



ATLANTA, GEORGIA

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

**PIEDMONT PARK CONSERVANCY, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
STATEMENTS OF FINANCIAL POSITION	1
STATEMENTS OF ACTIVITIES	2
STATEMENTS OF FUNCTIONAL EXPENSES	3-4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-13



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Piedmont Park Conservancy, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Piedmont Park Conservancy, Inc. (the "Conservancy") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 the Conservancy 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.

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 the Conservancy'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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.

Jones and Kelb

March 17, 2022

PIEDMONT PARK CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,099,049	\$ 1,332,720
Pledges receivable	217,433	-
Accounts receivable	357,725	3,567
Prepaid expenses	44,335	42,310
Investments	5,005	-
Beverage and gift cards inventory	24,238	47,398
	<u>1,747,785</u>	<u>1,425,995</u>
PROPERTY AND EQUIPMENT		
Land, building and improvements	4,517,100	4,517,100
Furniture, fixtures and equipment	631,016	631,016
	<u>5,148,116</u>	<u>5,148,116</u>
Total	5,148,116	5,148,116
Less accumulated depreciation	2,320,360	2,184,230
	<u>2,827,756</u>	<u>2,963,886</u>
Property and equipment, net	2,827,756	2,963,886
	<u>2,827,756</u>	<u>2,963,886</u>
Total assets	<u>\$ 4,575,541</u>	<u>\$ 4,389,881</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 52,607	\$ 48,417
Deferred revenue	277,202	415,488
	<u>329,809</u>	<u>463,905</u>
Total current liabilities	329,809	463,905
NET ASSETS		
Without donor restrictions		
Undesignated	3,186,714	2,799,666
Designated by Board as operating and maintenance reserve	500,000	500,000
	<u>3,686,714</u>	<u>3,299,666</u>
Total without donor restrictions	3,686,714	3,299,666
With donor restrictions	559,018	626,310
	<u>559,018</u>	<u>626,310</u>
Total net assets	4,245,732	3,925,976
	<u>4,245,732</u>	<u>3,925,976</u>
Total liabilities and net assets	<u>\$ 4,575,541</u>	<u>\$ 4,389,881</u>

The accompanying notes to financial statements
are an integral part of these statements.

PIEDMONT PARK CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 716,888	\$ 867,924
Rental income	1,144,481	284,595
Special events	378,134	471,001
Program fees	374,674	105,540
City of Atlanta support	372,079	257,914
Government grants	665,110	382,000
Other income	1,348	10,204
	<hr/>	<hr/>
Total revenue and contributions	3,652,714	2,379,178
NET ASSETS RELEASED FROM RESTRICTIONS	<hr/>	<hr/>
	900,660	772,947
TOTAL REVENUE, CONTRIBUTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS	<hr/>	<hr/>
	4,553,374	3,152,125
EXPENSES		
Program services	2,919,645	2,664,299
Supporting services		
Management and general	486,933	394,539
Fundraising	642,978	645,197
	<hr/>	<hr/>
Total functional expenses	4,049,556	3,704,035
Direct costs of special events	116,770	21,117
	<hr/>	<hr/>
Total expenses	4,166,326	3,725,152
	<hr/>	<hr/>
Change in net assets without donor restrictions	387,048	(573,027)
NET ASSETS WITH DONOR RESTRICTIONS		
Support with donor restrictions	778,193	569,746
Endowment fund distributions	55,175	55,533
	<hr/>	<hr/>
Total contributions	833,368	625,279
NET ASSETS RELEASED FROM RESTRICTIONS	<hr/>	<hr/>
	(900,660)	(772,947)
Change in net assets with donor restrictions	<hr/>	<hr/>
	(67,292)	(147,668)
CHANGE IN NET ASSETS	319,756	(720,695)
NET ASSETS, Beginning of year	<hr/>	<hr/>
	3,925,976	4,646,671
NET ASSETS, End of year	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,245,732	\$ 3,925,976

The accompanying notes to financial statements
are an integral part of these statements.

