

***Lincoln Parks and Recreation Foundation  
Lincoln, Nebraska***

***December 31, 2017 and 2016***

***Financial Statements  
and  
Report of Independent Certified Public Accountants***



CPAs & Consultants | Wealth Management

Lincoln Parks and Recreation Foundation

Years ended December 31, 2017 and 2016

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Directors  
Lincoln Parks and Recreation Foundation  
Lincoln, Nebraska

We have audited the accompanying financial statements of the Lincoln Parks and Recreation Foundation, which comprise the statements of financial position – modified cash basis as of December 31, 2017 and 2016, and the related statements of activities – modified cash basis for the years 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 assets, liabilities, and net assets of Lincoln Parks and Recreation Foundation as of December 31, 2017 and 2016, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

**Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

June 13, 2018

HDBE

Lincoln Parks and Recreation Foundation

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31,

ASSETS

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (note A)	\$ 1,083,925	\$ 1,331,614
Certificates of deposit	2,059,887	3,205,793
Cash equivalents restricted for endowment (note A)	530,397	157,154
Investments (notes A, D and E)	9,585,248	6,799,959
Property and land held for sale	<u>444,808</u>	<u>-</u>
Total assets	<u>\$ 13,704,265</u>	<u>\$ 11,494,520</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Payroll taxes payable	<u>\$ 252</u>	<u>\$ 2,746</u>
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NET ASSETS (note A)

Unrestricted	268,846	221,531
Temporarily restricted (notes B and F)	4,646,271	4,901,271
Permanently restricted (notes C and F)	<u>8,788,896</u>	<u>6,368,972</u>
Total net assets	<u>13,704,013</u>	<u>11,491,774</u>
Total liabilities and net assets	<u>\$ 13,704,265</u>	<u>\$ 11,494,520</u>

See accompanying notes to financial statements.

Lincoln Parks and Recreation Foundation

STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS

Years ended December 31,

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Contributions	\$ 356,741	\$ 1,981,008	\$ 2,005,000	\$ 4,342,749	\$ 238,240	\$ 1,724,651	\$ 6,000	\$ 1,968,891
Golf outing, net of direct costs	5,468	-	-	5,468	6,811	-	-	6,811
Sale of pickle cards, net of direct costs	15,383	-	-	15,383	21,019	-	-	21,019
Other sales, net of direct costs	-	-	-	-	-	37,495	-	37,495
Program fees	4,886	-	-	4,886	6,564	-	-	6,564
Interest income	11,222	-	-	11,222	7,504	-	-	7,504
Net investment income (note D)	(11,170)	908,138	-	896,968	144,513	355,567	-	500,080
Total revenue and support	382,530	2,889,146	2,005,000	5,276,676	424,651	2,117,713	6,000	2,548,364
RECLASSIFICATIONS								
Net assets released from restrictions	2,815,787	(2,815,787)	-	-	2,170,908	(2,170,908)	-	-
Transfer of net assets to endowment	(86,565)	(328,359)	414,924	-	(210,500)	(94,038)	304,538	-
Total reclassifications	2,729,222	(3,144,146)	414,924	-	1,960,408	(2,264,946)	304,538	-
EXPENSES								
Program	2,849,391	-	-	2,849,391	1,989,854	-	-	1,989,854
Management and general	108,736	-	-	108,736	75,195	-	-	75,195
Fundraising	106,310	-	-	106,310	126,996	-	-	126,996
Total expenses	3,064,437	-	-	3,064,437	2,192,045	-	-	2,192,045
Increase (decrease) in net assets	47,315	(255,000)	2,419,924	2,212,239	193,014	(147,233)	310,538	356,319
Net assets at beginning of year	221,531	4,901,271	6,368,972	11,491,774	28,517	5,048,504	6,058,434	11,135,455
Net assets at end of year	\$ 268,846	\$ 4,646,271	\$ 8,788,896	\$ 13,704,013	\$ 221,531	\$ 4,901,271	\$ 6,368,972	\$ 11,491,774

See accompanying notes to financial statements.

## Lincoln Parks and Recreation Foundation

### NOTES TO FINANCIAL STATEMENTS

Lincoln Parks and Recreation Foundation (the Foundation) is a not-for-profit corporation established under the laws of the State of Nebraska. The Foundation's mission is to inspire and nurture a philanthropic legacy for parks and recreation in Lincoln, Nebraska. Its primary program is to provide funding for improving Lincoln's parks and recreation system and programs. The Foundation's primary sources of revenue are private grants and contributions from various foundations and the general public.

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Method of Accounting.** The accompanying financial statements of the Foundation have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Foundation recognizes contributions when received as opposed to when pledged. Expenses are recognized when paid rather than when incurred. Payroll taxes are recognized when the related payroll is paid.

