

**GARFIELD PARK CONSERVATORY ALLIANCE  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**



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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, 2022 and 2021, 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 Garfield Park Conservatory Alliance as of June 30, 2022 and 2021, 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.

### **Basis of 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 Garfield Park Conservatory 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.

## **Responsibilities of Management for the Financial Statements (continued)**

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 Garfield Park Conservatory Alliance'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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Garfield Park Conservatory Alliance'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Garfield Park Conservatory Alliance's ability to continue as a going concern for a reasonable period of time.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Gray Hunter Stenn, LLP*

**Oak Brook, IL  
January 19, 2023**

**GARFIELD PARK CONSERVATORY ALLIANCE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and cash equivalents	\$ 3,433,088	\$ 2,234,378
Investments	149,953	169,735
Grants receivable	27,161	6,236
Pledges receivable	84,585	38,090
Due from Chicago Park District	55,760	55,797
Gift shop inventory	58,593	48,762
Prepaid expenses	<u>10,779</u>	<u>18,282</u>
Total current assets	<u>3,819,919</u>	<u>2,571,280</u>
Property and equipment, net	<u>451,068</u>	<u>518,367</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,270,987</u></b>	<b><u>\$ 3,089,647</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 255,397	\$ 271,346
Margin loan	<u>34,888</u>	<u>33,421</u>
Total liabilities	<u>290,285</u>	<u>304,767</u>
Net Assets:		
Without donor restrictions		
Undesignated	1,805,705	1,606,906
Invested in property and equipment	<u>451,068</u>	<u>518,367</u>
Total without donor restrictions	<u>2,256,773</u>	<u>2,125,273</u>
With donor restrictions	<u>1,723,929</u>	<u>659,607</u>
Total net assets	<u>3,980,702</u>	<u>2,784,880</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 4,270,987</u></b>	<b><u>\$ 3,089,647</u></b>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Support and Revenue:</b>			
Contributions and grants - Individuals	\$ 439,579	\$ 343,482	\$ 783,061
Contributions and grants - Foundation	365,547	806,836	1,172,383
Contributions and grants - Government	454,886	-	454,886
Contributions and grants - Other	25,739	-	25,739
In-kind contributions	15,879	-	15,879
Membership	127,051	-	127,051
Fees	23,526	-	23,526
Gift shop - Net of direct costs of \$277,228	122,972	-	122,972
Fundraising events income - Net of direct costs of \$89,070	110,061	31,850	141,911
Interest income	224	-	224
Investment gain (loss)	-	(19,782)	(19,782)
Rental revenue	311,324	-	311,324
Transfer to net assets without donor restrictions arising from satisfaction of restrictions	<u>98,064</u>	<u>(98,064)</u>	<u>-</u>
Total support and revenue	<u>2,094,852</u>	<u>1,064,322</u>	<u>3,159,174</u>
<b>Expenses:</b>			
Program services:			
Adult programs	485,807	-	485,807
Community	87,159	-	87,159
Special projects	135,488	-	135,488
Youth programs	318,033	-	318,033
Sugar from the Sun	72,944	-	72,944
General and administrative	585,932	-	585,932
Fundraising	<u>277,989</u>	<u>-</u>	<u>277,989</u>
Total expenses	<u>1,963,352</u>	<u>-</u>	<u>1,963,352</u>
Increase (decrease) in net assets	131,500	1,064,322	1,195,822
Net assets, beginning of year	<u>2,125,273</u>	<u>659,607</u>	<u>2,784,880</u>
Net assets, end of year	<u>\$ 2,256,773</u>	<u>\$ 1,723,929</u>	<u>\$ 3,980,702</u>

See accompanying notes

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

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>Support and Revenue:</b>			
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	<u>20,956</u>	<u>(20,956)</u>	<u>-</u>
Total support and revenue	<u>1,840,612</u>	<u>198,670</u>	<u>2,039,282</u>
<b>Expenses:</b>			
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	<u>357,033</u>	<u>-</u>	<u>357,033</u>
Total expenses	<u>1,648,616</u>	<u>-</u>	<u>1,648,616</u>
Increase (decrease) in net assets	191,996	198,670	390,666
Net assets, beginning of year	<u>1,933,277</u>	<u>460,937</u>	<u>2,394,214</u>
Net assets, end of year	<u>\$ 2,125,273</u>	<u>\$ 659,607</u>	<u>\$ 2,784,880</u>

