

**GARFIELD PARK CONSERVATORY ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023**



CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023	
Financial Position	4
Activities - 2024	5
- 2023	6
Functional Expenses - 2024	7
- 2023	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, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Garfield Park Conservatory Alliance as of June 30, 2024 and 2023, 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.

**Oak Brook, IL
January 31, 2025**

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

ASSETS

	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 5,504,599	\$ 4,162,875
Investments	-	161,460
Grants receivable	50,087	26,998
Other receivable	143,913	289,025
Pledges receivable, net of allowance of \$21,835 and \$2,190	406,023	42,258
Due from Chicago Park District	62,500	62,501
Gift shop inventory	51,745	59,070
Prepaid expenses	42,052	27,019
	<u>6,260,919</u>	<u>4,831,206</u>
Property and equipment, net	<u>469,813</u>	<u>409,450</u>
TOTAL ASSETS	\$ 6,730,732	\$ 5,240,656

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 129,855	\$ 131,634
Deferred revenue	17,500	-
	<u>147,355</u>	<u>131,634</u>
Net Assets:		
Without donor restrictions:		
Undesignated	1,556,052	2,168,045
Invested in property and equipment	469,813	409,450
Total without donor restrictions	<u>2,025,865</u>	<u>2,577,495</u>
With donor restrictions	<u>4,557,512</u>	<u>2,531,527</u>
Total net assets	<u>6,583,377</u>	<u>5,109,022</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 6,730,732	\$ 5,240,656

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions and grants - Individuals	\$ 622,761	\$ 299,921	\$ 922,682
Contributions and grants - Foundation	18,594	1,805,412	1,824,006
Contributions and grants - Government	507,300	20,000	527,300
In-kind contributions	15,879	-	15,879
Membership	110,841	-	110,841
Fees	16,712	-	16,712
Gift shop - Net of direct costs of \$296,582	88,982	-	88,982
Fundraising events income - Net of direct costs of \$60,330	189,458	-	189,458
Interest income	-	8,971	8,971
Other income	12,425	-	12,425
Rental revenue	419,502	-	419,502
Transfer to net assets without donor restrictions arising from satisfaction of restrictions	<u>108,319</u>	<u>(108,319)</u>	<u>-</u>
Total support and revenue	<u>2,110,773</u>	<u>2,025,985</u>	<u>4,136,758</u>
Expenses:			
Program services:			
Adult programs	656,018	-	656,018
Community	132,216	-	132,216
Special projects	157,361	-	157,361
Youth programs	653,855	-	653,855
Sugar from the Sun	72,944	-	72,944
General and administrative	675,826	-	675,826
Fundraising	<u>314,183</u>	<u>-</u>	<u>314,183</u>
Total expenses	<u>2,662,403</u>	<u>-</u>	<u>2,662,403</u>
Increase (decrease) in net assets	(551,630)	2,025,985	1,474,355
Net assets, beginning of year	<u>2,577,495</u>	<u>2,531,527</u>	<u>5,109,022</u>
Net assets, end of year	<u>\$ 2,025,865</u>	<u>\$ 4,557,512</u>	<u>\$ 6,583,377</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	85,194	(85,194)	-
	<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	301,472	-	301,472
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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,131	\$ 8,908	\$ 13,039	\$ 13,039
Catering and other	-	-	-	-	-	-	-	674	674	674
Conferences and seminars	2,729	545	1,028	1,842	-	6,144	6,069	-	6,069	12,213
Consultants and speakers	34,145	1,748	10,754	9,409	-	56,056	31,495	6,320	37,815	93,871
Depreciation and amortization	-	-	-	-	72,944	72,944	23,716	-	23,716	96,660
Dues and subscriptions	28,030	4,682	7,554	20,277	-	60,543	20,252	13,007	33,259	93,802
Insurance - Health	25,726	9,428	7,248	22,110	-	64,512	11,910	16,156	28,066	92,578
- Other	-	-	-	-	-	-	9,017	190	9,207	9,207
Marketing and promotion	-	-	350	-	-	350	38,400	-	38,400	38,750
Meetings and travel	11,955	5,148	1,205	26,005	-	44,313	5,092	593	5,685	49,998
Miscellaneous	8,225	708	1,020	2,351	-	12,304	(3,885)	6,232	2,347	14,651
Newsletter and printing	1,009	183	2,874	603	-	4,669	7,548	6,904	14,452	19,121
Office expense and project supplies	18,931	1,765	5,672	28,207	-	54,575	11,337	14,463	25,800	80,375
Outside services	76,241	13,465	19,460	52,851	-	162,017	42,796	72,431	115,227	277,244
Postage and delivery	6	1	16	-	-	23	626	1,376	2,002	2,025
Rent	-	-	-	-	-	-	15,879	-	15,879	15,879
Salaries and wages	415,698	86,946	91,549	454,961	-	1,049,154	417,126	211,349	628,475	1,677,629
Taxes - Payroll	32,197	7,454	8,480	35,239	-	83,370	31,851	14,781	46,632	130,002
Telephone	1,126	143	151	-	-	1,420	2,466	1,129	3,595	5,015
Less: Direct costs	-	-	-	-	-	-	-	(60,330)	(60,330)	(60,330)
TOTAL FUNCTIONAL EXPENSES	\$ 656,018	\$ 132,216	\$ 157,361	\$ 653,855	\$ 72,944	\$ 1,672,394	\$ 675,826	\$ 314,183	\$ 990,009	\$ 2,662,403

