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November 11, 2021

Illinois Attorney General
Charitable Trust Bureau
ATT: Annual Report Section
100 West Randolph, 11th Floor
Chicago, IL 60601-3175

RE: Garfield Park Conservatory Alliance
FEIN: 36-4200490
CO Number: 01-033-776

Dear Sir or Madam:

On behalf of the above-named organization, we respectfully request an extension of time until February 28, 2022, to file Form AG-990-IL, Charitable Organization Supplement, for the taxable year ended June 30, 2021.

Also, please find enclosed a copy of IRS Form 8868, Application for Extension of Time to File the Organization's federal tax return.

Please record, on the copy of this letter, the filing of the application and return it to us in the envelope provided. Your approval of this request should be addressed to Gray Hunter Stenn, LLP.

Very truly yours,

James G. Stewart
jamie@ghsoak.com

Encl.

O:\31035\06.30.2021\06.30.21 IL Extension 31035.doc

Form

8868**Application for Automatic Extension of Time To File an Exempt Organization Return**

OMB No. 1545-0047

-(Rev. January 2020)

Department of the Treasury
Internal Revenue Service

► **File a separate application for each return.**
 ► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Taxpayer identification number (TIN)
	GARFIELD PARK CONSERVATORY ALLIANCE	36-4200490
	Number, street, and room or suite no. If a P.O. box, see instructions. 300 N. CENTRAL PARK AVENUE	
File by the due date for filing your return. See instructions.	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	CHICAGO	IL 60624

Enter the Return Code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

GARFIELD PARK CONSERVATORY ALLIANCE
300 N. CENTRAL PARK AVENUE

- The books are in the care of ► CHICAGO

IL 60624

Telephone No. ► 773-638-1766

Fax No. ► 773-638-1777

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until 05/15/22, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year _____ or
- ☒ tax year beginning 07/01/20, and ending 06/30/21

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2020)

**GARFIELD PARK CONSERVATORY ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020**



CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020	
Financial Position	3
Activities - 2021	4
- 2020	5
Functional Expenses - 2021	6
- 2020	7
Cash Flows	8
Notes to Financial Statements	9



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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, 2021 and 2020, 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, 2021 and 2020, 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 July 1, 2020, Garfield Park Conservatory Alliance adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

**Oak Brook, IL
January 20, 2022**

A handwritten signature in black ink, appearing to read "Gray Hunter Stenn" followed by a stylized mark that could be "LLP".

GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$ 2,234,378	\$ 1,951,297
Investments	169,735	127,948
Grants receivable	6,236	22,734
Pledges receivable	38,090	-
Due from Chicago Park District	55,797	150,865
Gift shop inventory	48,762	55,349
Prepaid expenses	<u>18,282</u>	<u>9,956</u>
Total current assets	<u>2,571,280</u>	<u>2,318,149</u>
Property and equipment, net	<u>518,367</u>	<u>596,344</u>
 TOTAL ASSETS	 \$ <u><u>3,089,647</u></u>	 \$ <u><u>2,914,493</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 271,346	\$ 335,166
Margin loan	33,421	37,046
Refundable advance	<u>-</u>	<u>148,067</u>
Total liabilities	<u>304,767</u>	<u>520,279</u>
Net Assets:		
Without donor restrictions		
Undesignated	1,606,906	1,336,933
Invested in property and equipment	518,367	596,344
Total without donor restrictions	<u>2,125,273</u>	<u>1,933,277</u>
With donor restrictions	<u>659,607</u>	<u>460,937</u>
Total net assets	<u>2,784,880</u>	<u>2,394,214</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>3,089,647</u></u>	 \$ <u><u>2,914,493</u></u>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions and grants - Individuals	\$ 451,053	\$ -	\$ 451,053
Contributions and grants - Foundation	372,683	171,239	543,922
Contributions and grants - Government	434,316	-	434,316
Contributions and grants - Other	37,393	-	37,393
In-kind contributions	15,879	-	15,879
Membership	123,938	-	123,938
Fees	1,565	-	1,565
Gift shop - Net of direct costs of \$62,380	(25,937)	-	(25,937)
Fundraising events income - Net of direct costs of \$1,704	37,590	11,291	48,881
Paycheck Protection Program Grant (see note 8)	364,527	-	364,527
Interest income	344	-	344
Investment gain (loss)	5,244	37,096	42,340
Rental revenue	1,061	-	1,061
Transfer to net assets without donor restrictions arising from satisfaction of restrictions	20,956	(20,956)	-
Total support and revenue	1,840,612	198,670	2,039,282
Expenses:			
Program services:			
Adult programs	284,298	-	284,298
Community	18,562	-	18,562
Special projects	27,769	-	27,769
Youth programs	393,784	-	393,784
Sugar from the Sun	72,944	-	72,944
General and administrative	494,226	-	494,226
Fundraising	357,033	-	357,033
Total expenses	1,648,616	-	1,648,616
 Increase (decrease) in net assets	 191,996	 198,670	 390,666
Net assets, beginning of year	1,933,277	460,937	2,394,214
Net assets, end of year	\$ 2,125,273	\$ 659,607	\$ 2,784,880