PIEDMONT PARK CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>			<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
	<u>Park Events</u>	<u>Park Maintenance and Beautification</u>	<u>Total Program Services</u>			
Salaries	\$ 734,229	\$ 581,321	\$ 1,315,550	\$ 181,956	\$ 379,469	\$ 1,876,975
Staff health and retirement benefits	75,916	81,782	157,698	12,528	22,279	192,505
Payroll taxes	54,901	39,818	94,719	12,413	24,510	131,642
Total personnel	865,046	702,921	1,567,967	206,897	426,258	2,201,122
Rental expenses	325,258	-	325,258	-	34,180	359,438
Park maintenance	-	302,197	302,197	-	-	302,197
Professional services and fees	-	-	-	175,840	-	175,840
Office expenses	39,266	7,222	46,488	30,958	61,994	139,440
Advertising and promotion	7,818	2,125	9,943	26,127	100,149	136,219
Aquatic center	129,390	-	129,390	-	-	129,390
Occupancy	106,041	-	106,041	-	-	106,041
Security services	-	104,235	104,235	-	-	104,235
Supplies and vehicle expenses	17,020	79,432	96,452	-	-	96,452
Catering and events related expenses	-	-	-	-	82,590	82,590
Insurance	40,289	24,778	65,067	10,613	1,522	77,202
Information technology	7,865	11,798	19,663	7,864	40,561	68,088
Other expenses	30,671	562	31,233	15,022	5,687	51,942
Total expenses before depreciation	1,568,664	1,235,270	2,803,934	473,321	752,941	4,030,196
Depreciation	68,065	47,646	115,711	13,612	6,807	136,130
Total expenses	1,636,729	1,282,916	2,919,645	486,933	759,748	4,166,326
Less direct cost of donor benefits	-	-	-	-	(116,770)	(116,770)
Total functional expenses	<u>\$ 1,636,729</u>	<u>\$ 1,282,916</u>	<u>\$ 2,919,645</u>	<u>\$ 486,933</u>	<u>\$ 642,978</u>	<u>\$ 4,049,556</u>

The accompanying notes to financial statements
are an integral part of this statement.

PIEDMONT PARK CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Management and General	Fundraising	Total Expenses
	Park Events	Park Maintenance and Beautification	Total Program Services			
Salaries	\$ 723,762	\$ 618,655	\$ 1,342,417	\$ 182,467	\$ 360,185	\$ 1,885,069
Staff health and retirement benefits	64,168	78,539	142,707	10,483	22,078	175,268
Payroll taxes	52,270	43,151	95,421	11,891	21,911	129,223
Total personnel	840,200	740,345	1,580,545	204,841	404,174	2,189,560
Rental expenses	132,126	-	132,126	-	-	132,126
Park maintenance	-	325,395	325,395	-	-	325,395
Professional services and fees	-	-	-	81,366	95,431	176,797
Office expenses	39,827	12,826	52,653	58,014	52,525	163,192
Advertising and promotion	8,741	796	9,537	13,142	38,796	61,475
Aquatic center	42,991	-	42,991	-	-	42,991
Occupancy	95,530	-	95,530	-	-	95,530
Security services	-	108,475	108,475	-	-	108,475
Supplies and vehicle expenses	27,439	44,769	72,208	-	-	72,208
Catering and events related expenses	-	-	-	-	21,117	21,117
Insurance	42,348	25,327	67,675	8,755	1,464	77,894
Information technology	21,354	5,339	26,693	10,676	39,583	76,952
Other expenses	31,952	354	32,306	3,843	6,273	42,422
Total expenses before depreciation	1,282,508	1,263,626	2,546,134	380,637	659,363	3,586,134
Depreciation	69,509	48,656	118,165	13,902	6,951	139,018
Total expenses	1,352,017	1,312,282	2,664,299	394,539	666,314	3,725,152
Less direct cost of donor benefits	-	-	-	-	(21,117)	(21,117)
Total functional expenses	<u>\$ 1,352,017</u>	<u>\$ 1,312,282</u>	<u>\$ 2,664,299</u>	<u>\$ 394,539</u>	<u>\$ 645,197</u>	<u>\$ 3,704,035</u>

The accompanying notes to financial statements
are an integral part of this statement.

