

**GARFIELD PARK CONSERVATORY ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Garfield Park Conservatory Alliance

We have audited the accompanying financial statements of Garfield Park Conservatory Alliance (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows 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 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 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 financial position of Garfield Park Conservatory Alliance as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

As discussed in Note 1 to the financial statements, as of and for the years ended June 30, 2019 and 2018, Garfield Park Conservatory Alliance adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) NO.2016-14, Presentation of Financial Statements for Not-For-Profit Entities. Our opinion is not modified with respect to this matter.

**Oak Brook, IL
January 16, 2020**

A handwritten signature in blue ink that reads "Gray Hunter Stenn LLP". The signature is written in a cursive, flowing style.

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and cash equivalents	\$ 1,416,909	\$ 1,079,715
Investments	115,674	107,692
Grants receivable	30,861	91,945
Due from Chicago Park District	359,844	290,963
Gift shop inventory	<u>4,286</u>	<u>-</u>
Total current assets	<u>1,927,574</u>	<u>1,570,315</u>
Property and equipment, net	<u>668,620</u>	<u>773,211</u>
TOTAL ASSETS	<u>\$ 2,596,194</u>	<u>\$ 2,343,526</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 276,849	\$ 256,371
Line of credit	-	100,000
Margin loan	<u>35,431</u>	<u>33,533</u>
Total liabilities	<u>312,280</u>	<u>389,904</u>
Net Assets:		
Without donor restrictions	1,898,096	1,573,888
With donor restrictions	<u>385,818</u>	<u>379,734</u>
Total net assets	<u>2,283,914</u>	<u>1,953,622</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,596,194</u>	<u>\$ 2,343,526</u>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions and grants - Individuals	\$ 385,864	\$ -	\$ 385,864
Contributions and grants - Foundation	396,878	-	396,878
Contributions and grants - Government	521,553	-	521,553
Contributions and grants - Other	35,901	-	35,901
In-kind contributions	51,879	-	51,879
Membership	65,609	-	65,609
Fees	9,225	-	9,225
Gift shop - Net of direct costs of \$184,295	629	-	629
Fundraising events income - Net of direct costs of \$181,895	183,878	-	183,878
Interest income	1,957	-	1,957
Investment gain (loss)	-	6,084	6,084
Rental revenue	<u>302,968</u>	<u>-</u>	<u>302,968</u>
 Total support and revenue	 <u>1,956,341</u>	 <u>6,084</u>	 <u>1,962,425</u>
 Net assets released from restrictions	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total revenue and net assets released from restrictions	 <u>1,956,341</u>	 <u>6,084</u>	 <u>1,962,425</u>
 Expenses:			
Program services:			
Adult programs	128,613	-	128,613
Special projects	499,748	-	499,748
Youth programs	491,990	-	491,990
Sugar from the sun	72,944	-	72,944
General and administrative	368,555	-	368,555
Fundraising	<u>70,283</u>	<u>-</u>	<u>70,283</u>
Total expenses	<u>1,632,133</u>	<u>-</u>	<u>1,632,133</u>
 Increase (decrease) in net assets	 324,208	 6,084	 330,292
 Net assets, beginning of year	 <u>1,573,888</u>	 <u>379,734</u>	 <u>1,953,622</u>
 Net assets, end of year	 <u>\$ 1,898,096</u>	 <u>\$ 385,818</u>	 <u>\$ 2,283,914</u>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions and grants - Individuals	\$ 294,542	\$ -	\$ 294,542