**Cash and Cash Equivalents.** For purposes of the statements of financial position – modified cash basis, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Restricted endowment funds held in cash equivalents are separately stated within the statements of financial position - modified cash basis.

**Investments.** Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of activities – modified cash basis. Unrealized gains and losses are included in investment income for the period on the statements of activities – modified cash basis. Donated securities are recorded as contributions equal to the fair value of the securities at the date of the gift.

**Net Asset Classification.** The Foundation reports 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.

**Unrestricted net assets.** Net assets that are not subject to outside restrictions.

**Temporarily restricted net assets.** Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities – modified cash basis as “net assets released from restrictions.”

**Permanently restricted net assets.** Net assets whose funds must be held indefinitely.

**Endowment Investment and Spending Policies.** The endowment investment policy adopted by the Foundation's board of directors is designed to seek long-term returns consistent with prudent levels of risk. The target annualized rate of return is the Consumer Price Index inflation rate plus a spending rate, to be established annually by the board of directors. The spending rate for 2017 and 2016 was 4% for all endowments. The policy establishes target investment allocations and restrictions on investment options which are designed to achieve safety and diversification in the overall investment portfolio.

The amount allocated to spendable earnings is based on the spending rate determined annually and applied to a four-year rolling average market value of the endowment fund. Spending allocations are calculated quarterly. Investment earnings that have not been appropriated under the spending formula are considered to be temporarily restricted in accordance with current accounting standards for funds managed in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Prior to 2010, unappropriated investment earnings were considered to be permanently restricted due to a contractual agreement with the Lincoln Community Foundation (LCF).

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Endowment Investment and Spending Policies - Continued.** Management considers the non-spendable portion of the endowment funds that were transferred from LCF in 2009 to be permanently restricted. Management has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment or transferred from LCF in 2009, (b) the original value of subsequent gifts to the permanent endowment, and (c) additions to the permanent endowment made in accordance with the applicable gift instrument. Surplus assets transferred each year from temporarily restricted net assets to the endowment are treated as permanently restricted net assets since such funds are either subject to explicit donor restrictions at the time of the transfer or are implicitly restricted based on the understanding that certain excess funds raised by various constituent groups will be maintained for endowment.

**Fair Value Measurements.** Fair value is 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. The Foundation utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.  |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"> <li>• quoted prices for similar assets or liabilities in active markets;</li> <li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>• inputs other than quoted prices that are observable for the asset or liability;</li> <li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li> </ul> |

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- |         |   |
|---------|---|
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |
|---------|---|

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

**In-Kind Donations.** In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Foundation.

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Advertising Costs.** The Foundation expenses advertising costs when paid. The accompanying financial statements include advertising expense of \$11,029 and \$10,541 for the years ended December 31, 2017 and 2016, respectively.

**Income Taxes.** The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. The Foundation has pickle card income, which is subject to tax on unrelated business income. For the years ended December 31, 2017 and 2016, the Foundation had no tax liability on unrelated business activity. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation's federal Exempt Organization Business Income Tax Returns (Form 990 and 990T) for December 31, 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

**Use of Estimates.** The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Pickle Card Program.** The Foundation sells pickle cards to a licensed operator at a predetermined price which is net of prize payouts and operator's commissions. State regulations require net profits from the sale of pickle cards to be deposited in a separate bank account. Pickle card funds may only be expended for the costs of continuing the pickle card program or for items that further the Foundation's exempt purpose. As of December 31, 2017 and 2016, segregated pickle card funds consisted of \$55,651 and \$55,637 in cash, respectively. Due to the broad nature of the restrictions on these accounts, all activity and net assets related to pickle cards are included in unrestricted net assets.

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE B - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following projects:

	2017	2016
Veterans	\$ 74,899	\$ 87,974
Lincoln Tennis Association	7,052	7,102
Woods Park Tennis	1,140,164	2,724,569
Wilderness Park	64,017	55,775
Sherman Field	24,169	8,912
Memorials, current	22,671	7,283
Barrett Fund	247,295	213,932
Sunken Gardens	157,551	113,032
Kontras Park	24,139	19,271
Pioneers Park Nature Center	15,992	14,849
Union Plaza Park	446,816	275,838
Rose and Rotary Strolling Garden	20,284	7,624
Ken Good Public Gardens Internship	51,341	32,346
Jim Ager Golf Marathon	30,086	29,566
Legacy Tree Grove	18,525	13,913
Centennial Mall	998,523	571,588
Plant Oasis	83,128	57,360
Civic Plaza	143,090	118,184
Haines Branch Prairie	20,568	8,884
Woodsdale Boulevard	495	11,039
Peterson Park Pickleball	4,004	1,690
Wohlfarth Corner	658	230
Airport Entry Corridor	307,818	220,089
Other projects	742,986	300,221
	<u>\$ 4,646,271</u>	<u>\$ 4,901,271</u>

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE C - PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets consist of funds invested for permanent endowment. See Note F for additional information on the Foundation's endowment funds.