PIEDMONT PARK CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 319,756	\$ (720,695)
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	136,130	139,018
In-kind donation of investments	(5,005)	-
(Increase) decrease in pledges receivable	(217,433)	52,500
(Increase) decrease in accounts receivable	(354,158)	23,788
(Increase) decrease in prepaid expenses	(2,025)	8,976
Decrease in beverage and gift cards inventory	23,160	20,214
Increase in accounts payable	4,190	4,309
(Decrease) increase in deferred revenue	(138,286)	126,534
Total adjustments	(553,427)	375,339
Net cash and cash equivalents used in operating activities	(233,671)	(345,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(122,852)
Net cash and cash equivalents used in investing activities	-	(122,852)
DECREASE IN CASH AND CASH EQUIVALENTS	(233,671)	(468,208)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,332,720	1,800,928
CASH AND CASH EQUIVALENTS		
End of year	\$ 1,099,049	\$ 1,332,720

The accompanying notes to financial statements
are an integral part of these statements.

**PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Piedmont Park Conservancy, Inc. ("PPC") is a nonprofit organization created in 1989 for the purpose of the restoration and preservation of Piedmont Park (the "Park"), a City of Atlanta (the "City") public park in Atlanta, Georgia. PPC has invested over \$66 million in capital improvements for the Park since its inception in 1989. PPC's mission is to preserve and enhance Piedmont Park and its programs. PPC offers a diverse set of programs and services. The unifying theme to PPC's offerings is that they all enhance or preserve the Park. Services such as landscaping, beautification and management of volunteers contribute to the preservation of Piedmont Park while special events, educational programs, venue rentals and park amenities enhance the overall park experience.

PPC strives to maintain a strong, diverse and active Board of Directors (the "Board") composed of individuals consisting of community and business members, environmental stewards and local governmental officials. PPC operates under a set of Corporate Bylaws administered by a 10-member Executive Committee focused on sustainable growth, organizational stability and operational excellence.

PPC operates on a five-year strategic plan that prioritizes five objectives and a vision that the Park is an iconic park for all neighborhoods of metro Atlanta. The current strategic plan is for 2019 to 2023 and the five objectives include:

1. Ensure a safe, clean, green and accessible park for all;
2. Drive park expansion and BeltLine integration;
3. Build a wide and diverse range of activities and facilities accessible for all;
4. Grow an engaged and active community of supporters, neighbors, users and stakeholders;
5. Deliver strong Board governance and operational excellence.

In February 2012, the Atlanta City Council approved and passed a Memorandum of Understanding (the "MOU") outlining PPC's relationship with the City, defining in broad terms the responsibilities of PPC and the City regarding the operation of the Park. The 2012 MOU had a five-year term with a provision for one five-year renewal term, and either the City or PPC may terminate the MOU, without cause, with 30 days written notice. The MOU does not affect agreements with the City regarding PPC's operation of certain City facilities for the benefit of the Park. In 2017, PPC reached an agreement with the City for the terms of a new five-year MOU.

The MOU contains provisions allowing PPC to manage concessions and rental facilities and display banners in the Park recognizing organizations making large donations. The MOU requires PPC to ensure that vendors engaged by PPC to perform work in the Park carry certain insurance and indemnification provisions. The MOU also clarifies the City's public safety

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

responsibilities in the Park and documents the City's commitment to fund security and janitorial services managed by PPC that supplement the City's basic police services and pay for fixed infrastructure repairs and utilities.

B. PPC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, only unrelated business taxable income, as defined by Section 512(a)(1) of the Code, is subject to tax.

C. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

D. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, contributions and expenses during the reporting period. Actual results could differ from those estimates.

E. All highly liquid investments with initial maturities of three months or less are considered to be cash equivalents.

F. PPC maintains cash balances at financial institutions which may, at times, exceed the federally insured limits. Management periodically reviews the financial viability of the financial institutions and does not anticipate any credit risk related losses.

G. PPC records unconditional pledges in the period made by donors and allowances are provided for amounts estimated as uncollectible. All contributions are available for unrestricted purposes unless specifically restricted by the donor. At December 31, 2021 and 2020, all pledges are expected to be collected within one year of the financial statements date, and no allowance has been recorded. Pledges receivable at December 31, 2021 include \$160,000 due from two donors.

H. Accounts receivable, net of allowances for uncollectible accounts, are recorded at the amount of cash estimated as realizable. PPC provides reserves for uncollectible accounts when specific accounts are deemed uncollectible. Accounts receivable are considered delinquent based upon how recently payments have been received. At December 31, 2021 and 2020, all amounts are expected to be collected, and no allowance for uncollectible accounts has been recorded.

