and cash equivalents, beginning of year	<u>377,931</u>
Cash and cash equivalents, end of year	
Unrestricted cash and cash equivalents	26,181
Restricted cash and cash equivalents	<u>451,936</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 478,117</u>

See Accompanying Notes and Independent Auditor's Report.

GUADALUPE RIVER PARK CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES

Guadalupe River Park Conservancy, (Organization) is a California nonprofit public benefit Organization, located in San Jose, California. Guadalupe River Park Conservancy promotes the development and active use of the Guadalupe River Park and Gardens through education, advocacy and stewardship.

NOTE 2 – PROGRAM ACTIVITIES

The education program provides science-based field trips to students of public and private schools, adapted field trips for special needs students, for homeschooled students and for scouting groups. Also, a Water Wizard Festival and summer day camps are provided to members. The education programs all use the park and gardens as a natural lab to teach hands-on lessons and instill a sense of environmental stewardship. The Organization also provides low-cost fitness, gardening and other enrichment classes for adults.

The Organization's advocacy efforts are focused on promoting the park's use and development. Family friendly festivals: *Pumpkins in the Park* and *River Run* – drew in people and encouraged them to explore the park and its "something for everyone" amenities. During the year, staff and board members met with local business leaders and elected officials to promote park development, maintenance and safety.

Stewardship includes recruiting volunteers, individuals and corporate groups to help care for a historic orchard, a rose garden and other demonstration gardens through integrated pest management practices. These beautification efforts are critical to the City of San Jose and benefit the Chinook salmon and the Steelhead trout in the river. Volunteers help with river clean up, festival staffing and other tasks as necessary. The Organization is responsible for covering the maintenance costs of the all-access Rotary Children's Play Garden and to provide programming to children with special needs.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses as incurred, and accordingly reflect all significant receivables, payables, and other liabilities.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Pronouncement

For the year ended December 31, 2018, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-profit Entities*. This update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Financial Statement Presentation

Financial statement presentation follows the requirement of the Financial Accounting Standard Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve. There was board-designated funds of 9,078 as of December 31, 2018.

Net Assets With Donor Restrictions – Net assets subject to donor-(or certain grantor-) imposed 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. There was 6,000 of donor-imposed restrictions perpetual in nature as of December 31, 2018.

Estimates

The preparation of financial statements in conformity with general 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 statement of cash flows the Organization considers cash and cash equivalents to include all cash accounts held in banks and other financial institutions with an initial maturity of three months or less.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities summarized on a function basis in the statement of functional expenses. Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. Given the collaborative manner in which the Organization delivers its programs, rents are allocated based on staff hours devoted to each program or function. Expenses, other than salaries and related expense, which are not directly identifiable by program or support services, are allocated based on the best management's estimate. Management and general expenses that include those costs that are not directly identifiable with a specific program activity, but which provide for the overall support and direction of the Organization.

Income Taxes

The Organization is not classified as a private foundation and is exempt from federal and state income taxes under section 501(c)3 of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. The Financial Accounting Standards Board prescribes a recognition threshold and a measurement attribute for financial statement recognition of tax positions taken or expected to be taken on a tax return. Management has evaluated its uncertain tax positions and related income tax contingencies and does not believe any material uncertain tax positions exist.

Grants and Other Receivables

Grants and other receivable represent amounts due on various contracts, grants and awards from local governments and foundations and are recorded at their net realizable value. Promises to give receivable represent committed donations.

Allowance for Doubtful Accounts

The Organization does not maintain an allowance on grants or donations receivable, as those funding sources are likely to be received. The Organization does maintain an allowance on program fees receivable based on specific identification. For the year ended December 31, 2018 an allowance was not considered necessary.

Investments

The Organization carries investments in mutual funds with readily determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities. Investment income restricted by donors is reported as an increase in net assets with donor restrictions and reclassified to net assets without donor restrictions when restrictions are met.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is recorded at cost when purchased or, if contributed, at estimated fair market value when donated. The Organization's capitalization threshold is \$1,000 for a single item and \$2,500 for five or more items purchased in a single transaction. Depreciation is computed using the straight-line method over the asset's estimated useful life, which ranges from three to forty years. Depreciation is charged to the activity benefiting from the use of the facilities or equipment.

Contributions

The Organization accounts for contributions received and contributions made in accordance with accounting standards for not-for-profit organizations. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence, or nature, of any donor restrictions. Donor restricted contributions are reported as an increase in donations with purpose and time restrictions or donations perpetual in nature net assets. When the restriction is met, the amount is shown as a reclassification to unrestricted net assets.

Contributions In-kind

Contributions in-kind are recognized as follows: donated goods are recorded at their estimated fair market value at the date of donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not otherwise donated, are recorded at their estimated fair market value at the time the services are rendered. Donated services that do not require specific expertise but are nonetheless central to the Organization's operations are disclosed in the footnotes to the financial statements.

Revenue Recognition

The Organization's major sources of revenue are grants and contributions. Grants and contributions are recognized as revenue in the period in which the grant or contribution is awarded or unconditionally promised. Restricted grants and donations are recorded as an increase in revenue with donor restrictions and reclassified to without donor restricted as expenditures are incurred, effectively satisfying donor restrictions.

