Mill Creek MetroParks Foundation

Financial Statements
December 31, 2024 and 2023

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MILL CREEK METROPARKS FOUNDATION

DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

Board of Directors
Mill Creek Metroparks Foundation

Opinion

We have audited the accompanying financial statements of Mill Creek Metroparks Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Mill Creek Metroparks Foundation as of December 31, 2024 and 2023, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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 the 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 Mill Creek Metroparks 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 Mill Creek Metroparks 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 Mill Creek Metroparks 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Cohen & Company Ltd.

Cleveland, Ohio
May 27, 2025

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 576,633	$ 357,443
Restricted cash	205,949	178,929
Current portion of pledge receivable	20,000	
Investments	4,941,194	4,819,366
Property held for sale - Net of estimated costs to sell	1,840,000	
	7,583,776	5,355,738
PLEDGE RECEIVABLE - NET	95,093	
	$ 7,678,869	$ 5,355,738
NET ASSETS		
NET ASSETS		
Undesignated	$ 365,320	$ 364,791
Board designated	1,034,417	867,043
With donor restrictions	6,279,132	4,123,904
	$ 7,678,869	$ 5,355,738

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	TOTAL
REVENUE			
Public support	$ 88,885	$ 537,534	$ 626,419
In-kind donation of property - Net		1,840,000	1,840,000
Net investment income	96,398	303,713	400,111
	185,283	2,681,247	2,866,530
Net assets released from restrictions	526,019	(526,019)	
TOTAL SUPPORT AND REVENUE	711,302	2,155,228	2,866,530
EXPENSES			
Program services	498,321		498,321
Supporting services:			
Management and general	45,078		45,078
TOTAL EXPENSES	543,399		543,399
CHANGE IN NET ASSETS	167,903	2,155,228	2,323,131
NET ASSETS			
Beginning of year	1,231,834	4,123,904	5,355,738
End of year	$ 1,399,737	$ 6,279,132	$ 7,678,869

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	TOTAL
REVENUE			
Public support	$ 180,188	$ 467,958	$ 648,146
Net investment income	138,811	360,008	498,819
	318,999	827,966	1,146,965
Net assets released from restrictions	613,923	(613,923)	
TOTAL SUPPORT AND REVENUE	932,922	214,043	1,146,965
EXPENSES			
Program services	681,886		681,886
Supporting services:			
Management and general	33,263		33,263
TOTAL EXPENSES	715,149		715,149
CHANGE IN NET ASSETS	217,773	214,043	431,816
NET ASSETS			
Beginning of year	1,068,481	3,855,441	4,923,922
Reclassification of net assets	(54,420)	54,420	
End of year	$ 1,231,834	$ 4,123,904	$ 5,355,738

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

		Supporting Services	
	Program Services	Management and General	Total
Grants for charitable and educational purposes	$ 498,321		$ 498,321
Professional services		$ 44,586	44,586
Insurance		492	492
	$ 498,321	$ 45,078	$ 543,399

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services: Management and General	Total
Grants for charitable and educational purposes	$ 681,886		$ 681,886
Professional services		$ 32,771	32,771
Insurance		492	492
	$ 681,886	$ 33,263	$ 715,149

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		
Changes in net assets	$ 2,323,131	$ 431,816
Noncash items included in operations:		
Change in present value discount of pledge receivable	9,907	
Net realized and unrealized gains on investments	(274,022)	(352,404)
In-kind donation of property - Net	(1,840,000)	
Adjustments to reconcile changes in net assets to net cash and cash equivalents and restricted cash provided by operating activities:		
Pledge receivable	(125,000)	
Net cash flow provided from operations	94,016	79,412
CASH FLOW PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Purchase of marketable securities	(2,533,902)	(3,558,815)
Proceeds from sales of marketable securities	2,686,096	3,316,988
	152,194	(241,827)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	246,210	(162,415)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	536,372	698,787
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 782,582	$ 536,372

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Description of Foundation</u>

Mill Creek Metroparks Foundation (the Foundation) is a public foundation that was created in 1980. The purpose of the Foundation is to maintain and improve Mill Creek MetroParks to its highest level of excellence through fund development essential for its maintenance and growth for future generations, including but not limited to making capital improvements within the Mill Creek MetroParks District.

<u>Basis of Presentation</u>

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Foundation presents its statements in accordance with the accounting standards applicable to Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

<u>Net Asset Classifications</u>

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, all financial transactions have been recorded and reported to the following classes:

<u>Without Donor Restrictions</u>

Without donor restricted net assets consist of all resources of the Foundation which have no donor-imposed restrictions. Without donor restricted net assets may include funds which have been designated by the Board of Directors for a specific purpose.