I. PPC maintains an inventory of beverages for use in special events and for facility rental events. Beverage inventory is valued at cost at the time of purchase. PPC also holds Home Depot gift cards that were received as part of a grant from the Home Depot Foundation. These gift cards are valued based on their preloaded dollar amount from Home Depot.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

J. Purchased property and equipment are capitalized at cost if the individual item exceeds \$2,500. Donated assets are capitalized at the fair market value of the asset on the date of contribution. Additions and replacements are capitalized to the property and equipment accounts, while repairs and maintenance are charged to expense as incurred. Property and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method. Useful lives of these assets range from five to forty years. Depreciation expense was \$136,130 and \$139,018 for the years ended December 31, 2021 and 2020, respectively.

K. Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – These net assets are available for use in general operations and are not subject to donor or grantor restrictions. The governing Board has designated an amount, from net assets without donor restrictions, for an operating and maintenance reserve. At December 31, 2021 and 2020, the operating and maintenance reserve balance was \$500,000.

Net assets with donor restrictions – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating those resources be maintained in perpetuity. The donors of these assets permit PPC to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as "net assets released from restrictions."

L. PPC recognizes contributions when cash, securities or other assets, unconditional promises to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

M. Rental income and program fees are recognized upon occurrence of the related event. Special events revenue equal to the fair value of direct benefits to donors and contributions income for the excess received is recognized when the event takes place. Amounts received and expenses paid prior to the events are recorded as deferred revenue and prepaid expenses, respectively, in the Statements of Financial Position.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

N. PPC records donated services as a contribution and expense if the services create or enhance a non-financial asset, or the services would (1) need to be purchased by PPC if not provided by a contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated value on the date of receipt. During the years ended December 31, 2021 and 2020, PPC recorded approximately \$99,000 and \$115,000, respectively, of donated services, materials and advertising, related to various fundraising events and professional services.

O. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and benefits, which are allocated on the basis of estimated time and effort, while office and direct program expenses are allocated based on their specific functions and events.

P. Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

Q. Management has evaluated subsequent events through March 17, 2022, which is the date these financial statements were available to be issued.

2. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,099,049	\$ 1,332,720
Pledges and accounts receivable	575,158	3,567
Investments	5,005	-
Gift cards inventory	<u>1,404</u>	<u>26,104</u>
Total current financial assets	1,680,616	1,362,391
Less amounts unavailable for general expenditure:		
Board designated operating and maintenance reserve	(500,000)	(500,000)
Net assets with donor restrictions	<u>(559,018)</u>	<u>(626,310)</u>
Financial assets available for general expenditures	<u>\$ 621,598</u>	<u>\$ 236,081</u>

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

PPC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. If liquidity needs arise in the future, PPC can draw from the \$500,000 line of credit available with a financial institution, which matures in June 2022. Management's intent is to renew the line of credit effective upon maturity.

3. LINE OF CREDIT

PPC has a \$500,000 line of credit with a financial institution maturing in June 2022. Borrowings under the line of credit from November 1, 2019 through October 31, 2021 bore interest at the institution's prime rate ("prime"), subject to a floor of 4.0%. From November 1, 2021 through the maturity date, borrowings bear interest at prime plus 1.0%, subject to a floor of 5.0%. The effective rate was 5.0% and 4.0% at December 31, 2021 and 2020, respectively. The line of credit is secured by all receivables, inventory and equipment of PPC. PPC did not have any borrowings under the line of credit during the years ended December 31, 2021 and 2020.

4. LEASES

During the years ended December 31, 2021 and 2020, PPC leased building space to a restaurant tenant under a noncancelable operating lease with a five-year term expiring in June 2027. The agreement and extension provide for monthly base rental payments plus a percentage of gross annual sales over a specified amount. For the years ended December 31, 2021 and 2020, rental income from this lease totaled \$106,281 and \$99,775, respectively.