Contributions and grants - Foundation	291,445	40,000	331,445
Contributions and grants - Government	448,571	42,714	491,285
Contributions and grants - Other	22,883	-	22,883
In-kind contributions	51,879	-	51,879
Membership	43,385	-	43,385
Fees	13,406	-	13,406
Gift shop - Net of direct costs of \$28,847	9,002	-	9,002
Fundraising events income - Net of direct costs of \$128,211	57,934	-	57,934
Investment gain (loss)	-	7,890	7,890
Rental revenue	<u>273,669</u>	<u>-</u>	<u>273,669</u>
 Total support and revenue	 <u>1,506,716</u>	 <u>90,604</u>	 <u>1,597,320</u>
 Net assets released from restrictions	 <u>132,714</u>	 <u>(132,714)</u>	 <u>-</u>
 Total revenue and net assets released from restrictions	 <u>1,639,430</u>	 <u>(42,110)</u>	 <u>1,597,320</u>
Expenses:			
Program services:			
Adult programs	131,582	-	131,582
Special projects	458,247	-	458,247
Youth programs	361,596	-	361,596
Sugar from the sun	72,944	-	72,944
General and administrative	343,833	-	343,833
Fundraising	<u>52,023</u>	<u>-</u>	<u>52,023</u>
Total expenses	<u>1,420,225</u>	<u>-</u>	<u>1,420,225</u>
 Increase (decrease) in net assets	 219,205	 (42,110)	 177,095
 Net assets, beginning of year	 <u>1,354,683</u>	 <u>421,844</u>	 <u>1,776,527</u>
 Net assets, end of year	 <u>\$ 1,573,888</u>	 <u>\$ 379,734</u>	 <u>\$ 1,953,622</u>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services					Support Services			Grand Total
	Adult Programs	Special Projects	Youth Programs	Sugar from the Sun	Programs Total	General and Administrative	Fundraising	Support Services Total	
Bank and credit card fees	\$ 78	7	-	\$ -	7	\$ 11,061	\$ -	\$ 11,061	\$ 11,068
Catering and other	172	101,497	-	-	101,575	152	65,050	65,202	166,777
Conferences and seminars	5,568	184	-	-	356	3,765	-	3,765	4,121
Consultants and speakers	-	8,846	32,469	-	46,883	32,656	4,459	37,115	83,998
Depreciation and amortization	1,259	-	11,321	72,944	85,524	19,067	-	19,067	104,591
Docent stipend	-	23,736	-	-	23,736	-	-	-	23,736
Dues and subscriptions	811	131	1,188	-	2,130	5,914	6,409	12,323	14,453
Insurance - Health	7,669	5,478	28,957	-	42,104	4,921	4,930	9,851	51,955
- Other	-	-	-	-	-	15,712	-	15,712	15,712
Interest	-	-	-	-	-	1,067	-	1,067	1,067
Marketing and promotion	-	1,226	-	-	1,226	-	3,445	3,445	4,671
Meetings and travel	5,884	12,224	8,224	-	26,332	6,612	463	7,075	33,407
Miscellaneous	1,644	2,576	-	-	4,220	5,573	-	5,573	9,793
Newsletter and printing	-	1,118	131	-	1,249	4,952	8,077	13,029	14,278
Office expense and project supplies	14,925	23,402	7,594	-	45,921	33,659	2,549	36,208	82,129
Outside services	5,950	151,536	725	-	158,211	21,594	1,200	22,794	181,005
Postage and delivery	169	-	-	-	169	816	3,503	4,319	4,488
Professional fees	1,820	1,300	7,540	-	10,660	15,760	1,170	16,930	27,590
Rent	-	-	-	-	-	15,879	-	15,879	15,879
Repairs and maintenance	-	-	-	-	-	-	-	-	-
Salaries and wages	75,792	153,490	361,171	-	590,453	149,658	139,342	289,000	879,453
Taxes - Payroll	5,835	12,256	28,220	-	46,311	10,276	10,857	21,133	67,444
- Other	-	-	-	-	-	115	-	115	115
Telephone	1,037	741	4,450	-	6,228	9,346	724	10,070	16,298
Less: Direct costs	-	-	-	-	-	-	(181,895)	(181,895)	(181,895)
TOTAL FUNCTIONAL EXPENSES	\$ 128,613	\$ 499,748	\$ 491,990	\$ 72,944	\$ 1,193,295	\$ 368,555	\$ 70,283	\$ 438,838	\$ 1,632,133