<u>With Donor Restrictions</u>

With donor restricted net assets consist of cash and other assets received with donor stipulations that limit the use of the donated assets. If and when a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

<u>Cash and Cash Equivalents and Restricted Cash</u>

Cash and cash equivalents include cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase. The Company maintains cash and cash equivalents at various financial institutions which may exceed federally insured amounts at various times.

Restricted cash results from contributions and other inflows or assets whose use by the Foundation is limited by donor-imposed stipulations that either expire over time or can be fulfilled by actions of the Foundation pursuant to the stipulation.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents and Restricted Cash (continued)

Cash and cash equivalents and restricted cash is as follows at December 31:

	2024	2023
Cash and cash equivalents	$ 576,633	$ 357,443
Restricted cash	205,949	178,929
	$ 782,582	$ 536,372

Pledges receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Long-term pledges receivable are recorded at the present value of future cash flows using a risk-adjusted interest rate. Pledges receivable are recorded at the amount management expects to collect on balances outstanding at year end.

Investments

Investments at December 31, 2024 and 2023, are carried at fair value and consist of marketable equity and debt securities. Investments in securities with readily determinable fair values are reported at quoted market values. Realized and unrealized gains or losses are reflected in the accompanying statement of activities.

Revenue Recognition

Contribution Revenue

The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. At December 31, 2023, contributions of $145,000, were not recognized in the accompanying 2023 financial statements because the conditions on which they depend had not yet been met. During 2024, the conditions were met, and the revenue was recognized (see Note 3). As of December 31, 2024, there are no conditional contributions received by the Foundation that have not been recognized.

Endowment contributions and related investments are restricted by the donor and recorded in net assets with donor restrictions. Investment earnings are recorded in net assets with donor restrictions and are released from restrictions when those amounts are appropriated for expenditure by the Foundation.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Gifts-in-Kind

The Foundation's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Foundation. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Grants

Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, defines a contribution as "an unconditional transfer of cash or other assets, as well as unconditional promises to give, to an entity, or a reduction, settlement, or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner." Thus, the transfer of assets or settlement of liabilities must be both voluntary and nonreciprocal to be a contribution. These characteristics distinguish contributions from exchanges, which are reciprocal transfers in which each party receives and sacrifices approximate commensurate value. Contributions are accounted for within the scope of Accounting Standards Codification (ASC) Topic 958, while exchanges are recognized as revenue under ASC 606 when performance obligations are satisfied.

The Mill Creek Metroparks agreed to a funding agreement with a bank for approximately $3,500,000 to be repaid over 10 years bearing a fixed rate of 2.99%. The Foundation assists with distributions of approximately $235,000 made directly to the Mill Creek Metroparks. There is no formal agreement with the Foundation and the Mill Creek Metroparks, and as such, no long-term liability was recorded on the statement of financial position at December 31, 2024 and 2023. Instead, the Foundation records these transactions as contribution expense on the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents, investments, and pledge receivable. Cash and cash equivalents are maintained at quality financial institutions and periodically exceeds federally insured limits. The Foundation has not experienced any losses on its cash and cash equivalent balances. The Foundation's investments do not represent significant concentrations of market risk in as much as the Foundation's investment portfolio is adequately diversified among issuers, industries, and geographic regions. At December 31, 2024, the Foundation's pledge receivable is due from one donor.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is an Ohio non-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2024 and 2023, and for the years then ended, the Foundation did not have a liability for unrecognized tax benefits.

Subsequent Events

Management has evaluated subsequent events through May 27, 2025 the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets are considered unavailable when illiquid, or not convertible to cash within one year, endowments and board designated endowments. The Board designated endowments may be drawn upon at the discretion of the governing board, however, this is not the intention. The Foundation structures its financial assets to be available as its expenses, liabilities and other obligations become due.

Financial assets as of December 31:

	2024	2023
Cash and cash equivalents	$ 576,633	$ 357,443
Restricted cash	205,949	178,929
Pledge receivable - Net	115,093	
Investments	4,941,194	4,819,366
Property held for sale - Net of estimated costs to sell	1,840,000	
	$ 7,678,869	$ 5,355,738

Less amounts unavailable for general expenditure within one year:

	2024	2023
Restricted cash	$ 205,949	$ 178,929
Pledge receivable - Long-term	95,093	
Net assets with donor restrictions	6,279,132	4,123,902
	$ 6,580,174	$ 4,302,831
Financial assets available to meet general expenditures within one year	$ 1,098,695	$ 1,052,907

