

The Bay Park Conservancy, Inc.

Financial Statements

December 31, 2020

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	-
FINANCIAL STATEMENTS:	
Statement of Financial Position	1
Statement of Activities and Changes in Net Assets	2
Statement of Functional Expenses	3
Statement of Cash Flows	4
Notes to Financial Statements	5-8



CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Bay Park Conservancy, Inc.

We have audited the accompanying financial statements of The Bay Park Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, 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 The Bay Park Conservancy, Inc. 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.

A handwritten signature in black ink that reads "Caranough & Co LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida
March 16, 2021

The Bay Park Conservancy, Inc.

Statement of Financial Position

December 31, 2020

ASSETS

Cash and cash equivalents	\$ 8,356,331
Grants receivable	1,301,929
Prepaid expenses	<u>1,225</u>
Total current assets	<u>\$ 9,659,485</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 791,187
Total current liabilities	<u>791,187</u>
Net assets:	
Without donor restrictions	
Undesignated	8,453,298
Designated for compensation	<u>175,000</u>
Total without donor restrictions	8,628,298
With donor restrictions	<u>240,000</u>
Total net assets	<u>8,868,298</u>
Total liabilities and net assets	<u>\$ 9,659,485</u>

See accompanying notes to financial statements.

The Bay Park Conservancy, Inc.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	\$ 5,311,960	-	5,311,960
Local government grants	1,263,622	-	1,263,622
Investment return	46,426	-	46,426
Other	33,191	-	33,191
Subtotal	6,655,199	-	6,655,199
Net assets released from restrictions	406,400	(406,400)	-
Total public support and revenue	7,061,599	(406,400)	6,655,199
Expenses:			
Program services	5,300,565	-	5,300,565
Supporting services:			
General and administrative	122,420	-	122,420
Fundraising	128,943	-	128,943
Total expenses	5,551,928	-	5,551,928
Change in net assets	1,509,671	(406,400)	1,103,271
Net assets - beginning of year	7,118,627	646,400	7,765,027
Net assets - end of year	\$ 8,628,298	240,000	8,868,298

See accompanying notes to financial statements.

The Bay Park Conservancy, Inc.

Statement of Functional Expenses
Year Ended December 31, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Phase 1 implementation				
Design and plan consultants	\$ 1,386,751	-	-	1,386,751
Other consultants	539,944	-	-	539,944
Construction costs	2,721,145	-	-	2,721,145
Maintenance	79,667	-	-	79,667
Personnel				
Compensation and benefits	252,535	43,073	15,549	311,157
Advancement consultant	51,352	36,353	109,058	196,763
Professional services	-	30,710	-	30,710
Communications and outreach	213,535	-	-	213,535
Occupancy	31,309	6,913	2,440	40,662
Insurance	9,379	2,071	731	12,181
Office and administration	<u>14,948</u>	<u>3,300</u>	<u>1,165</u>	<u>19,413</u>
 Total expenses	 <u>\$ 5,300,565</u>	 <u>122,420</u>	 <u>128,943</u>	 <u>5,551,928</u>

See accompanying notes to financial statements.

The Bay Park Conservancy, Inc.

Statement of Cash Flows
Year Ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ 1,103,271
(Increase) decrease in:	
Grant receivable	(895,529)
Prepaid expenses	889
Increase (decrease) in:	
Accounts payable	<u>559,936</u>
Total adjustments	<u>(334,704)</u>
Net cash flows from operating activities	<u>768,567</u>
Net increase in cash and cash equivalents	768,567
Cash and cash equivalents - beginning of year	<u>7,587,764</u>
Cash and cash equivalents - end of year	<u>\$ 8,356,331</u>

See accompanying notes to financial statements.

The Bay Park Conservancy, Inc.

Notes to Financial Statements

December 31, 2020

Note 1 – Organization:

The Bay Park Conservancy, Inc. (“The Bay”) is a not-for-profit organization incorporated under the laws of Florida and is a tax-exempt organization under the Internal Revenue Code.

The Bay has signed a long-term partnership with the city of Sarasota that gives The Bay responsibility for planning, developing, and managing a new public park on Sarasota Bay (“The Bay Park”). The Bay is primarily funded from contributions made by individuals and foundations, to be supplemented with public funding in future years. These funds are used for planning and development of the park, and management operations. Expenditures for capital improvements are not capitalized assets of The Bay but are assets of the city of Sarasota.

The Bay’s mission is to design and plan, develop, and ultimately manage a new public park on Sarasota Bay for the city of Sarasota and its community that is financially feasible, operationally viable and environmentally sustainable. Inspired by community recommended guiding principles adopted by the city of Sarasota, The Bay Park will be open and accessible, free and welcoming to everyone...now and for generations to come.

Note 2 – Summary of Significant Accounting Policies:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as without donor restrictions. Accordingly, net assets of The Bay and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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 may be 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.

Revenues, gains (losses), and other support are reported as increases (decreases) in net assets without restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without restrictions. Expirations of restrictions on net assets with restrictions (i.e., the donor-imposed stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

The Bay Park Conservancy, Inc.

Notes to Financial Statements

December 31, 2020

Note 2 – Summary of Significant Accounting Policies – continued:

Income Taxes

The Bay is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to The Bay's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2020 there was no income tax expense from these activities.

The Bay follows the provisions of ASC Topic 740, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities* (ASC Topic 740), in conjunction with its adoption of Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (now included in Accounting Standards Codification (ASC) Subtopic 740-10, *Income Taxes – Overall*). The Bay recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Bay's exempt purpose is subject to tax.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, The Bay considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions

Contributions, which include unconditional promises to give (pledges and grants), are recognized as revenues in the period in which the pledge or cash is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, net of allowances. Conditional promises to give are not recognized until they become unconditional, that is, when the future and uncertain event on which they depend has occurred.

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.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of The Bay are reported as expenses of those functional areas. A portion of administration and other costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on level of effort.

Note 3 – Uninsured Cash Balances:

The Bay maintains its cash balances at financial institutions located in the United States of America. The accounts at the financial institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer as of December 31, 2020. There were no amounts in excess of FDIC limits at December 31, 2020.

The Bay Park Conservancy, Inc.

Notes to Financial Statements

December 31, 2020

Note 5 – Endowment – continued:

Return Objectives, Risk Parameters and Spending Policy

The Bay is developing investment and spending policies for its current and future endowments. As of December 31, 2020, the funds are conservatively invested in a money market account until such policies are adopted by the Board of Directors.

As of December 31, 2020, endowment net assets consisted of the following:

Wetlands, bayou and mangrove restoration	\$ <u>240,000</u>
--	-------------------

Note 6 – Liquidity and Availability:

The Bay manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures. Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

Cash and cash equivalents	\$ 8,356,331
Grants receivable	<u>1,301,929</u>
Total financial assets	9,658,260
Donor imposed restrictions:	
Endowment	(240,000)
Board designated amounts	<u>(175,000)</u>
Total financial assets available within one year	\$ <u>9,243,260</u>

Note 7 – Uncertainties:

The World Health Organization characterized the COVID-19 virus as a global pandemic on March 11, 2020. The duration and economic impact of this pandemic continues to be uncertain. Management will continue to monitor the potential impact that the pandemic may have on the operations and financial performance of The Bay.

Note 8 – Subsequent Events:

Subsequent events have been evaluated through March 16, 2021, which is the date the financial statements were available to be issued.