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	\$ 602,675	\$ 114,859	\$ 93,684	\$ 500,855	\$ 72,944	\$ 1,385,017	\$ 648,452	\$ 301,472	\$ 949,924	\$ 2,334,941

See accompanying notes

**GARFIELD PARK CONSERVATORY ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 1,474,355	\$ 1,128,320
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	98,355	87,177
Realized and unrealized (gain)/loss on investments	-	(6,745)
Change in allowance for doubtful accounts	17,500	(2,810)
Decrease (increase) in operating assets:		
Grants receivable	(23,089)	163
Other receivable	145,112	(289,025)
Pledges receivable	(363,765)	45,137
Due from Chicago Park District	1	(6,741)
Gift shop inventory	7,325	(477)
Prepaid expenses	(15,033)	(16,240)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(1,779)	(123,763)
Net cash provided (used) by operating activities	1,338,982	814,996
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchase of investment securities	-	(201,151)
Proceeds from sale of investment securities	161,460	161,501
Purchase of property and equipment	(158,718)	(45,559)
Net cash provided (used) by investing activities	2,742	(85,209)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,341,724	729,787
Cash and cash equivalents: - Beginning	4,162,875	3,433,088
- Ending	\$ 5,504,599	\$ 4,162,875
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	\$ 1,377

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.

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.

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.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

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

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.

Grants receivable, pledges receivable, other receivable and allowance for credit losses -

The Alliance recognizes an allowance for losses on grants receivable, pledges receivable and other receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable grantor or donor accounts considered at risk or uncollectible. The Alliance assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in functional expenses.

Gift shop 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.

Deferred revenue -

The Alliance defers non-refundable revenue received prior to June 30 which is related to the following fiscal year.

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.

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

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

Revenue recognition (continued) -

• **Contributions and grants (continued) -**

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.

• **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, 2024 and 2023, 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.

GARFIELD PARK CONSERVATORY ALLIANCE NOTES TO FINANCIAL STATEMENTS

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

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.

Recently Adopted Accounting Guidance -

Effective July 1, 2023, the Alliance adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss impairment methodology for measurement of credit losses on financial instruments with a current expected credit losses (CECL) model that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the CECL model, the allowance for losses on financial assets, measured at amortized cost, reflects management's estimate of credit losses over the remaining expected life of such assets. Financial assets held by the Alliance that are subject to ASU 2016-13 include grants receivable, pledges receivable, and other receivable.

The Alliance adopted the standard using the modified retrospective method. The adoption of this standard did not have a material impact on the Alliance's results of operations, cash flows or debt covenants, but it did change how the allowance for credit losses is determined.

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.

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, activating nature play spaces, and supporting teachers and parents in engaging the youth in learning the importance of nature and plants. During the school year, we recruit new participants to work alongside the graduates and returners of the summer program while we continue guiding tours, maintaining gardens, and engaging with our lessons. In Urban Roots we use an Environmental Justice framework to guide our learning with the belief that EJ is not linear, and there are a multitude of ways to show our support for our community and environment.

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, 2024 and 2023, 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, 2024:

	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, 2024
Assets:				
Certificate of deposit	\$ -	\$ -	\$ -	\$ -
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 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>

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, 2024 and 2023, of \$8,971 and \$11,472, respectively, includes interest and dividends of \$8,971 and \$2,000, respectively. Interest expenses on the margin loan of \$ -0- and \$1,377, respectively.

NOTE 5: Grants receivable:

Grants receivable represent amount due from foundations and other donors for multi-year unconditional grants for specific programs. Payments under the grants are expected to be received during fiscal year 2025 and 2026. There is no allowance for expected credit losses at June 30, 2024 and 2023.

