

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

636 Ridge Road
Highland Park, IL 60035
Phone: 847.579.3138
www.pfhpil.org

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
-------------------------------------	----------

FINANCIAL STATEMENTS

Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8

SUPPLEMENTAL SCHEDULE

Schedule of Activities - Budget and Actual	14
--	----

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

June 4, 2024

Members of the Board of Directors
Parks Foundation of Highland Park
Highland Park, Illinois

Opinion

We have audited the accompanying financial statements of the Parks Foundation of Highland Park (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parks Foundation of Highland Park, as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parks Foundation of Highland Park's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Statement of Financial Position

December 31, 2023

ASSETS	
Current Assets	
Cash and Investments	\$ 493,737
Promises to Give	91,470
	<u>585,207</u>
Noncurrent Assets	
Promises to Give	<u>90,000</u>
Total Assets	<u><u>675,207</u></u>
LIABILITIES	
None	<u>-</u>
NET ASSETS	
Without Donor Restrictions	208,773
With Donor Restrictions	<u>466,434</u>
Total Net Assets	<u>675,207</u>
Total Liabilities and Net Assets	<u><u>675,207</u></u>

The notes to the financial statements are an integral part of this statement.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Donations	\$ 186,625	466,434	653,059
Scholarships	154,143	-	154,143
Raffle Sales	2,289	-	2,289
Contributed Nonfinancial Assets	23,137	-	23,137
Miscellaneous	388	-	388
Net Assets Released from Restrictions	40,205	(40,205)	-
Total Revenues	406,787	426,229	833,016
Expenses			
Programs Services	88,373	-	88,373
Supporting Services			
Management and General	17,037	-	17,037
Fundraising	117,991	-	117,991
Total Expenses	223,401	-	223,401
Change in Net Assets	183,386	426,229	609,615
Net Assets - Beginning	25,387	40,205	65,592
Net Assets - Ending	208,773	466,434	675,207

The notes to the financial statements are an integral part of this statement.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2023

Cash Flows from Operating Activities	
Change in Net Assets	\$ 609,615
Adjustments to Reconcile Change in Net Assets	
to Net Cash Provided by (Used in) Operating Activities:	
(Increase) Decrease in Assets	(178,520)
Increase (Decrease) in Liabilities	(57,119)
	<u>373,976</u>
 Cash and Cash Equivalents - Beginning	 <u>119,761</u>
 Cash and Cash Equivalents - Ending	 <u><u>493,737</u></u>

The notes to the financial statements are an integral part of this statement.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Statement of Functional Expenses

For the Fiscal Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Totals
Advertising and Promotions	\$ 2,034	-	-	2,034
Bank Charges and Fees	-	5,331	3,108	8,439
Dues and Subscriptions	-	1,560	858	2,418
Marketing	-	-	1,053	1,053
Special Projects	-	-	3,617	3,617
Postage	-	20	-	20
Material and Supplies	1,672	-	28,214	29,886
Office Expense	-	525	-	525
Professional Fees	-	9,601	-	9,601
Grant Distribution	84,642	-	-	84,642
Champion's Banquet	-	-	81,141	81,141
Reimburse PDHP for Special Events	25	-	-	25
Total Functional Expenses	88,373	17,037	117,991	223,401

The notes to the financial statements are an integral part of this statement.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Notes to the Financial Statements December 31, 2023

NOTE 1 – NATURE OF ORGANIZATION

The Parks Foundation of Highland Park (the Foundation) is a not-for-profit organization organized under the laws of the State of Illinois to develop philanthropic support for the mission of the Park District of Highland Park (the District). “To enrich community life through healthy leisure pursuits and an appreciation for the natural world” by raising and granting supplemental funding for: programs, services, the reduction of fees charged for programs for participants who are experiencing economic difficulty, facilities, capital projects, technology, and the acquisition of open space areas for active or passive recreation.

The Parks Foundation of Highland Park formed a member of Board of Directors made up of three officers that are community members and four liaisons to the Park District. Additional board members are based on interest and project needs. As of December 31, 2023, there are eight active board members. The Board of Directors organized as a 501(c)(3) nonprofit on August 10, 2017.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

The Foundation’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Notes to the Financial Statements December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Foundation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. The Foundation has no investments at year-end.