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	Program Services					Support Services			Grand Total
	Adult Programs	Special Projects	Youth Programs	Sugar from the Sun	Total	General and Administrative	Fundraising	Support Services Total	
Bank and credit card fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,005	\$ -	\$ 9,005	\$ 9,005
Catering and other	-	84,609	-	-	84,609	1,701	23,347	25,048	109,657
Conferences and seminars	-	210	-	-	210	1,378	97	1,475	1,685
Consultants and speakers	7,738	3,790	18,907	-	30,435	85,385	7,134	92,519	122,954
Depreciation and amortization	1,259	-	11,321	72,944	85,524	22,023	-	22,023	107,547
Docent stipend	-	34,467	-	-	34,467	-	-	-	34,467
Dues and subscriptions	2,163	1,334	2,131	-	5,628	1,947	3,634	5,581	11,209
Insurance - Health	7,515	5,448	31,600	-	44,563	5,196	4,904	10,100	54,663
- Other	-	-	-	-	-	14,604	-	14,604	14,604
Interest	-	-	-	-	-	5,572	-	5,572	5,572
Marketing and promotion	1,431	2,656	613	-	4,700	214	-	214	4,914
Meetings and travel	3,486	13,722	695	-	17,903	8,093	905	8,998	26,901
Miscellaneous	265	4,156	14	-	4,435	1,805	-	1,805	6,240
Newsletter and printing	3,178	3,127	3,753	-	10,058	550	15,216	15,766	25,824
Office expense and project supplies	14,781	40,848	7,471	-	63,100	25,553	10,951	36,504	99,604
Outside services	4,924	130,676	750	-	136,350	17,438	-	17,438	153,788
Postage and delivery	15	80	-	-	95	371	1,880	2,251	2,346
Professional fees	3,001	3,136	11,513	-	17,650	6,138	2,776	8,914	26,564
Rent	-	-	-	-	-	15,879	-	15,879	15,879
Salaries and wages	72,836	115,270	244,873	-	432,979	105,761	99,001	204,762	637,741
Taxes - Payroll	6,579	10,523	19,737	-	36,839	9,482	7,977	17,459	54,298
- Other	-	-	-	-	-	15	-	15	15
Telephone	2,411	4,195	8,218	-	14,824	5,723	2,412	8,135	22,959
Less: Direct costs	-	-	-	-	-	-	(128,211)	(128,211)	(128,211)
TOTAL FUNCTIONAL EXPENSES	\$ 131,582	\$ 458,247	\$ 361,596	\$ 72,944	\$ 1,024,369	\$ 343,833	\$ 52,023	\$ 395,856	\$ 1,420,225

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 330,292	\$ 177,095
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	104,591	107,547
Realized and unrealized (gain)/loss on investments	1,404	(7,890)
Decrease (increase) in operating assets:		
Grants receivable	61,084	(30,792)
Due from Chicago Park District	(68,881)	(145,008)
Gift shop inventory	(4,286)	8,631
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>20,478</u>	<u>50,042</u>
Net cash provided (used) by operating activities	<u>444,682</u>	<u>159,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchase of investment securities	<u>(7,488)</u>	<u>(1,587)</u>
Net cash provided (used) by investing activities	<u>(7,488)</u>	<u>(1,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of line of credit	<u>(100,000)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>(100,000)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	337,194	158,038
Cash and cash equivalents - Beginning	<u>1,079,715</u>	<u>921,677</u>
- Ending	<u>\$ 1,416,909</u>	<u>\$ 1,079,715</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 1,067</u>	<u>\$ 5,572</u>

See accompanying notes

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of significant accounting policies:

Nature of organization -

Garfield Park Conservatory Alliance (the Alliance) is a not-for-profit corporation organized for charitable and educational purposes, including funding and developing programs, grants, and outreach for the Garfield Park Conservatory. The Garfield Park Conservatory is owned by the Chicago Park District.