NOTES TO THE FINANCIAL STATEMENTS

3. PLEDGE RECEIVABLE

During 2023, the Foundation received a contribution from a single donor who pledged various amounts over multiple years for the amounts to be used for the Cross Country Course at Mill Creek Metro Parks. The pledge was conditioned upon receipt of naming rights, which occurred in 2024, at which time, the pledge receivable was recognized. Pledge receivable consists of the following at December 31, 2024:

Due within one year	$	20,000
Due within one to five years		105,000
Discount of 3.56%		(9,907)
Pledge receivable - Net	$	115,093

4. FAIR VALUE MEASUREMENTS

The various inputs that may be used to determine the fair value of the Foundation's assets and liabilities are summarized in three broad levels:

Level 1	Quoted prices in active markets for identical securities
Level 2	Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
Level 3	Significant unobservable inputs (including the Foundation's own assumptions used to determine value)

Equity securities and fixed income securities are valued at the closing price reported on the active market on which the individual securities are traded. The fair value of corporate bonds is determined by pricing models maximizing the use of observable inputs for similar securities.

Assets measured at fair value are comprised of the following at December 31, 2024:

Description	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	$ 2,016,208			$ 2,016,208
Fixed income securities	914,559			914,559
Corporate bonds		$ 2,010,427		2,010,427
Total assets	$ 2,930,767	$ 2,010,427		$ 4,941,194

NOTES TO THE FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value are comprised of the following at December 31, 2023:

Description	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	$ 1,824,184			$ 1,824,184
Fixed income securities	843,230			843,230
Corporate bonds		$ 2,151,952		2,151,952
Total assets	$ 2,667,414	$ 2,151,952		$ 4,819,366

5. PROPERTY HELD FOR SALE

In 2024, the Foundation received property from a donor consisting of real estate. An independent appraisal was performed at the date of donation, and it was determined that the fair value of the real estate was $2,000,000. The Foundation's Board of Directors approved to sell the property upon receipt, in its present condition. Subsequent to year end, the property sold for $1,575,000.

Management determined that the property met the criteria to be classified as "held for sale". Accordingly, upon receipt, the property was recorded at the lower of its carrying value or its fair value less cost to sell. The incremental direct costs to transact the sale were estimated at 6% for real estate fees and 2% for closing costs, or $120,000 and $40,000, respectively. At December 31, 2024, property held for sale - net of estimated costs to sell amounted to $1,840,000.

6. NET ASSETS

Net Assets Without Donor Restrictions

The Foundation's governing board has designated the following unrestricted net assets to function as an endowment, for the following purposes at December 31:

	2024	2023
Operating programs	$ 915,380	$ 828,857
Land conservancy	4,507	4,728
Agricultural education		33,458
Total board designated for endowment	919,887	867,043
Board designated for maintenance projects	114,530	
Total board designated	1,034,417	867,043
Undesignated	365,320	364,791
Total net assets without donor restrictions	$ 1,399,737	$ 1,231,834

NOTES TO THE FINANCIAL STATEMENTS

6. NET ASSETS (Continued)

Net Assets with Donor Restrictions

Donor restricted net assets are restricted for the following purposes at December 31:

	2024	2023
Agricultural education outreach	$ 275	$ 416
Maintenance:		
Children's Garden	758,075	262,640
Fellows Riverside Gardens		205
Gazebo at Fellows Riverside Garden	9,842	15,211
Lily Pond		29
Nature trails	79,219	66,903
Police department		65
Short term gardens	34,569	16,100
Tennis courts		13
Vickers Nature Preserve		81
Memorials	65,762	73,787
Planting of saplings and reforestation efforts	12,339	7,087
Purchasing new books and periodicals for the library		21
Redevelopment of the Ford Nature Education Center	1,089,343	1,585,727
Upkeep of the historical furnace	36,913	36,495
Golf Course	2,259	
Other projects	31,440	54,418
Total net assets restricted for purpose	$ 2,120,036	$ 2,119,198

The endowments below are restricted to investment in perpetuity, and subject to spending policies at December 31:

	2024	2023
Land purchases	$ 967,987	$ 871,305
Maintenance:		
Golf course	467,041	462,081
Lanterman's Mill	271,306	254,752
Lily Pond	3,129	2,918
MCP Bikeway	44,539	43,000
Nature trails	16,886	14,172
Rose Garden	257,345	195,261
Vickers Nature Preserve	6,580	11,115
Wick Recreational Area	26,882	22,656
Yellow Creek Park	5,714	247
Redevelopment of the Ford Nature Education Center	3,627	3,302
Shade Garden at Fellows Riverside Gardens	132,967	123,897
Total net assets restricted to investment in perpetuity	$ 2,204,003	$ 2,004,706
Total net assets restricted for time	$ 1,955,093	$
Total net assets with donor restrictions	$ 6,279,132	$ 4,123,904

