

**GARFIELD PARK CONSERVATORY ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022**



C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	1
STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022	
Financial Position	4
Activities - 2023	5
- 2022	6
Functional Expenses - 2023	7
- 2022	8
Cash Flows	9
Notes to Financial Statements	10



500 Maine Street
Quincy, IL 62301-3940

1200 Harger Road – Suite 521
Oak Brook, IL 60523-1819

2060 Aberdeen Court – Suite A
Sycamore, IL 60178-3140

630.571.4900
Fax 630.571.4912
www.grayhunterstenn.com

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, 2023 and 2022, 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, 2023 and 2022, 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

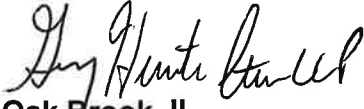
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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.

A handwritten signature in black ink, appearing to read "Greg Hunter".

**Oak Brook, IL
November 16, 2023**

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 4,162,875	\$ 3,433,088
Investments	161,460	149,953
Grants receivable	26,998	27,161
Other receivable	289,025	-
Pledges receivable	42,258	84,585
Due from Chicago Park District	62,501	55,760
Gift shop inventory	59,070	58,593
Prepaid expenses	<u>27,019</u>	<u>10,779</u>
Total current assets	<u>4,831,206</u>	<u>3,819,919</u>
Property and equipment, net	<u>409,450</u>	<u>451,068</u>
TOTAL ASSETS	<u>\$ 5,240,656</u>	<u>\$ 4,270,987</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 131,634	\$ 255,397
Margin loan	<u>-</u>	<u>34,888</u>
Total liabilities	<u>131,634</u>	<u>290,285</u>
Net Assets:		
Without donor restrictions:		
Undesignated	2,168,045	1,805,705
Invested in property and equipment	<u>409,450</u>	<u>451,068</u>
Total without donor restrictions	<u>2,577,495</u>	<u>2,256,773</u>
With donor restrictions	<u>2,531,527</u>	<u>1,723,929</u>
Total net assets	<u>5,109,022</u>	<u>3,980,702</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,240,656</u>	<u>\$ 4,270,987</u>

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions and grants - Individuals	\$ 538,464	\$ 105,229	\$ 643,693
Contributions and grants - Foundation	352,270	776,091	1,128,361
Contributions and grants - Government	502,018	-	502,018
Contributions and grants - Other	27,548	-	27,548
In-kind contributions	15,879	-	15,879
Membership	122,997	-	122,997
Fees	22,174	-	22,174
Gift shop - Net of direct costs of \$416,665	68,118	-	68,118
Fundraising events income - Net of direct costs of \$60,387	103,326	-	103,326
Interest income	194	-	194
Investment gain (loss)	-	11,472	11,472
Other income	430,233	-	430,233
Rental revenue	387,248	-	387,248
Transfer to net assets without donor restrictions arising from satisfaction of restrictions	<u>85,194</u>	<u>(85,194)</u>	<u>-</u>
Total support and revenue	<u>2,655,663</u>	<u>807,598</u>	<u>3,463,261</u>
Expenses:			
Program services:			
Adult programs	602,675	-	602,675
Community	114,859	-	114,859
Special projects	93,684	-	93,684
Youth programs	500,855	-	500,855
Sugar from the Sun	72,944	-	72,944
General and administrative	648,452	-	648,452
Fundraising	<u>301,472</u>	<u>-</u>	<u>301,472</u>
Total expenses	<u>2,334,941</u>	<u>-</u>	<u>2,334,941</u>
Increase (decrease) in net assets	320,722	807,598	1,128,320
Net assets, beginning of year	<u>2,256,773</u>	<u>1,723,929</u>	<u>3,980,702</u>
Net assets, end of year	<u>\$ 2,577,495</u>	<u>\$ 2,531,527</u>	<u>\$ 5,109,022</u>