Basis of presentation -

The financial statements of Garfield Park Conservatory Alliance have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Use of estimates -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and the disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents -

For the purpose of the statement of cash flows, the Alliance considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments -

Investments are stated at their fair value as quoted on recognized exchanges.

Inventory -

Inventory is valued at the lower of cost (first-in, first-out) or market and consists primarily of gift shop merchandise.

Property and equipment -

Property and equipment are stated at cost and, for donated assets, at fair market value on date of donation. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: Summary of significant accounting policies (continued):

Net asset accounting -

In accordance with the limitations, designations and restrictions placed on the use of resources available to the Alliance, the following classifications are utilized according to the nature and purpose of the resources:

Without donor restrictions - Includes undesignated and board-designated resources, with no legal or donor-imposed restrictions. Items affecting this net asset category include program expenses associated with the Alliance's activities and all other expenses and restricted contributions whose donor-imposed restrictions were met during the year.

With donor restrictions - Includes resources with legal or donor-imposed restrictions, including restrictions as to time of utilization of resources and resources for which use is restricted to specified programs. Items affecting this net asset category are restricted contributions and grants. These amounts are reclassified to net assets without donor restrictions when the restrictions have expired or have been satisfied by expenditures for the intended purposes.

Contributions and grants -

All public support is considered to be available for unrestricted use unless restricted specifically by the donor or funding agency. At its discretion, the Board of Directors may designate certain funds for specific purposes.

Contributions and grants restricted by the donors, grantors or other outside parties are reported as with donor restrictions revenue, as applicable, when granted or pledged to the Alliance.

Contributions of securities and equipment are recorded at fair market value on the date of the gift.

Rental revenue -

The Alliance receives an agreed-upon amount from the Chicago Park District for renting out the conservatory for weddings and other events. Revenue from these rentals is recognized in the period in which it is earned.

In-kind contributions -

During the years ended June 30, 2019 and 2018, the value of contributed services, supplies, and office space meeting the requirements for recognition in the financial statements was recorded as in-kind contributions of \$51,879 and \$51,879, respectively. These values were considered to be the fair value of the supplies, office space, and computer software provided.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: Summary of significant accounting policies (continued):

A substantial number of unpaid volunteers have made contributions of their time to develop the Alliance's programs and activities. No amounts have been recognized in the statement of activities because the criteria for recognition under ASC 958-605-50-1 have not been satisfied.

Allocation of functional expenses -

The costs of providing the program and support services have been reported on a functional basis in the statement of activities. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Uncertain tax positions -

The Alliance is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision has been made for federal income tax. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Alliance and recognize a tax liability if the Alliance has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

Management has determined that the Alliance does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Alliance's tax returns will not be challenged by the taxing authorities and the Alliance will not be subject to additional tax, penalties, and interest as the result of such challenge. Generally, the Alliance's tax returns remain open for three years for federal income tax examination.

Accounting pronouncements adopted -

In August 2016, the FASB issued ASU 2016-14, Not-For-Profit Entities: Topic 958. The amendments in this Update affect not-for-profit entity's (NFP's) and the users of their general-purpose financial statements. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources. The School has implemented this ASU effective for the year ended June 30, 2019 and was applied retrospectively.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

NOTE 2: Descriptions of programs:

The core programs, adult and youth programs and special projects, are vital to the mission of the Alliance: "To support the Alliance and to educate visitors about the importance of plants in our lives."

Adult programs -

Adult programs provide opportunities for community groups to receive technical assistance, training, and planting materials for community horticulture projects and an on-site community greenhouse. Workshops on gardening and horticulture for the general public are also provided for a nominal fee. The City Backyard Garden programs are used as a vehicle to recruit, train, and assign the Alliance volunteers.