See accompanying notes

GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions and grants - Individuals	\$ 320,231	\$ 15,955	\$ 336,186
Contributions and grants - Foundation	224,544	47,500	272,044
Contributions and grants - Government	566,877	-	566,877
Contributions and grants - Other	60,809	-	60,809
In-kind contributions	27,532	-	27,532
Membership	99,327	-	99,327
Fees	13,923	-	13,923
Gift shop - Net of direct costs of \$155,942	68,065	-	68,065
Fundraising events income - Net of direct costs of \$60,757	162,383	2,500	164,883
Paycheck Protection Program Grant (see note 8)	74,033	-	74,033
Interest income	8,269	-	8,269
Investment gain (loss)	-	9,164	9,164
Rental revenue	184,582	-	184,582
Total support and revenue	<u>1,810,575</u>	<u>75,119</u>	<u>1,885,694</u>
Expenses:			
Program services:			
Adult programs	167,811	-	167,811
Special projects	440,305	-	440,305
Youth programs	389,960	-	389,960
Sugar from the Sun	72,944	-	72,944
General and administrative	534,748	-	534,748
Fundraising	169,626	-	169,626
Total expenses	<u>1,775,394</u>	<u>-</u>	<u>1,775,394</u>
Increase (decrease) in net assets	35,181	75,119	110,300
Net assets, beginning of year	<u>1,898,096</u>	<u>385,818</u>	<u>2,283,914</u>
Net assets, end of year	<u>\$ 1,933,277</u>	<u>\$ 460,937</u>	<u>\$ 2,394,214</u>

See accompanying notes

	Program Services					Support Services						
	Adult Programs	Community	Special Projects	Youth Programs	Sugar from the Sun	Total	General and Administrative		Fundraising		Support Services Total	Grand Total
Bank and credit card fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	977	\$	4,901	\$	5,878	\$ 5,878
Conferences and seminars	1,042	-	102	1,446	-	2,590	179		75		254	2,844
Consultants and speakers	26,579	9,554	959	13,622	-	50,714	57,947		89,520		147,467	198,181
Depreciation and amortization	-	-	-	-	72,944	72,944	17,358		-		17,358	90,302
Dues and subscriptions	2,410	3,334	111	1,599	-	7,454	3,927		8,741		12,668	20,122
Insurance - Health	6,203	2	621	19,597	-	26,423	9,723		16,965		26,688	53,111
Insurance - Other	721	-	70	1,000	-	1,791	11,271		407		11,678	13,469
Interest	-	-	-	-	-	-	1,127		-		1,127	1,127
Marketing and promotion	1,175	-	495	-	-	1,670	-		950		950	2,620
Meetings and travel	352	-	1	-	-	353	355		384		739	1,092
Miscellaneous	121	894	12	118	-	1,145	779		72		851	1,996
Newsletter and printing	437	-	5,240	61	-	5,738	-		3,135		3,135	8,873
Office expense and project supplies	13,609	66	1,888	3,864	-	19,427	7,155		972		8,127	27,554
Outside services	33,615	13	3,478	47,682	-	84,788	104,957		8,243		113,200	197,988
Postage and delivery	93	-	1,069	-	-	1,162	663		1,785		2,448	3,610
Professional fees	-	-	-	-	-	-	13,566		5,000		18,566	18,566
Rent	-	-	-	-	-	-	15,879		-		15,879	15,879
Salaries and wages	182,032	4,696	12,582	281,791	-	481,101	212,970		200,790		413,760	894,861
Taxes - Payroll	15,768	3	1,129	22,775	-	39,675	32,144		16,603		48,747	88,422
Telephone	141	-	12	229	-	382	3,249		194		3,443	3,825
Less: Direct costs	-	-	-	-	-	-	-		(1,704)		(1,704)	(1,704)
TOTAL FUNCTIONAL EXPENSES	\$ 284,298	\$ 18,562	\$ 27,769	\$ 393,784	\$ 72,944	\$ 797,357	\$ 494,226	\$ 357,033	\$ 851,259	\$ 1,648,616		