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>
Support and Revenue:			
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>
Expenses:			
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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,054	\$ 6,689	\$ 9,743	\$ 9,743
Conferences and seminars	4,070	666	1,044	3,161	-	8,941	287	-	287	9,228
Consultants and speakers	26,996	179	113	3,600	-	30,888	-	5,100	5,100	35,988
Depreciation and amortization	-	-	-	-	72,944	72,944	12,620	-	12,620	85,564
Dues and subscriptions	4,306	453	638	1,102	-	6,499	12,838	11,054	23,892	30,391
Insurance - Health	21,779	8,907	3,815	22,162	-	56,663	11,714	12,330	24,044	80,707
- Other	-	-	-	-	-	-	7,974	-	7,974	7,974
Interest	-	-	-	-	-	-	1,377	-	1,377	1,377
Marketing and promotion	730	-	-	350	-	1,080	37,000	-	37,000	38,080
Meetings and travel	7,249	1,283	367	23,050	-	31,949	12,946	287	13,233	45,182
Miscellaneous	-	-	-	21	-	21	192	1,000	1,192	1,213
Newsletter and printing	158	356	3,725	331	-	4,570	-	980	980	5,550
Office expense and project supplies	31,050	886	1,360	7,147	-	40,443	5,081	6,926	12,007	52,450
Outside services	48,152	7,034	7,544	44,328	-	107,058	65,101	35,903	101,004	208,062
Postage and delivery	25	2	2	-	-	29	1,016	27,226	28,242	28,271
Professional fees	29,965	5,243	7,643	16,210	-	59,061	59,996	1,719	61,715	120,776
Rent	-	-	-	-	-	-	15,879	-	15,879	15,879
Salaries and wages	397,384	83,383	62,677	352,771	-	896,215	371,930	175,373	547,303	1,443,518
Taxes - Payroll	29,255	6,205	4,587	25,932	-	65,979	25,109	15,608	40,717	106,696
Telephone	1,556	262	169	690	-	2,677	4,338	1,277	5,615	8,292
TOTAL FUNCTIONAL EXPENSES	<u>\$ 602,675</u>	<u>\$ 114,859</u>	<u>\$ 93,684</u>	<u>\$ 500,855</u>	<u>\$ 72,944</u>	<u>\$ 1,385,017</u>	<u>\$ 648,452</u>	<u>\$ 301,472</u>	<u>\$ 949,924</u>	<u>\$ 2,334,941</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)
TOTAL FUNCTIONAL EXPENSES	\$ 485,807	\$ 87,159	\$ 135,488	\$ 318,033	\$ 72,944	\$ 1,099,431	\$ 585,932	\$ 277,989	\$ 863,921	\$ 1,963,352

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 1,128,320	\$ 1,195,822
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	87,177	84,225
Realized and unrealized (gain)/loss on investments	(6,745)	29,933
Change in allowance for doubtful accounts	(2,810)	2,790
Decrease (increase) in operating assets:		
Grants receivable	163	(20,925)
Other receivable	(289,025)	-
Pledges receivable	45,137	(49,285)
Due from Chicago Park District	(6,741)	37
Gift shop inventory	(477)	(9,831)
Prepaid expenses	(16,240)	7,503
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(123,763)	(14,482)
Net cash provided (used) by operating activities	<u>814,996</u>	<u>1,225,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchase of investment securities	(201,151)	(10,151)
Proceeds from sale of investment securities	161,501	-
Purchase of property and equipment	(45,559)	(16,926)
Net cash provided (used) by investing activities	<u>(85,209)</u>	<u>(27,077)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	729,787	1,198,710
Cash and cash equivalents: - Beginning	<u>3,433,088</u>	<u>2,234,378</u>
- Ending	<u>\$ 4,162,875</u>	<u>\$ 3,433,088</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 1,377</u>	<u>\$ 1,472</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 in mutual funds are stated at their fair value as quoted on recognized exchanges.

Certificates of deposit with a maturity of greater than three months are considered as held for investment are measured at cost rather than fair value.

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.

● **Promises to give -**

Contributions are recognized as revenue when the donor makes a promise to give to the Alliance that is, in substance, unconditional.

● **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 billed.

**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, 2023 and 2022, 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 and special projects -

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 Alliance 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, 2023 and 2022, 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. Estimated fair values for the Alliance's equity and bond mutual funds were based on quoted market prices in an active market. The Alliance maintained a margin loan to provide access to funds for various needs and the ability to gain additional benefits from investments.