Permanently restricted net assets consist of assets invested to support the following:

	2017	2016
Operations	\$ 39,973	\$ 39,963
Capital Endowment Fund	96,604	96,604
Kids Endowment	1,457	1,456
Veterans	74,573	49,562
Antelope Park Playground	13,243	13,240
Sunken Gardens	196,831	196,831
Kontras Park	27,473	27,468
Country Club Median	3,720	3,720
Sticks for Kids	2,003	2,003
Rose and Rotary Strolling Garden	62,509	60,001
Ken Good Public Gardens Internship	150,022	150,000
Valentino's Park in Idylwild	80,009	75,000
Bowling Lake Fishing Pier	10,118	10,117
Union Park Plaza	1,484,730	1,484,730
Airport Entry Corridor	982,615	982,615
Park Trees	90,901	90,901
Hazel Abel Park	8,165	7,465
P Street Enhanced Street	550,000	550,000
Airport Entry Corridor #2	100,000	100,000
Sherman Park #2	250,000	250,000
Sherman Field	141,275	141,258
Bill Harris Iron Horse Park	12,500	12,500
Hawkins	244,521	163,000
Gallery Alley	50,006	50,000
N Street Bikeway	50,006	50,000
Wohlfarth Corner	3,875	3,875
Woodsdale Boulevard	1,003	1,000
Peterson Park Pickleball Courts	22,003	22,000
Near South 19th and A St Park	4,500	4,500
Haines Branch Corridor	25,287	25,287
Union Plaza Programs	292,019	292,013
West Haymarket JPA	2,000,002	-
Reflection	5,090	-
Woods Park Tennis	300,000	-
Centennial Mall	1,411,863	1,411,863
	<u>\$ 8,788,896</u>	<u>\$ 6,368,972</u>

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE D - INVESTMENTS**

Investments consist of the following:

	2017		
	Cost	Market	Unrealized Gain (Loss)
Marketable securities			
Federal, municipal and local bonds	\$ 1,778,625	\$ 1,766,799	\$ (11,826)
Corporate bonds	1,069,579	1,062,245	(7,334)
Mutual funds/exchange traded funds	6,147,352	6,756,204	608,852
	<u>\$ 8,995,556</u>	<u>\$ 9,585,248</u>	<u>\$ 589,692</u>
	2016		
	Cost	Market	Unrealized Gain (Loss)
Marketable securities			
Municipal and local bonds	\$ 1,416,122	\$ 1,396,183	\$ (19,939)
Corporate bonds	924,339	902,050	(22,289)
Mutual funds/exchange traded funds	4,329,547	4,501,726	172,179
	<u>\$ 6,670,008</u>	<u>\$ 6,799,959</u>	<u>\$ 129,951</u>

Investment income consists of:

	2017	2016
Interest and dividend income	\$ 214,326	\$ 202,472
Realized gains	133,922	200,079
Unrealized gain	593,670	131,322
Investment management fees	(44,950)	(33,793)
	<u>\$ 896,968</u>	<u>\$ 500,080</u>

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE E - FAIR MARKET VALUE**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used during the years ended December 31, 2017 and 2016.

*Mutual fund/exchange traded funds:* Valued at the observable net asset value (NAV) of shares held by the Foundation at year end.

*Federal, municipal and local bonds:* Valued using independent pricing models.

*Corporate bonds:* Valued using independent pricing models.

The preceding methods described 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 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.

The following tables set forth the balances of assets measured at fair value on a recurring basis as of December 31, 2017 and 2016.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2017</u>				
Investments				
Mutual funds/exchange traded funds				
Balanced	\$ 392,527	\$ 392,527	\$ -	\$ -
Emerging markets	200,167	200,167	-	-
International	972,823	972,823	-	-
Large cap core	1,056,426	1,056,426	-	-
Large cap growth	870,493	870,493	-	-
Large cap value	760,728	760,728	-	-
Mid cap core	589,216	589,216	-	-
Natural resources	179,509	179,509	-	-
Real estate	367,608	367,608	-	-
Small cap core	590,267	590,267	-	-
World	776,440	776,440	-	-
Corporate bonds	1,062,245	1,062,245	-	-
Federal, municipal, and local bonds	1,766,799	1,766,799	-	-
	<u>\$ 9,585,248</u>	<u>\$ 9,585,248</u>	<u>\$ -</u>	<u>\$ -</u>