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 as of a given measurement date. Fair value measurements are based on three-level hierarchy based on the reliability of observable and unobservable inputs as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Valuations are based on 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; and model-derived valuations whose significant inputs are observable.

Level 3 - Valuations are based on unobservable inputs for the assets or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

Income Taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended December 31, 2023.

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Notes to the Financial Statements December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Contributed Revenue

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions due in the next year are reflected as current promises to give and are recorded at their net realized value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimate made by the Foundation's management.

Budgetary Information

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. The budget is authorized by the board of directors which is reviewed monthly against actual revenue and expenses by the board's Finance Committee. The Finance Committee discussed with staff the provisions for generating revenue, assuring long-term solvency, and maintaining services. Their recommendations are presented to the board of directors for discussion and decision making. No supplemental appropriations were made during the year.

NOTE 3 – CASH AND INVESTMENTS

At year-end the carrying amount of the Foundation's cash deposits totaled \$493,737 and the bank balances totaled \$495,804. At year-end \$180,804 of the bank balance of the deposits was not covered by federal depository.

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Notes to the Financial Statements December 31, 2023

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents Foundation's financial assets at December 31, 2023:

Financial Assets at Year End:	
Cash and Investments	\$ 493,737
Promises to Give - Current	<u>91,470</u>
	585,207
Less Amounts not Available to be used within one year:	
Net Assets with Donor Restrictions	<u>466,434</u>
Financial Assets Available to Meet General Expenses over the Next Twelve Months	<u><u>118,773</u></u>

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE 5 – PROMISES TO GIVE

Promises to give consist of the following at December 31, 2023:

Current Portion	\$ 91,470
Non-Current Portion (Receivable from 1 to 3 Years)	<u>90,000</u>
Total	<u><u>181,470</u></u>

All promises to give are considered collectible, thus no allowance for uncollectible promises to give has been recorded. The Foundation has not discounted the non-current promises to give as the estimated discount amount is immaterial.

NOTE 6 – NET ASSETS

Without Donor Restrictions

Net Assets without donor restrictions as of December 31, 2023 was comprised of the following:

Undesignated	<u><u>\$ 208,773</u></u>
--------------	--------------------------

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

Notes to the Financial Statements December 31, 2023

NOTE 6 – NET ASSETS – Continued

With Donor Restrictions

Net Assets with donor restrictions as of December 31, 2023 was comprised of the following:

CD - Parks Renaming	\$ 65,000
SMILE	17,466
Golf	1,661
FYI	22,025
Michael Goldman Memorial Golf Scholarship	12,347
FYI Swim	2,653
Tennis Scholarship	100
Heller - Story walk	804
Heller Log Cabin	142
Heller Garden	14
Athletics	303,305
Edmond Zisook Rosewood Beach Camp Scholarship Fund	12,658
The Preserve	1,000
Hockey Scholarship	108
Parks Renaming Donations	3,021
Scholarship	<u>24,130</u>
Total	<u><u>466,434</u></u>

SUPPLEMENTAL SCHEDULE

PARKS FOUNDATION OF HIGHLAND PARK, ILLINOIS

**Schedule of Activities - Budget and Actual
For the Fiscal Year Ended December 31, 2023**

	Budget		Actual
	Original	Final	
Revenues and Other Support			
Donations	\$ 1,089,715	1,089,715	653,059
Scholarships	-	-	154,143
Raffle Sales	44,300	44,300	2,289
Contributed Nonfinancial Assets	-	-	23,137
Sponsorships	7,500	7,500	-
Miscellaneous	1,400	1,400	388
Total Revenues and Other Support	1,142,915	1,142,915	833,016
Expenses			
Programs Services	1,040,379	1,040,379	88,373
Supporting Services			
Management and General	9,942	9,942	17,037
Fundraising	51,919	51,919	117,991
Total Expenses	1,102,240	1,102,240	223,401
Changes in Net Assets	40,675	40,675	609,615
Net Assets - Beginning			65,592
Net Assets - Ending			675,207