NOTES TO THE FINANCIAL STATEMENTS

6. NET ASSETS (Continued)

Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the year ended December 31:

	2024	2023
Agricultural education outreach		$ 30,073
Maintenance:		
Fellows Riverside Gardens	$ 5,000	14,842
Golf course		2,399
Lily Pond		2,115
Police department		4,676
Song bird box		29
Tennis courts		945
Vickers Nature Preserve		5,000
Wick Recreational Area		5,901
Purchasing new books and periodicals for the library		1,506
Redevelopment of the Ford Nature Education Center	470,215	470,347
Park Tribute Benches	8,700	
Fellows Riverside Gardens Gazebo	5,479	
Tree Trust	5,000	
Total restrictions released	$ 494,394	$ 537,833

Net assets from endowments were released from restrictions as follows for the year ended December 31:

	2024	2023
Agricultural education outreach		$ 283
Maintenance:		
Golf course	$ 17,471	12,025
Lanterman's Mill		6,843
Nature trails		679
Rose Garden	9,520	56,260
MCP Bikeway	4,634	
Total restricted endowments released	$ 31,625	$ 76,090
Total net assets released from restrictions	$ 526,019	$ 613,923

NOTES TO THE FINANCIAL STATEMENTS

7. ENDOWMENT

The Foundation's endowment consists of approximately 15 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Net Assets Classifications

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as with donor restricted net assets (a) original value of gifts donated to the endowment and (b) the original value of subsequent gifts to the instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in with donor restricted net assets is classified as Board designated net assets until those amounts are appropriated for expenditure by the Foundation.

The following schedules summarize the endowment net asset compositions by type at December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		$ 2,204,003	$ 2,204,003
Board-designated endowment funds	$ 919,887		919,887
	$ 919,887	$ 2,204,003	$ 3,123,890

The following schedules summarize the endowment net asset compositions by type at December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		$ 2,004,706	$ 2,004,706
Board-designated endowment funds	$ 828,857		828,857
	$ 828,857	$ 2,004,706	$ 2,833,563

NOTES TO THE FINANCIAL STATEMENTS

7. ENDOWMENT (Continued)

Net Assets Classifications (continued)

The following schedules summarize the changes in endowment net assets for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - Beginning of year	$ 828,857	$ 2,004,706	$ 2,833,563
Investment return:			
Dividends and interest	25,454	53,516	78,970
Net unrealized and realized gain on investments	69,105	160,411	229,516
Investment fees	(5,524)	(5,688)	(11,212)
Total investment return	89,035	208,239	297,274
Contributions	1,995	22,683	24,678
Expenditures		(31,625)	(31,625)
Net assets - End of year	$ 919,887	$ 2,204,003	$ 3,123,890

The following schedules summarize the changes in endowment net assets for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - Beginning of year	$ 697,238	$ 1,682,162	$ 2,379,400
Investment return:			
Dividends and interest	20,953	50,616	71,569
Net unrealized and realized gain on investments	93,006	207,271	300,277
Investment fees	(4,353)	(8,838)	(13,191)
Total investment return	806,844	1,931,211	2,738,055
Contributions	41,819	149,585	191,404
Expenditures	(19,806)	(76,090)	(95,896)
Net assets - End of year	$ 828,857	$ 2,004,706	$ 2,833,563

Return Objectives

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds. The overall long-term purpose is to invest the funds to obtain the highest possible return of the funds. The ability to achieve these returns will depend upon the ability to accept a moderate amount of risk, recognizing that a reasonable degree of volatility in market values is necessary to achieve long-term capital appreciation. Equities range between 30% and 40% of the total accounts and fixed income between 60% and 70%. Investments are benchmarked against S&P 500, 90-day U.S. Treasury bills and Barclays Intermediate Government/Corporate Index.

NOTES TO THE FINANCIAL STATEMENTS

7. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk restraints.

Spending Policy

The Foundation may appropriate, for distribution each year, 4% of its endowment fund's previous twelve quarters average ending market value. In establishing this policy, the Foundation considered the long-term expected return rate of its endowment. Accordingly, the Foundation expects the current spending policy to allow its endowment to grow at the highest rate possible over the long-term. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

8. RISKS AND UNCERTAINTIES

The Foundation has significant interests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of assets, liabilities and net assets and revenue, expenses and changes in net assets.

9. RELATED PARTY TRANSACTIONS

The Foundation is a Type I supporting organization of the Mill Creek MetroParks. The Foundation provided $623,624 and $681,886 in grants to Mill Creek MetroParks in 2024 and 2023, respectively.