Marketing and Outreach

The Organization expenses marketing and outreach costs as they are incurred, which include in-kind services. Marketing and outreach costs are \$65 for the year ended December 31, 2018.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. In determining fair value, the Organization uses a fair value hierarchy which is categorized into three levels as follows:

Level 1 – Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these balances does not entail a significant degree of judgment. *Level 2* – Valuations are based on quoted prices for similar assets or liabilities in active markets from those willing to trade that are not active or for which other inputs can be corroborated by market data. *Level 3* – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement and represent the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization's financial assets carried at fair value are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Endowment	\$ 15,153	\$ 15,153
Investments	\$ 14,085	\$ 14,085

The financial assets are values based on the quoted prices that are available in the active market.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash	\$ 478,117
Grants and other receivables	39,238
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	<u>(473,030)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>44,325</u>

\$44,325 of financial assets are available to cover the organization's liquidity needs within one year of the statement of financial position date. The Organization is primarily supported by donor restricted contributions. For the year ended December 31, 2018, 44% of total support was received with donor restrictions. 82% of overall expenses, the Organization spent to direct program activities that are supported by donor restricted activities. Thus, \$44,325 of liquid assets are available for management and general and fundraising purposes.

NOTE 5 – INVESTMENT

Investments are reported at fair market value, as reported by the brokerage firm. Investments consist of money market funds which are \$14,085 at December 31, 2018. The investment is classified as noncurrent based on the management intent not to spend the funds within next twelve months.

NOTE 6 – QUASI ENDOWMENT

The Organization funds consist of donor restricted endowments and funds designated by the board as endowments. Income from donor restricted endowments is restricted for specific purposes, with the exceptions of the amounts available for general use. Donor restricted endowment funds are not available for general expenditure.

The board designated endowment of \$9,078 is subject to an annual spending rate approved by the board. The board does not intend to spend from this board designated endowment; however, this amount could be made available if necessary. The donor designated endowment was \$6,075 at December 31, 2018.

Applicable Law

In accounting for its quasi endowment, management follows “Endowments of Not for Profit organizations; Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, (UPMIFA) and Enhanced Disclosures for All Endowment funds.” This standard provides guidance on donor restricted endowment funds and enhanced disclosures that are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The State of California enacted UPMIFA on June 23, 2008, the provisions of which apply to endowment funds existing on or established after that date. UPMIFA requires additional disclosures about an organization’s endowment funds, both donor-restricted and board-designated.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent any explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as perpetual in nature net assets: the original value of gifts donated to the endowment perpetual in nature and the original value of subsequent gifts to the endowment perpetual in nature. The portion of the endowment fund that is not classified in perpetual in nature net assets is classified as net assets with purpose and time restrictions until those amounts are appropriated for expenditure by management in a manner consistent with SPMIFA and classified as net assets without donor restrictions. Endowment with purpose and time restrictions balances consist of accumulated investment earnings on permanent accumulations to the fund. Endowment without donor restrictions balances consist of board designated gifts and investment earnings, which are prorated between net assets without donor restrictions and net assets with purpose and time restrictions based on the amount of board designated gifts in relation to total endowment gifts.

NOTE 6 – QUASI ENDOWMENT (Continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return form income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Spending Policy and How Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year a flexible amount that will ensure grant making will continue without deterioration of the endowment principal. The board reviews its spending policy each year in comparison to the relative growth of endowment. For the year ending December 31, 2018 the board did not approve or appropriate endowment spending.

The Organization has adopted an investment policy with the primary investment objective to maximize total return, while assuming an appropriate level of risk given the nature of the funds under management. The goal is to produce a growing level of income and principal to ensure that the funding for the activities supported by the endowment can be maintained in the face of inflation.

Strategies Employed for Achieving Objectives

Endowment assets are invested in a savings account. Investment risk is measured in terms of the total fund and strategies are managed to not expose the fund to unacceptable levels of risk.

	<u>Total</u>	<u>Unrestricted</u>	<u>Temp Restricted</u>	<u>Perm Restricted</u>
Balance, 01/01/18	\$ 14,683	\$ 8,632	\$ 51	\$ 6,000
Balance, 12/31/18	15,153	9,078	75	6,000
Change in value	\$ <u>470</u>	\$ <u>446</u>	\$ <u>24</u>	\$ <u>-</u>

Changes in endowment net assets for the year are due to:

	<u>Total</u>	<u>Unrestricted</u>	<u>Temp Restricted</u>	<u>Perm Restricted</u>
Interest and dividends	\$ 24	\$ -	\$ 24	\$ -
Donations	446	446	-	-
End of year value	\$ <u>470</u>	\$ <u>446</u>	\$ <u>24</u>	\$ <u>-</u>

Occasionally, the fair value of the assets associated with donor restricted endowment funds may fall below the level the donor requires the Organization to retain in perpetual duration. These deficiencies result from unfavorable market fluctuations during the year. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions.