See accompanying notes



**GARFIELD PARK CONSERVATORY ALLIANCE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program Services					Support Services			Grand Total	
	Adult Programs	Community	Special Projects	Youth Programs	Sugar from the Sun	Total	General and Administrative	Fundraising		Support Services Total
Catering and other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,405	\$ 90,280	\$ 91,685	\$ 91,685
Conferences and seminars	-	-	-	-	-	-	-	156	156	156
Consultants and speakers	24,597	12,260	2,032	4,031	-	42,920	38,685	8,851	47,536	90,456
Depreciation and amortization	-	-	-	-	72,944	72,944	9,558	-	9,558	82,502
Docent stipend	-	-	-	31,034	-	31,034	-	-	-	31,034
Dues and subscriptions	3,691	1,146	879	180	-	5,896	9,096	9,038	18,134	24,030
Insurance - Health	11,714	3,266	7,213	12,082	-	34,275	16,466	21,186	37,652	71,927
- Other	698	125	195	480	-	1,498	11,065	222	11,287	12,785
Interest	-	-	-	-	-	-	1,472	-	1,472	1,472
Marketing and promotion	295	-	-	-	-	295	-	900	900	1,195
Meetings and travel	1,921	742	380	20,800	-	23,843	6,635	3,053	9,688	33,531
Miscellaneous	27	5	243	-	-	275	595	6,000	6,595	6,870
Newsletter and printing	386	52	4,392	341	-	5,171	1,203	5,592	6,795	11,966
Office expense and project supplies	23,506	1,596	4,981	4,934	-	35,017	8,603	9,045	17,648	52,665
Outside services	48,851	8,507	13,582	32,589	-	103,529	91,867	2,451	94,318	197,847
Postage and delivery	42	4	639	-	-	685	1,134	1,889	3,023	3,708
Professional fees	20,713	4,276	4,314	10,064	-	39,367	14,410	-	14,410	53,777
Rent	-	-	-	-	-	-	15,879	-	15,879	15,879
Salaries and wages	324,168	51,272	89,845	185,359	-	650,644	333,612	192,990	526,602	1,177,246
Taxes - Payroll	24,134	3,727	6,505	16,059	-	50,425	23,798	14,713	38,511	88,936
- Other	-	-	-	-	-	-	115	-	115	115
Telephone	1,064	181	288	80	-	1,613	334	693	1,027	2,640
Less: Direct costs	-	-	-	-	-	-	-	(89,070)	(89,070)	(89,070)
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 485,807</b>	<b>\$ 87,159</b>	<b>\$ 135,488</b>	<b>\$ 318,033</b>	<b>\$ 72,944</b>	<b>\$ 1,099,431</b>	<b>\$ 585,932</b>	<b>\$ 277,989</b>	<b>\$ 863,921</b>	<b>\$ 1,963,352</b>

See accompanying notes

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

	Program Services					Support Services			Grand Total	
	Adult Programs	Community	Special Projects	Youth Programs	Sugar from the Sun	Total	General and Administrative	Fundraising		Support Services 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
- Other	-	-	-	-	-	-	-	-	-	-
Telephone	141	-	12	229	-	382	3,249	194	3,443	3,825
Less: Direct costs	-	-	-	-	-	-	-	(1,704)	(1,704)	(1,704)
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 284,298</b>	<b>\$ 18,562</b>	<b>\$ 27,769</b>	<b>\$ 393,784</b>	<b>\$ 72,944</b>	<b>\$ 797,357</b>	<b>\$ 494,226</b>	<b>\$ 357,033</b>	<b>\$ 851,259</b>	<b>\$ 1,648,616</b>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 1,195,822	\$ 390,666
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	84,225	91,390
Realized and unrealized (gain)/loss on investments	29,933	(42,031)
Change in allowance for doubtful accounts	2,790	-
Decrease (increase) in operating assets:		
Grants receivable	(20,925)	16,498
Pledges receivable	(49,285)	(38,090)
Due from Chicago Park District	37	95,068
Gift shop inventory	(9,831)	6,587
Prepaid expenses	7,503	(8,326)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(14,482)	(63,820)
Refundable advance	-	(148,067)
Net cash provided (used) by operating activities	<u>1,225,787</u>	<u>299,875</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net purchase of investment securities	(10,151)	(8,071)
Proceeds from sale of investment securities	-	4,690
Purchase of property and equipment	<u>(16,926)</u>	<u>(13,413)</u>
Net cash provided (used) by investing activities	<u>(27,077)</u>	<u>(16,794)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,198,710</b>	<b>283,081</b>
Cash and cash equivalents:		
- Beginning	<u>2,234,378</u>	<u>1,951,297</u>
- Ending	<u>\$ 3,433,088</u>	<u>\$ 2,234,378</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	<u>\$ 1,472</u>	<u>\$ 1,127</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 -**

● **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.