6

GRAY HUNTER STENN LLP

GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services				Support Services			
	Adult Programs	Special Projects	Youth Programs	Sugar from the Sun	Programs Total	General and Administrative	Fundraising	Support Services Total
	\$	\$	\$	\$	\$	\$	\$	\$
Bank and credit card fees	-	-	-	-	-	6,955	3,902	10,857
Catering and other	-	59,459	-	-	59,459	-	-	59,459
Conferences and seminars	486	1,312	356	-	2,154	352	87	2,593
Consultants and speakers	13,514	15,230	10,868	-	39,612	64,171	3,143	106,926
Depreciation and amortization	1,259	-	11,321	72,944	85,524	9,248	-	94,772
Docent stipend	-	69,055	-	-	69,055	-	-	69,055
Dues and subscriptions	912	1,008	248	-	2,168	4,222	9,512	15,902
Insurance - Health	5,634	15,759	13,128	-	34,521	16,404	11,505	62,430
- Other	-	-	-	-	-	2,612	-	2,612
Interest	-	-	-	-	-	1,615	-	1,615
Marketing and promotion	154	2,851	345	-	3,350	-	2,500	5,850
Meetings and travel	5,200	21,103	4,953	-	31,256	3,725	524	35,505
Miscellaneous	4,189	111	-	-	4,300	1,600	37	5,937
Newsletter and printing	235	4,215	1,151	-	5,601	110	3,138	8,849
Office expense and project supplies	15,217	9,525	11,142	-	35,884	28,472	4,556	68,912
Outside services	16,234	42,514	41,599	-	100,347	74,158	5,349	179,854
Postage and delivery	116	86	691	-	893	656	1,544	3,093
Professional fees	-	-	-	-	-	55,374	-	55,374
Rent	-	-	-	-	-	15,879	-	15,879
Salaries and wages	96,597	180,520	275,488	-	552,605	223,848	168,363	944,816
Taxes - Payroll	7,935	17,153	18,356	-	43,444	20,363	14,741	78,548
- Other	-	-	-	-	-	48	-	48
Telephone	129	404	314	-	847	4,936	1,482	7,265
Less: Direct costs	-	-	-	-	-	-	(60,757)	(60,757)
TOTAL FUNCTIONAL EXPENSES	\$ 167,811	\$ 440,305	\$ 389,960	\$ 72,944	\$ 1,071,020	\$ 534,748	\$ 169,626	\$ 1,775,394

See accompanying notes

GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 390,666	\$ 110,300
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	91,390	94,772
Realized and unrealized (gain)/loss on investments	(42,031)	(4,495)
Decrease (increase) in operating assets:		
Grants receivable	16,498	8,127
Pledges receivable	(38,090)	-
Due from Chicago Park District	95,068	208,979
Gift shop inventory	6,587	(51,063)
Prepaid expenses	(8,326)	(9,956)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(63,820)	58,317
Refundable advance	(148,067)	148,067
Net cash provided (used) by operating activities	<u>299,875</u>	<u>563,048</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchase of investment securities	(8,071)	(6,164)
Proceeds from sale of investment securities	4,690	-
Purchase of property and equipment	(13,413)	(22,496)
Net cash provided (used) by investing activities	<u>(16,794)</u>	<u>(28,660)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	283,081	534,388
Cash and cash equivalents - Beginning	<u>1,951,297</u>	<u>1,416,909</u>
- Ending	<u>\$ 2,234,378</u>	<u>\$ 1,951,297</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>1,127</u>	\$ <u>1,615</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.

Revenue recognition -

Effective July 1, 2020, the Alliance adopted FASB ASC 606, Revenue from Contracts with Customers. The Alliance's adoption of this standard did not impact amounts previously recorded, and there was no material impact to the financial statements as of and for the year ended June 30, 2021.

