Park Pride Atlanta, Inc.

FINANCIAL STATEMENTS

December 31, 2015

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REPORT

CRI CARR RIGGS & INGRAM
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Park Pride Atlanta, Inc.

We have audited the accompanying financial statements of Park Pride Atlanta, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities 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 error or fraud.

Auditors' 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 Park Pride Atlanta, Inc. as of December 31, 2015, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
August 9, 2016

FINANCIAL STATEMENTS

December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Assets			
Cash and cash equivalents	$ 1,202,205	$ 2,517,346	$ 3,719,551
Accounts receivable	125,590	-	125,590
Website development	10,000	-	10,000
Equipment, net	2,850	-	2,850
Total assets	$ 1,340,645	$ 2,517,346	$ 3,857,991
Liabilities and Net Assets			
Accounts payable	$ 43,645	$ -	$ 43,645
Deferred revenue	791,394	-	791,394
Total liabilities	835,039	-	835,039
Net assets	505,606	2,517,346	3,022,952
Total liabilities and net assets	$ 1,340,645	$ 2,517,346	$ 3,857,991

The accompanying footnotes are an integral part of this statement.

Year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support			
Grant and program support	$ 824,158	$ 2,093,440	$ 2,917,598
Service fee and event income	475,358	-	475,358
Operating grants and contributions	448,034	-	448,034
Interest income	9,081	-	9,081
Net assets released from restrictions	1,582,170	(1,582,170)	-
Total revenues, gains and other support	3,338,801	511,270	3,850,071
Expenses			
Programs services	2,806,740	-	2,806,740
Management and general	181,047	-	181,047
Fundraising	77,048	-	77,048
Total expenses	3,064,835	-	3,064,835
Change in net assets	273,966	511,270	785,236
Net assets at December 31, 2014	231,640	2,006,076	2,237,716
Net assets at December 31, 2015	$ 505,606	$ 2,517,346	$ 3,022,952

The accompanying footnotes are an integral part of this statement.

Statement of Cash Flows

		Year ended December 31, 2015
Operating activities		
Change in net assets	$	785,236
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		2,103
(Increase) in assets and increase (decrease) in liabilities		
Accounts receivable		(9,878)
Accounts payable		8,322
Deferred revenue		(209,533)
Net cash provided by operating activities		576,250
Investing activities		
Capital expenditures		(11,120)
Net cash used in investing activities		(11,120)
Net increase in cash and cash equivalents		565,130
Cash and cash equivalents at December 31, 2014		3,154,421
Cash and cash equivalents at December 31, 2015	$	3,719,551

The accompanying footnotes are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Pride Atlanta, Inc. (the Organization) was incorporated in the state of Georgia as a not-for-profit corporation in November 1989. The Organization's purpose is to engage communities to activate the power of parks in the City of Atlanta and surrounding areas. Support for the Organization is primarily derived from state and local governments, corporations, individuals and other charitable contributors.

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

A summary of the significant accounting policies of the Organization applied in the preparation of the accompanying financial statements follows.

Reporting Entity

In evaluating how to define the Organization for financial reporting purposes, management has considered all potential operations and activities. The basic criterion for including a potential operation or activity within the reporting entity is the Organization's ability to exercise oversight responsibility. A second criterion is the scope of service, and a third is the existence of special responsibilities. Based upon the application of these criteria, the reporting entity includes all of the Organization's operations and activities.

Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* (ASC 958). Under ASC 958, the Organization's contributions received, including unconditional promises to give, must be recognized as revenues in the period received at their fair values. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net revenues and net assets: unrestricted net revenues and net assets, temporarily restricted net revenues and net assets, and permanently restricted net revenues and net assets. In addition, the Organization is required to present a statement of cash flows and to disclose information about functional expenses.

Accounts Receivable

The Organization provides for doubtful receivables equal to the estimated collection losses that will be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of all receivables. Management considers all outstanding accounts receivable to be fully collectible at December 31, 2015.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment

Property and equipment, with a cost in excess of $500 and a useful life in excess of one year, is capitalized. Equipment is stated at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives using the straight-line method.