Grants receivable was \$50,087, \$26,998, and \$27,161 at June 30, 2024, 2023, and 2022, respectively.

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

NOTE 6: Pledges receivable and other receivable:

Pledges receivable represent amounts due from individual donors for multi-year unconditional pledges. Payments under the pledges are expected to be received within the next five years.

	Year Ended June 30,		
	2024	2023	2022
Receivable in one to five years	\$ 445,352	\$ 46,593	\$ 91,795
Less: Discounts to net present value	(17,494)	(2,145)	(2,210)
Less: Allowance for credit losses	(21,835)	(2,190)	(5,000)
Net pledges receivable	<u>\$ 406,023</u>	<u>\$ 42,258</u>	<u>\$ 84,585</u>

The allowance for uncollectible promises to give was as follows:

	2024	2023	2022
Beginning balance	\$ 2,190	\$ 5,000	\$ 5,000
Provisions	19,645	-	-
Write off of credit losses	<u>-</u>	<u>(2,810)</u>	<u>-</u>
Ending balance	<u>\$ 21,835</u>	<u>\$ 2,190</u>	<u>\$ 5,000</u>

Other receivable represents a receivable for the employee retention credit:

	2024	2023	2022
Employee retention credit	\$ 143,913	\$ 289,025	\$ -
Allowance for credit losses	-	-	-
	<u>\$ 143,913</u>	<u>\$ 289,025</u>	<u>\$ -</u>

The Alliance is eligible for the Employee Retention Credit ("ERC") under the CARES Act. Amounts receivable 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 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."

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

NOTE 7: 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	\$ 5,504,599
Total financial asset, at year-end	5,504,599

Less amounts not available to be used within one year:

Lila Wallace endowment fund	(100,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,404,599

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 8: Property and equipment:

Property and equipment consisted of the following:

	Net Carrying Value		Useful Life
	2024	2023	
Children's and Demo Gardens	\$ 95,295	\$ 95,295	7 years
Computers and equipment	164,471	91,538	3 - 5 years
Construction in progress	86,760	19,280	
Office furniture and fixtures	39,472	21,167	7 years
Sugar from the Sun - External infrastructure	1,458,884	1,458,884	20 years
Accumulated depreciation	(1,375,069)	(1,276,714)	
Property and equipment, net	\$ 469,813	\$ 409,450	

Depreciation expense amounted \$98,355 and \$87,177 for the years ended June 30, 2024 and 2023, respectively, of which \$1,695 and \$1,613 were recorded as a direct cost of the gift shop.

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

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.

Revenue recognized from the Chicago Park District for the years ended June 30, 2024 and 2023, amounted to approximately \$869,000 and \$823,000, respectively. Included in that amount is approximately \$419,000 and \$387,000, 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, 2024 and 2023, the amount due from the Chicago Park District was \$62,500 and \$62,501, 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.

NOTE 11: Net assets with donor restrictions:

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

	<u>2024</u>	<u>2023</u>
Children's garden renovation project	\$ 3,732,467	\$ 2,200,762
Endowment earnings	92,739	83,768
Lila Wallace endowment	100,000	100,000
Pledges receivable	406,023	-
Programs and special events	226,283	146,997
Total net assets with donor restrictions	<u>\$ 4,557,512</u>	<u>\$ 2,531,527</u>

Endowments of \$100,000 as of June 30, 2024 and 2023, 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, 2024 and 2023, for the following purposes:

	<u>2024</u>	<u>2023</u>
Children's garden renovation project	\$ -	\$ 29,423
Programs and special events	108,319	55,771
Total net assets released from donor restrictions	<u>\$ 108,319</u>	<u>\$ 85,194</u>

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

NOTE 12: 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. \$100,000 of the endowment fund is restricted in perpetuity.

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, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
2024	\$ -	\$ 192,739	\$ 192,739
2023	\$ -	\$ 183,768	\$ 183,768

Changes in endowment net assets for the fiscal year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets			
- Beginning of Year	\$ -	\$ 183,768	\$ 183,768
Investment Income	-	8,971	8,971
Endowment Net Assets			
- End of Year	\$ -	\$ 192,739	\$ 192,739

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

NOTE 12: Endowment funds (continued):

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

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 money market accounts.

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, 2024 and 2023.

NOTE 13: 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 14: 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 15: 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 16: Subsequent events:

Subsequent events have been evaluated through January 31, 2025, which is the date the financial statements were available to be issued.