• **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.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

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

• Membership and fees income -

Membership and fees are received annually and are recorded as income ratably over the year to which they relate.

• In-kind contributions -

During the years ended June 30, 2021 and 2020, 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 \$15,879 and \$27,532, respectively. These values were considered to be the fair value of the supplies, office space, and computer software provided.

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.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

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

Accounting pronouncements adopted -

Effective July 1, 2020, the School has adopted 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) as the standard improves the usefulness and understandability of the Organization's financial reporting. The new ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination on whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied. FASB 958-605, Not-for-Profit Entities-Revenue Recognition should be followed for contributions while FASB 606, Revenue from Contracts with Customers should be followed for exchange transactions. The adoption of this new guidance was done using the modified prospective method for contributions received. Guidance for contributions made are applicable for periods beginning after December 15, 2019. The new standard requires a modified retrospective adoption. There was no adjustment due to the cumulative impact of adopting ASC 958.

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 include free and fee-based lectures and experiential education on gardening, beekeeping and composting as well as nature inspired art classes. Adult programs include volunteer programs, which focus on hands-on education and interpretation services through trained guides. Music programs amidst the plant backdrop were provided virtually in FY21.

Youth programs -

Youth programs provide a direct connection to nature and the collection through self-guided or themed field trips, hands-on at home projects (in lieu of on-site programming due to the pandemic), activating nature play spaces, and supporting teachers and parents in engaging the youth in learning the importance of nature and plants. Teen docents learned about and provided interpretation for the Charles Ethan Porter Artist Garden exhibit.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

NOTE 2: Descriptions of programs (continued):

Community engagement -

Community engagement initiatives provide a direct link between the immediate community and the Conservatory. In addition to attending outreach events to share GPC information, community engagement programs provide nature education activities at community events and support community gardens through workshops, plant material and produce donations.

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, 2021 and 2020, and the valuation techniques used by the Alliance to determine those fair values.

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.

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

NOTE 3: Fair value measurements (continued):

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, 2021:

	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, 2021
Assets:				
Stock and Equity				
Mutual Funds	\$ 169,735	\$ -	\$ -	\$ 169,735
Total Assets	<u>\$ 169,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,735</u>
Liabilities - Margin Loan	<u>\$ 33,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,421</u>

Assets and liabilities measured at fair value on recurring basis at June 30, 2020:

	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, 2020
Assets:				
Stock and Equity				
Mutual Funds	\$ 127,948	\$ -	\$ -	\$ 127,948
Total Assets	<u>\$ 127,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,948</u>
Liabilities - Margin Loan	<u>\$ 37,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,046</u>

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.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

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, 2021 and 2020, of \$42,340 and \$9,164, respectively, includes dividends of \$3,662 and \$6,164, respectively, and interest expense on the margin loan of \$1,127 and \$1,615, respectively.

NOTE 5: Pledges Receivable:

The pledges receivable are expected to be received according to the payment schedules specified by the donors. The expected amounts to be received are as follows:

	Year Ending June 30,	
	2021	2020
Receivable in one to five years - Capital Campaign	\$ 40,200	\$ -
Less: Allowance for doubtful accounts	(2,110)	-
Net pledges receivable	<u>\$ 38,090</u>	<u>\$ -</u>

NOTE 6: 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	\$ 1,674,771
Investments	<u>69,735</u>
	<u>\$ 1,744,506</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.

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

NOTE 7: Property and equipment:

Property and equipment consists of the following:

	Net Carrying Value		Useful Life
	2021	2020	
Children's and Demo Gardens	\$ 91,902	\$ 91,902	7 years
Computers and equipment	51,726	47,975	5 years
Office furniture and fixtures	21,167	11,505	5 - 10 years
Sugar from the Sun - External infrastructure	1,458,884	1,458,884	20 years
Accumulated depreciation	(1,105,312)	(1,013,922)	
Property and equipment, net	<u>\$ 518,367</u>	<u>\$ 596,344</u>	

Depreciation expense amounted \$90,302 and \$94,772 for the years ended June 30, 2021 and 2020, respectively.