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, 2023:

	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, 2023
Assets:				
Certificate of deposit	\$ -	\$ 161,460	\$ -	\$ 161,460
Total Assets	<u>\$ -</u>	<u>\$ 161,460</u>	<u>\$ -</u>	<u>\$ 161,460</u>
Liabilities - Margin Loan				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 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
Assets:				
Stock and Equity				
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>

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, 2023 and 2022, of \$11,472 and \$(19,782), respectively, includes dividends of \$2,000 and \$10,151, respectively, and interest expense on the margin loan of \$1,377 and \$1,472, 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,	
	2023	2022
Receivable in one to five years - Capital Campaign	\$ 46,593	\$ 91,795
Less: Discounts to net present value	(2,145)	(2,210)
Less: Allowance for doubtful accounts	(2,190)	(5,000)
Net pledges receivable	<u>\$ 42,258</u>	<u>\$ 84,585</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:

Financial assets at year-end:	
Cash and cash equivalents	\$ 4,162,875
Investments	161,460
Total financial asset, at year-end	<u>4,324,335</u>
Less amounts not available to be used within one year:	
Lila Wallace endowment fund	<u>(100,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,224,335</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
	2023	2022	
Children's and Demo Gardens	\$ 95,295	\$ 91,902	7 years
Computers and equipment	91,538	68,652	5 years
Construction in progress	19,280	-	
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>(1,276,714)</u>	<u>(1,189,537)</u>	
Property and equipment, net	<u>\$ 409,450</u>	<u>\$ 451,068</u>	

Depreciation expense amounted \$87,177 and \$84,225 for the years ended June 30, 2023 and 2022, respectively.

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

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

The Alliance operates a gift shop and sells certain merchandise on behalf of the Chicago Park District.

Revenue recognized from the Chicago Park District for the years ended June 30, 2023 and 2022, amounted to approximately \$436,000 and \$423,000, respectively. Included in that amount is approximately \$387,000 and \$311,000, 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, 2023 and 2022, the amount due from the Chicago Park District was \$62,501 and \$55,760, 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:

	2023	2022
Children's garden renovation project	\$ 2,200,762	\$ 1,478,363
Endowment earnings	83,768	72,296
Lila Wallace endowment	100,000	100,000
Programs and special events	146,997	73,270
Total net assets with donor restrictions	<u>\$ 2,531,527</u>	<u>\$ 1,723,929</u>

Endowments of \$100,000 as of June 30, 2023 and 2022, 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.

Net assets were released from donor restrictions in the fiscal years ended June 30, 2023 and 2022, for the following purposes:

	2023	2022
Children's garden renovation project	\$ 29,423	\$ 23,938
Programs and special events	55,771	74,126
Total net assets released from donor restrictions	<u>\$ 85,194</u>	<u>\$ 98,064</u>

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

NOTE 11: 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.

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, 2023 and 2022:

		Without Donor Restrictions	With Donor Restrictions	Total
2023	\$	-	\$ 183,768	\$ 183,768
2022	\$	-	\$ 172,296	\$ 172,296

Changes in endowment net assets for the fiscal year ended June 30, 2023:

		Without Donor Restrictions		With Donor Restrictions		Total
Endowment Net Assets						
- Beginning of Year	\$	-	\$	172,296	\$	172,296
Investment Income		-		11,472		11,472
Endowment Net Assets						
- End of Year	\$	-	\$	183,768	\$	183,768

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

NOTE 11: Endowment funds (continued):

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

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 typically 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 net assets without donor restrictions. There were no deficiencies as of June 30, 2023 and 2022.

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.

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

NOTE 14: Risks and uncertainties:

The Alliance invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the statements of financial position.

NOTE 15: Employee Retention Credit (ERC):

The Alliance is eligible for the Employee Retention Credit ("ERC") under the CARES Act. Amounts receivable for the ERC at June 30, 2023 and 2022 were \$289,025 and \$-0-, respectively, which represent refunds due on the Form 941-X Adjusted Employer's Quarterly Federal Tax Return of Claim for Refund for the quarters ended June 30, 2020 through June 30, 2021. The 2023 amount receivable is included in the Alliance's Statement of Financial Position in "Other receivable" and the related income is included in the Alliance's Statement of Activities in "Other income."

NOTE 16: Subsequent events:

Subsequent events have been evaluated through November 16, 2023, which is the date the financial statements were available to be issued.