No such deficiencies were noted during the year ending December 31, 2018.

NOTE 7 - PROPERTY AND EQUIPMENT

Property, equipment and related accumulated depreciation is as follows:

Equipment and furniture	\$	96,131
Software		<u>4,708</u>
Total cost		100,839
Accumulated Depreciation		<u>(66,019)</u>
Net book value	\$	<u><u>34,820</u></u>

Depreciation expense for the year ended December 31, 2018 is \$11,358.

NOTE 8 – OPERATING LEASES

On January 30, 2007 management signed a ten-year lease agreement for office space located in San Jose, with the City of San Jose. The Organization extended the lease using the extension option of five years till January 30, 2022. The terms of the agreement, in part, call for the Organization to maintain the facility for public benefit and to pay utilities. Accordingly, management has recognized an in-kind facility donation. The lease can be terminated by either party for non-compliance with the terms of the agreement.

NOTE 9 – CONCENTRATIONS OF CREDIT RISKS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and grants received.

The Organization maintains a majority of their cash in bank deposit accounts that, at times, may exceed federally insured limits of \$250,000. At December 31, 2018 the Organization's uninsured cash is \$251,172. The organization has not experienced any losses in such accounts. Management believes the organization is not exposed to any significant credit risk related to cash.

For the year ended December 31, 2018 approximately 21% of the Organization's grants and awards are from City of San Jose and approximately 19% of the Organization's grants and awards are from County of Santa Clara.

The ability of certain grants, awards and donations to continue to provide amounts comparable with prior years may be dependent upon current and future economic conditions and budget constraints. While the board of directors believes the Organization has the resources to continue current and future programs, its ability to do so, and the extent to which it does continue, may be dependent on the above factors.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended December 31, 2018 was as following:

	<u>12/31/17</u>	<u>Additions</u>	<u>Releases</u>	<u>12/31/18</u>
Outdoor STEAM programs	\$ 19,805	\$ 20,000	\$ 12,775	\$ 27,030
Agreement with the City of San Jose	24,975	51,450	76,425	-
Carousel	48,000	-	-	48,000
Fish and wildlife	27	-	-	27
Technology and capital needs grant	-	2,511	2,511	-
Visitor's center open weekends	-	15,000	7,500	7,500
Orchard	-	15,000	-	15,000
Capacity building	-	10,000	4,720	5,280
Youth nature education	16,927	-	2,090	14,837
Garden beautification	1,318	1,100	1,000	1,418
Water wizards 2015-2019	15,000	-	5,000	10,000
Interest income on endowment	51	24	-	75
Rotary play garden	3,579	150,000	41,080	112,499
Security cameras	-	5,168	5,168	-
Play garden sculptures	47,015	-	34,615	12,400
Education	165,142	57,021	76,884	145,279
Maintenance fund	-	43,830	-	43,830
Carousel marketing	332	-	-	332
Special needs field trips and transport	10,165	-	3,530	6,635
Leadership San Jose	-	44,450	21,562	22,888
Total	\$ <u>352,336</u>	\$ <u>415,554</u>	\$ <u>294,860</u>	\$ <u>473,030</u>

NOTE 11 – INVESTMENT INCOME

	<u>Investments</u>	<u>Endowments</u>	<u>Operating</u>	<u>Total</u>
Interest and dividends	\$ 20	\$ 24	\$ 1,449	\$ 1493
Investment fees	(175)	-	-	(175)
Total	\$ <u>(155)</u>	\$ <u>24</u>	\$ <u>1,449</u>	\$ <u>1,318</u>

NOTE 12 –NET ASSETS PERPETUAL IN NATURE

For the year ending December 31, 2018 net assets perpetual in nature consist of \$6,000 endowment donations perpetual in nature.

NOTE 13 – IN-KIND DONATIONS

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

During the year ended December 31, 2018 the Organization received a significant amount of donated services from unpaid volunteers who assist in fund-raising and program services that do not satisfy the criteria for recognition under FASB ASC 958-605-25-16.

The Organization has volunteers that have donated significant amounts of time for both program services and supporting services. Management estimates approximately 20,298 hours were contributed by 3,624 volunteers during the year ended December 31, 2018. No amount for this time has been recognized in the accompanying statement of activities as this volunteer time does not meet the criteria required for recognition.

The Organization received and recognized in the financial statements, the following in-kind donations:

Facility rental	\$	150,000
Program supplies		39
Advertising		8,500
Janitorial		2,808
Events		15,000
Total in-kind donations	\$	<u>176,347</u>

NOTE 14 - SPECIAL EVENTS

The Organization's special events activities were as follows:

	<u>River Run</u>	<u>Window on the River</u>
Revenue, fees	\$ 22,001	\$ 150
Contributions	12,100	108,045
Raffle	-	705
Gross revenue	<u>34,101</u>	<u>108,900</u>
Event related expenses	<u>(22,137)</u>	<u>(2,186)</u>
Net profit	\$ <u>11,964</u>	\$ <u>106,714</u>

NOTE 15 – SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of operations for the period of time from its year end December 31, 2018, through July 12, 2019, 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.