Youth programs -

Youth programs provide nature and environmental education activities for teachers, primary- and secondary-age students, and training programs for youths who are interested in leading group tours or assisting with seasonal visitor service events.

Special projects -

These programs provide opportunities for the Alliance to pilot programs and highly visible events, such as Urban Roots, a teen docent program, Harvest Days, and Creatures of the Night. Special projects are not implemented until funding sources are identified.

Sugar from the Sun -

Sugar from the Sun is an educational exhibit consisting of four sections: air, water, light, and sugar aimed to engage children and families in science learning. The exhibit opened in March 2008. The expenditures related to this project are included in property and equipment at cost. Depreciation is computed using the straight-line method over the estimated useful life of 20 years.

NOTE 3: Fair value measurements:

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Alliance's assets and liabilities measured at fair value on a recurring basis at June 30, 2019 and 2018, and the valuation techniques used by the Alliance to determine those fair values.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: Fair value measurements (continued):

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the Alliance has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Alliance's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets and liabilities measured at fair value on recurring basis at June 30, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
Assets:				
Stock and Equity				
Mutual Funds	\$ 115,674	\$ -	\$ -	\$ 115,674
Total Assets	<u>\$ 115,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,674</u>
Liabilities - Margin Loan	<u>\$ 35,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,431</u>

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: Fair value measurements (continued):

Assets and liabilities measured at fair value on recurring basis at June 30, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2018
Assets:				
Stock and Equity				
Mutual Funds	\$ 107,692	\$ -	\$ -	\$ 107,692
Total Assets	\$ 107,692	\$ -	\$ -	\$ 107,692
Liabilities - Margin Loan	\$ 33,533	\$ -	\$ -	\$ 33,533

Level I Inputs -

Estimated fair values for the Alliance's equity and bond mutual funds were based on quoted market prices in an active market. The Alliance maintains a margin loan to provide access to funds for various needs and the ability to gain additional benefits from investments.

NOTE 4: Investment income:

The Alliance accounts for investments at fair value. Unrealized gains and losses are recorded in the statement of activities and changes in net assets.

Investment gain for the years ended June 30, 2019 and 2018, of \$7,982 and \$9,477, respectively, includes dividends of \$7,488 and \$1,661, respectively, and interest expense on the margin loan of \$1,898 and \$1,587, respectively.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 5: Liquidity and availability:

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$	1,076,909
Investments		<u>115,674</u>
	\$	<u><u>1,192,583</u></u>

The Alliance's endowment funds consist of donor-restricted endowments. Income from the endowments is available for general use related to the respective endowment. Donor-restricted endowment funds are not available for general expenditure.

As part of the Alliance's liquidity management plan, management invests cash in excess of daily requirements in short-term investments and money market funds.

NOTE 6: Property and equipment:

Property and equipment consists of the following:

	Net Carrying Value		Useful Life
	2019	2018	
Children's and Demo Gardens	\$ 228,819	\$ 228,819	7 years
Computers and equipment	211,612	211,612	5 years
Office furniture and fixtures	39,848	39,848	5 - 10 years
Sugar from the Sun - External infrastructure	1,458,884	1,458,884	20 years
Accumulated depreciation	<u>(1,270,543)</u>	<u>(1,165,952)</u>	
Property and equipment, net	<u><u>\$ 668,620</u></u>	<u><u>\$ 773,211</u></u>	

Depreciation expense amounted \$104,591 and \$107,547 for the years ended June 30, 2019 and 2018, respectively.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7: Line of credit:

As of June 30, 2019 and 2018, the Alliance has a revolving line of credit with Harris Trust and Savings Bank with maximum borrowings available of \$150,000. This agreement bears an interest rate of prime plus 1 percent and is secured by the Alliance's assets. Interest expense for the years ended June 30, 2019 and 2018, related to this line of credit was \$1,067 and \$5,572, respectively. As of June 30, 2019 and 2018, the balance outstanding on the line of credit was \$-0- and \$100,000, respectively. As of September 12, 2019 the line of credit was closed.