The components of equipment are as follows as of December 31, 2015:

Class of Asset	Estimated Useful Lives		
Computer equipment	3	$	13,246
Vehicles	5		24,783
			38,029
Less accumulated depreciation			35,179
		$	2,850

Fair Value of Financial Instruments

The Organization presents certain fair value disclosures for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820-10 defines fair value 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. The standard also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard further institutes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. ASC 820 describes the following three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities, accessible to the entity at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs that are not corroborated by market data.

ASC 820 does not have any significant effect on the Organization’s financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials and Services

Donated materials are reported at fair market value as of the date of the gift. Only donated services that would otherwise have to be purchased from a vendor are reflected in the financial statements. A substantial number of volunteers have donated their time to the Organization's program services and fundraising campaigns. Additionally, the City of Atlanta has contributed office space and utilities for the benefit of the Organization (Note 3).

Functional Expenses

The Organization allocates its expenses on a functional basis for its program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition

Gifts of cash and other assets are recorded as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

The Organization recognizes revenue from contracts when the contracted work is performed. Deferred revenue represents funds billed to or collected from entities in advance of the work performed.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, are principally trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the credit worthiness of the Organization's donors. To reduce risk, the Organization routinely assesses the financial strength of its donors and, as a consequence, believes that its trade receivables credit risk exposure is limited.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

Donations of goods and services are recorded as support at their estimated fair value at the time of donation. Unless specified otherwise by the donor, these donations are reported as unrestricted in the statement of activities. During the year ended December 31, 2015, the Organization recognized donations of goods and services of approximately $60,000. In-kind services consisted of rent and utilities of approximately $30,000 from the City of Atlanta (Note 3), conference rental space of approximately $17,000 and materials of approximately $13,000 all of which are categorized as operating grants and contributions.

NOTE 2: TAX STATUS

The Organization is exempt from federal income taxes under the provisions of §501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that the Organization is not a private foundation as defined by §509(a)(1) of the Code.

Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the relevant taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

NOTE 3: COMMITMENTS AND CONTINGENCIES

The Organization has an agreement with the City of Atlanta (the City) to provide support, administration, planning, design and construction services for the City's parks. The Organization acts as a fiduciary agent on behalf of the City for park related programs, projects and initiatives as defined in the agreement. The City pays the Organization an amount not to exceed $60,000 per year for these services and also provides office space at no charge. The Organization recorded in-kind revenue and related rent expense of approximately $30,000 for the year ended December 31, 2015. The agreement expires in April 2017 with a two-year renewal option.

The Organization from time to time has cash deposits with financial institutions, which fluctuate in excess of the insured limitation of the Federal Deposit Insurance Corporation. If the financial institutions were not to honor their contractual liability, the Organization could incur losses. Management is of the opinion that there is no risk of loss due to the financial strength of these institutions.

NOTE 3: COMMITMENTS AND CONTINGENCIES (CONTINUED)

From time to time, the Organization may have asserted and unasserted claims arising in the normal course of business. The Organization does not expect losses, if any, arising from these asserted and unasserted claims to have a material effect on the financial statements.

NOTE 4: EMPLOYEE BENEFIT PLAN

The Organization has established a SIMPLE IRA Plan (the Plan). Generally, all employees of the Organization who meet the minimum service hours are eligible to participate in the Plan. Employees may contribute up to statutory limits annually. The Organization is required to make matching contributions to the Plan up to 3% of the employee's total compensation. The Organization paid matching contributions of approximately $17,600 during the year ended December 31, 2015.

NOTE 5: ECONOMIC DEPENDENCY

The Organization receives the majority of its revenue and support from grant contracts with organizations, community programs and state and local governments. The future receipt of such funding, however, is indeterminate due to the uncertainty of grant resources in future years. Should this support be discontinued, the Organization would have to replace this funding from other sources or discontinue certain of its programs.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 9, 2016, which is the date that the financial statements were available to be issued.