● **Membership and fees income -**

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

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

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

• **In-kind contributions -**

During the years ended June 30, 2022 and 2021, 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 \$15,879, 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 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.

#### **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.

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

**NOTE 3: Fair value measurements (continued):**

The following tables present information about the Alliance's assets and liabilities measured at fair value on a recurring basis at June 30, 2022 and 2021, 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.

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, 2022:**

	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, 2022
<b>Assets:</b>				
<b>Stock and Equity</b>				
Mutual Funds	\$ 149,953	\$ -	\$ -	\$ 149,953
Total Assets	<u>\$ 149,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,953</u>
Liabilities - Margin Loan	<u>\$ 34,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,888</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, 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
<b>Assets:</b>				
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>

**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(loss) for the years ended June 30, 2022 and 2021, of \$(19,782) and \$42,340, respectively, includes dividends of \$10,151 and \$3,662, respectively, and interest expense on the margin loan of \$1,472 and \$1,127, 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 Ended June 30,	
	2022	2021
Receivable in one to five years - Capital Campaign	\$ 91,795	\$ 40,200
Less: Discounts to net present value	(2,210)	-
Less: Allowance for doubtful accounts	(5,000)	(2,110)
Net pledges receivable	<u>\$ 84,585</u>	<u>\$ 38,090</u>

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

**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	\$	2,121,631
Investments		<u>49,953</u>
	\$	<u><u>2,171,584</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 7: Property and equipment:**

Property and equipment consisted of the following:

	Net Carrying Value		Useful Life
	2022	2021	
Children's and Demo Gardens	\$ 91,902	\$ 91,902	7 years
Computers and equipment	68,652	51,726	5 years
Office furniture and fixtures	21,167	21,167	5 - 10 years
Sugar from the Sun - External infrastructure	1,458,884	1,458,884	20 years
Accumulated depreciation	<u>(1,189,537)</u>	<u>(1,105,312)</u>	
Property and equipment, net	<u><u>\$ 451,068</u></u>	<u><u>\$ 518,367</u></u>	

Depreciation expense amounted \$84,225 and \$91,390 for the years ended June 30, 2022 and 2021, respectively.

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

**NOTE 8: Paycheck Protection Program:**

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 principal amount of the PPP Loan was forgiven on December 2, 2021 by the SBA.

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 met the conditions for forgiveness of the loan. For the years ended June 30, 2022 and 2021, the Alliance's management has estimated \$-0- and \$364,527, respectively, of the funds have been used for qualifying expenses and have been listed on the Statement of Activities as Paycheck Protection Program Grant revenue.

**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, 2022 and 2021.

Revenue recognized from the Chicago Park District for the years ended June 30, 2022 and 2021, amounted to approximately \$423,000 and \$403,000, respectively. Included in that amount is approximately \$311,000 and \$1,000, 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, 2022 and 2021, the amount due from the Chicago Park District was \$55,760 and \$55,797, 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:

	<u>2022</u>	<u>2021</u>
Children's garden renovation project	\$ 1,478,363	\$ 385,783
Endowment earnings	72,296	92,078
Lila Wallace endowment	100,000	100,000
Programs and special events	73,270	81,746
Total net assets with donor restrictions	<u>\$ 1,723,929</u>	<u>\$ 659,607</u>

Net assets were released from donor restrictions in the fiscal years ended June 30, 2022 and 2021, for the following purposes:

	<u>2022</u>	<u>2021</u>
Children's garden renovation project	\$ 23,938	\$ 2,500
Programs and special events	74,126	18,456
Total net assets released from donor restrictions	<u>\$ 98,064</u>	<u>\$ 20,956</u>

Endowments of \$100,000 as of June 30, 2022 and 2021, 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, 2022 and 2021:**

	Without Donor Restrictions	With Donor Restrictions	Total
2022	\$ -	\$ 172,296	\$ 172,296
2021	\$ -	\$ 192,078	\$ 192,078

**Changes in endowment net assets for the fiscal year ended June 30, 2022:**

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets			
- Beginning of Year	\$ -	\$ 192,078	\$ 192,078
Investment Income	-	(19,782)	(19,782)
Endowment Net Assets			
- End of Year	\$ -	\$ 172,296	\$ 172,296

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

	Unrestricted	Temporarily Restricted	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

**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 P461 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 net assets without donor restrictions. There were no deficiencies as of June 30, 2022 and 2021.

**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 19, 2023, which is the date the financial statements were available to be issued.