NOTE 8: Paycheck Protection Program Grant:

On May 3, 2020, the Alliance, was granted a loan from PNC Bank, in the amount of \$222,100, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security (CARES) Act, which was enacted March 27, 2020. The principal amount of the PPP Loan was forgiven on April 21, 2021 by the SBA.

On February 8, 2021, the Alliance was granted a loan from PNC Bank, in the amount of \$216,460, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security (CARES) Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated February 8, 2021, issued by the Borrower, matures on February 9, 2023, and bears interest at a rate of 1% per annum. The loan and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

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

NOTE 8: Paycheck Protection Program Grant (continued):

The Alliance has elected to follow FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition - Conditional Contribution model to account for the PPP funds. The Alliance intends to use the entire Loan proceeds for qualifying expenses. The Alliance believes that its use of loan proceeds will meet the conditions for forgiveness of the loan. For the years ended June 30, 2021 and 2020, the Alliance's management has estimated \$364,527 and \$74,033, respectively, of the funds have been used for qualifying expenses. The amount of the funds the Alliance's management has estimated as used for qualifying expenses through June 30, 2021 have been listed on the Statement of Activities as Paycheck Protection Program Grant revenue. The remainder of the funds are expected to be used for qualifying within the 24-week period and are listed on the balance sheet as a refundable advance of \$0 and \$148,067, respectively.

NOTE 9: Due to/Due from Chicago Park District:

The Alliance operates a gift shop and sells certain merchandise on behalf of the Chicago Park District. There is no balance due to the Chicago Park District as of June 30, 2021 and 2020.

Revenue recognized from the Chicago Park District for the years ended June 30, 2021 and 2020, amounted to approximately \$403,000 and \$456,000, respectively. Included in that amount is approximately \$1,000 and \$184,000, 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, 2021 and 2020, the amount due from the Chicago Park District was \$55,797 and \$150,865, respectively.

NOTE 10: 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.

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

NOTE 11: Net assets with donor restrictions:

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

	2021	2020
Children's garden renovation project	\$ 385,783	\$ 250,000
Endowment earnings	92,078	54,982
Lila Wallace endowment	100,000	100,000
Programs and special events	81,746	55,955
Total net assets with donor restrictions	<u>\$ 659,607</u>	<u>\$ 460,937</u>

Net assets were released from donor restrictions in the fiscal years ended June 30, 2021 and 2020, for the following purposes:

	2021	2020
Children's garden renovation project	\$ 2,500	\$ -
Programs and special events	18,456	-
Total net assets released from donor restrictions	<u>\$ 20,956</u>	<u>\$ -</u>

Endowments of \$100,000 as of June 30, 2021 and 2020, 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.

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.

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

NOTE 11: Net assets with donor restrictions (continued):

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, 2021 and 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
2021	\$ -	\$ 192,078	\$ 192,078
2020	\$ -	\$ 154,982	\$ 154,982

Changes in endowment net assets for the fiscal year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets			
- Beginning of Year	\$ -	\$ 154,982	\$ 154,982
Investment Income	-	37,096	37,096
Endowment Net Assets			
- End of Year	\$ -	\$ 192,078	\$ 192,078

Changes in endowment net assets for the fiscal year ended June 30, 2020:

	Unrestricted	Temporarily Restricted	Total
Endowment Net Assets			
- Beginning of Year	\$ -	\$ 145,818	\$ 145,818
Investment Income	-	9,164	9,164
Endowment Net Assets			
- End of Year	\$ -	\$ 154,982	\$ 154,982

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

NOTE 11: Net assets with donor restrictions (continued):

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, 2021 and 2020.

NOTE 12: 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 13: Concentration of credit risk:

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

NOTE 14: COVID-19 Response:

The ongoing COVID-19 pandemic has impacted and could further impact the Alliance's operations. The extent to which the pandemic impacts operations, results of operations, and financial condition will depend on future developments, which are highly uncertain, including but not limited to the duration, spread, and severity of the pandemic, its effects on the Alliance's employees, suppliers, and students, and the remedial actions and stimulus measures adopted by local and federal government. The pandemic remains a rapidly evolving situation, and the impact cannot be reasonably estimated at this time.

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

NOTE 15: Subsequent events:

Subsequent events have been evaluated through January 20, 2022, which is the date the financial statements were available to be issued.

On December 2, 2021, the Payroll Protection Plan Loan granted on February 8, 2021 was forgiven.