

The Arts & Recreation Foundation
Of Overland Park

Independent Auditor's Report and
Financial Statements

December 31, 2008

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EMERICK & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Arts & Recreation Foundation
Of Overland Park

We have audited the accompanying consolidated statement of financial position of The Arts & Recreation Foundation of Overland Park as of December 31, 2008 and 2007, and the related consolidated statements of activities and changes in net assets, and consolidated cash flows for the year ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arts & Recreation Foundation of Overland Park as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the year ended December 31, 2008 in conformity with generally accepted accounting principles in the United States of America.

Emerick & Company, P.C.

Kansas City, Missouri
July 12, 2009

**Arts and Recreation Foundation of Overland Park
Consolidated Statement of Financial Position
December 31, 2008 and 2007**

ASSETS

CURRENT ASSETS	2008	2007
Cash and Cash Equivalents	\$ 693,718	\$ 657,824
Total Current Assets	693,718	657,824
TEMPORARILY RESTRICTED ASSETS	585,830	577,987
TOTAL ASSETS	\$ 1,279,548	\$ 1,235,811

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Payroll Tax Payable	\$ 1,013	\$ 1,035
NET ASSETS		
Unrestricted net assets:		
Operating	273,090	481,849
Board Designated	419,615	174,940
Total	692,705	656,789
Temporarily restricted	585,830	577,987
Total Net Assets	1,278,535	1,234,776
TOTAL NET ASSETS AND LIABILITIES	\$ 1,279,548	\$ 1,235,811

**Arts and Recreation Foundation of Overland Park
Consolidated Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2008**

UNRESTRICTED NET ASSETS
REVENUE AND SUPPORT

Individual donations	\$ 159,163
Corporation and business grants	26,895
Foundation and trust grants	68,684
Local government grants	44,313
Dues	36,676
Interest and dividend income	34,517
Special event income	455,252
Unrealized gain/(loss)	(176,757)
Other income	6,011
Net assets released from restrictions	99,200
Total Revenue and Support	753,954
Less cost of sales	35,819
Total Revenue and Support	718,135

EXPENSES

Program Services	
Programs	309,489
	309,489
Support Services	
Fundraising	282,031
Management and general	90,699
	372,730
Total Expenses	682,219
Change in Unrestricted Net Assets	35,916

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted contributions	158,100
Unrealized gain/(loss)	(51,057)
Net assets released from restrictions	(99,200)
Change in Temporarily Restricted Net Assets	7,843

CHANGE IN NET ASSETS 43,759

NET ASSETS, BEGINNING OF YEAR 1,234,776

NET ASSETS, END OF YEAR \$ 1,278,535

**Arts and Recreation Foundation of Overland Park
Consolidated Statement of Cash Flows
Year Ended December 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 43,759
Change in accounts payable	(22)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>43,737</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Change in temporarily restricted net assets	(7,843)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(7,843)</u>
NET INCREASE (DECREASE) IN CASH	35,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>657,824</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 693,718</u></u>

See Notes to Financial Statements

THE ARTS & RECREATION FOUNDATION OF OVERLAND PARK
Notes to Financial Statements
December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

The Foundation is a 501 (c) (3) not-for-profit corporation. The foundation incorporated in 1995 and became active in 1996. The mission is to support the development and operation of The Overland Park Arboretum and Botanical Gardens, The Deanna Rose Children's Farmstead and Overland Park arts through the foundation and the arboretum, farmstead and arts friends groups. Together they have raised significant funding to develop the arboretum, expand the farmstead and enhance the arts programs. Their goal is to make these facilities and programs attractive and accessible to all residents of the Kansas City region.

The Foundation has lent its support to a variety of projects at the arboretum and farmstead and as part of Overland Park's master plan for public art.

Revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of The Arts & Recreation Foundation of Overland Park are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met by actions of The Arts & Recreation Foundation of Overland Park or the passage of time.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

THE ARTS & RECREATION FOUNDATION OF OVERLAND PARK
Notes to Financial Statements
December 31, 2008

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Taxes

No provision is made for federal or state income taxes due to the Organization's tax-exempt status.

Fundraising and Donations

The related fundraising costs are materials purchased and other expenses arising from fundraising activities.

Revenue is recognized when cash is received from fundraising and donations.

Donated Materials and Services

The Arts and Recreation Foundation of Overland Park recognizes contributions of services received if such services a) create or enhance nonfinancial assets or b) require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Such donated services, if any, will be recorded at the fair market value of these services based upon the local market rate if the organization were required to purchase these services.

Contributions and Bequests

Contributions are recorded as revenue, at their fair value, when received, or promised unconditionally. Contributions received with donor restrictions that limit their use are reported as temporarily restricted revenue. When a donor restriction is met through the passage of time or fulfillment of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets.

THE ARTS & RECREATION FOUNDATION OF OVERLAND PARK
Notes to Financial Statements
December 31, 2008

NOTE 2: CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, The Arts & Recreation Foundation of Overland Park considers all cash and other highly liquid investments to be cash equivalents. The company maintains cash and cash equivalent balances at Bank of Blue Valley. At December 31, 2008 cash equivalents consisted primarily of cash and money market accounts. The bank has issued a guaranty bond for amounts exceeding insured amounts by the Federal Deposit Insurance Corporation (FDIC). The bond covers amounts up to \$1,000,000.