NOTE 8: Due to/Due from Chicago Park District:

Revenue recognized from the Chicago Park District for the years ended June 30, 2019 and 2018, amounted to approximately \$495,000 and \$491,000, respectively. Included in that amount is approximately \$285,000 and \$259,000, respectively, from an agreement whereby a certain percentage of rentals fees over \$280,000 will be split equally between the organizations. All amounts between \$50,000 and \$280,000 will be the right of the Alliance.

As of June 30, 2019 and 2018, the amount due from the Chicago Park District was \$359,844 and \$290,963, respectively.

NOTE 9: Employee benefit plan:

The Alliance sponsors a defined contribution plan organized under Section 403(b) of the Internal Revenue Code, which covers all employees. Full-time employees may participate in the plan immediately upon employment. All contributions to the plan are fully vested. The Alliance does not contribute any funds on behalf of the employees.

NOTE 10: Net assets with donor restrictions:

Net assets with donor restrictions were available for the following purposes:

	2019	2018
Children's garden renovation project	\$ 240,000	\$ 240,000
Endowment earnings	45,818	39,734
Lila Wallace endowment	100,000	100,000
Total net assets with donor restrictions	\$ 385,818	\$ 379,734

Endowments of \$100,000 as of June 30, 2019 and 2018, are restricted for the Lila Wallace Endowment. This endowment consists of an individual donor-restricted fund established to help support the Alliance's general operations. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There are no board-designated endowment funds.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: Net assets with donor restrictions (continued):

The board of directors of the Alliance 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 Alliance classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Alliance considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the donor-restricted endowment fund
- (3) General economic conditions
- (4) The expected total return from income and the appreciation of investments
- (5) Other resources of the Alliance
- (6) The investment policies of the Alliance

Endowment net asset composition by type of fund as of June 30, 2019 and 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
2019	\$ -	\$ 145,818	\$ 145,818
2018	\$ -	\$ 139,734	\$ 139,734

Changes in endowment net assets for the fiscal year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets			
- Beginning of Year	\$ -	\$ 139,734	\$ 139,734
Investment Income	-	6,084	6,084
Endowment Net Assets			
- End of Year	\$ -	\$ 145,818	\$ 145,818

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: Net assets with donor restrictions (continued):

Changes in endowment net assets for the fiscal year ended June 30, 2018:

	Unrestricted		Temporarily Restricted		Total
Endowment Net Assets					
- Beginning of Year	\$ -	\$	131,844	\$	131,844
Investment Income	-		7,890		7,890
Endowment Net Assets					
- End of Year	\$ -	\$	139,734	\$	139,734

Return objectives and risk parameters -

The long-term objective for the funds adopted by the Alliance is to generate additional cash flow to help support the Alliance's general operations. The funds are invested in publicly traded equity mutual funds and a publicly traded bond fund. Once the Alliance settles all interfund borrowings, the Alliance will re-evaluate its long-term return objectives.

Funds with deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Alliance to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this are reported in unrestricted net assets. There were no deficiencies as of June 30, 2019 and 2018.

NOTE 11: Conflict of interest policy:

The Alliance maintains a conflict of interest policy which applies to board members. The policy requires that each person to whom the policy applies complete an annual disclosure statement to identify any business, financial, or personal interest in matters relating to the Alliance.

The policy forbids such individuals from voting on or using their personal influence in connection with such matters. In the event the Alliance does conduct business with a related party, the financial terms of those relationships are reported annually to the board of directors.

NOTE 12: Concentration of credit risk:

The Alliance's cash and cash equivalents are located in various financial institutions and occasionally exceed the federally insured limit.

**GARFIELD PARK CONSERVATORY ALLIANCE
NOTES TO FINANCIAL STATEMENTS**

NOTE 13: Subsequent events:

Subsequent events have been evaluated through January 16, 2020, which is the date the financial statements were available to be issued.