Lincoln Parks and Recreation Foundation

NOTES TO FINANCIAL STATEMENTS

**NOTE E - FAIR MARKET VALUE - CONTINUED**

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2016</u>				
Investments				
Mutual funds/exchange traded funds				
Balanced	\$ 415,297	\$ 415,297	\$ -	\$ -
International	559,300	559,300	-	-
Large cap core	418,280	418,280	-	-
Large cap growth	754,317	754,317	-	-
Large cap value	615,382	615,382	-	-
Mid cap core	343,232	343,232	-	-
Natural resources	140,049	140,049	-	-
Real estate	283,005	283,005	-	-
Small cap core	275,912	275,912	-	-
World	696,952	696,952	-	-
Corporate bonds	902,050	902,050	-	-
Federal, municipal, and local bonds	1,396,183	1,396,183	-	-
	<u>\$ 6,799,959</u>	<u>\$ 6,799,959</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE F - ENDOWMENTS**

Endowment net asset composition by type of fund as of December 31, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (6,176)	\$ 1,332,925	\$ 8,788,896	\$ 10,115,645

Changes in endowment net assets for the fiscal year ended December 31, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance December 31, 2016	\$ 14,723	\$ 578,416	\$ 6,368,972	\$ 6,962,111
Investment income	-	897,570	-	897,570
Contributions	-	-	2,005,000	2,005,000
Transfers from other funds	-	-	414,924	414,924
Spending appropriation	2,147	(2,147)	-	-
Administrative charges	-	(82,039)	-	(82,039)
Spendable funds withdrawn	-	(81,921)	-	(81,921)
Reclassifications	(23,046)	23,046	-	-
Balance December 31, 2017	<u>\$ (6,176)</u>	<u>\$ 1,332,925</u>	<u>\$ 8,788,896</u>	<u>\$ 10,115,645</u>

Lincoln Parks and Recreation Foundation  
NOTES TO FINANCIAL STATEMENTS

**NOTE F - ENDOWMENTS - CONTINUED**

Endowment net asset composition by type of fund as of December 31, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 14,723	\$ 578,416	\$ 6,368,972	\$ 6,962,111

Changes in endowment net assets for the fiscal year ended December 31, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance December 31, 2015	\$ (140,206)	\$ 317,976	\$ 6,058,434	\$ 6,236,204
Investment income	153,007	348,300	-	501,307
Contributions	-	-	6,000	6,000
Transfers from other funds	-	-	304,538	304,538
Spending appropriation	1,922	(1,922)	-	-
Administrative charges	-	(64,721)	-	(64,721)
Spendable funds withdrawn	-	(21,217)	-	(21,217)
Balance December 31, 2016	\$ 14,723	\$ 578,416	\$ 6,368,972	\$ 6,962,111

From time to time, the fair value of certain endowment funds may be less than the amount that is required to be permanently maintained. The deficiency is classified as unrestricted until it is recovered through future investment earnings. Unrestricted endowment funds included \$23,046 and \$- of such deficiencies as of December 31, 2017 and 2016, respectively.

**NOTE G - RELATED PARTY TRANSACTIONS**

The Foundation is a private fundraising organization for the City of Lincoln Parks and Recreation Department (the Department). The Department is represented on the Foundation's board of directors.

**Leases**

The Foundation occupies office space in a building owned by the City of Lincoln. The Department agreed to grant the Foundation a long-term lease of the office space in exchange for the Foundation's payment of \$25,000 toward the costs of improvements of the leased facilities. The lease term began October 1, 2011 and ends April 30, 2024.

Lincoln Parks and Recreation Foundation  
NOTES TO FINANCIAL STATEMENTS

**NOTE H - COMMITMENTS**

As of December 31, 2017, the Foundation had pledged future contributions from the pickle card program for the following projects:

Haines Branch Prairie Corridor	\$ 3,000
Dogrun Project	7,500
Trentwood Park	2,500
Bishop Heights	<u>1,900</u>
	<u>\$ 14,900</u>

**NOTE I - CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of checking accounts and money market accounts at financial institutions. Accounts at each institution are insured by the FDIC up to \$250,000. At December 31, 2017 and 2016, the bank accounts exceeded federally insured limits by \$103,091 and \$2,434, respectively. The Foundation has not experienced any losses on such accounts.

**NOTE J - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, the date that the financial statements were available to be issued.

On April 13, 2018, the Foundation sold a 15 acre parcel of land and attached building in Lancaster County, Nebraska for \$431,521. On May 24, 2018, the Foundation sold the remaining 5 acre parcel of land in Lancaster County, Nebraska for \$15,600. These parcels and attached building were classified as held for sale at December 31, 2017.