During the year ended December 31, 2021, PPC entered into an agreement with another restaurant tenant under a noncancelable operating lease with a ten-year term. The agreement provides for monthly base rental payments plus a percentage of gross annual sales over a specified amount. Rental payments begin at the earlier of 180 days after the delivery date, the date of the tenant receiving their alcohol license or when the tenant begins operations. No rental income was recognized for the year ended December 31, 2021, since none of the triggering events occurred.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Future minimum base rental payments to be received under the leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 105,502
2023	151,013
2024	165,862
2025	165,862
2026	168,206
Thereafter	<u>381,464</u>
Total	<u><u>\$1,137,909</u></u>

5. NET ASSETS

Board designated net assets consisted of \$500,000 for an operating and maintenance reserve at December 31, 2021 and 2020, respectively. The purpose of the reserve is to ensure the stability of the mission, programs and operations of PPC through protection of the regular operating budget against major unforeseen, unbudgeted repair and maintenance expenses. During 2020, the Board released \$100,000 from the reserve to restore the Community Center.

Changes to net assets with donor restrictions are as follows:

	<u>December 31,</u> <u>2020</u>	<u>Additions</u>	<u>Released from</u> <u>Restrictions</u>	<u>December 31,</u> <u>2021</u>
Subject to expenditure for specified purpose:				
Capital projects and park improvements	\$ 601,310	\$ 358,433	\$ (656,410)	\$ 303,333
Active Oval	10,000	-	(10,000)	-
Safe Haven	-	95,685	-	95,685
COVID-19 relief	15,000	90,000	(105,000)	-
Park consulting project	-	95,000	(25,000)	70,000
Green Market	-	75,000	(75,000)	-
Volunteer program	-	29,250	(29,250)	-
	<u>626,310</u>	<u>743,368</u>	<u>(900,660)</u>	<u>469,018</u>
Subject to the passage of time:				
Promises to give without restrictions but are unavailable until collection	-	90,000	-	90,000
	<u>\$ 626,310</u>	<u>\$ 833,368</u>	<u>\$ (900,660)</u>	<u>\$ 559,018</u>

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>December 31,</u> <u>2019</u>	<u>Additions</u>	<u>Released from</u> <u>Restrictions</u>	<u>December 31,</u> <u>2020</u>
Subject to expenditure for specified purpose:				
Capital projects and park improvements	\$ 632,978	\$ 272,279	\$ (303,947)	\$ 601,310
Active Oval	91,000	-	(81,000)	10,000
Performance on the Promenade	25,000	-	(25,000)	-
COVID-19 relief	-	190,000	(175,000)	15,000
Environmental education	-	35,000	(35,000)	-
Green Market	-	60,000	(60,000)	-
Volunteer program	-	68,000	(68,000)	-
	<u>748,978</u>	<u>625,279</u>	<u>(747,947)</u>	<u>626,310</u>
Subject to the passage of time:				
Promises to give without restrictions but are unavailable until collection	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
	<u>\$ 773,978</u>	<u>\$ 625,279</u>	<u>\$ (772,947)</u>	<u>\$ 626,310</u>

6. ENDOWMENT FUND

In 2003, a donor contributed \$1,000,000 to PPC to establish a permanent endowment fund with the Community Foundation for Greater Atlanta, Inc. (the "Foundation"). The restricted fund agreement grants ownership and control of this endowment fund to the Foundation, with annual distributions from the fund paid to PPC to help care for the Park. Accordingly, the endowment fund is not recorded as an asset of PPC and is not recognized in the accompanying financial statements. The market value of this endowment fund was \$1,452,707 and \$1,306,696 at December 31, 2021 and 2020, respectively. Distributions to PPC from this endowment fund are recorded as contributions in the year they are received. Distributions of \$55,175 and \$55,533 were received from the endowment fund during the years ended December 31, 2021 and 2020, respectively.

7. GOVERNMENT GRANTS

During the years ended December 31, 2021 and 2020, PPC received Paycheck Protection Program ("PPP") loans in the amount of \$352,000 and \$382,000, respectively, from the Small Business Administration ("SBA"). The loans accrued interest at 1.0% per annum, with no required payments for ten months after funding of the loan. PPC fully utilized the funds for the PPP's intended purpose and both loans were forgiven by the SBA. The full amount has been recorded as government grants in the Statements of Activities for the years ended December 31, 2021 and 2020.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

PPC qualified for \$313,110 of Employer Retention Credit to offset certain payroll taxes for qualifying wages paid as provided for in the Coronavirus Aid, Relief, and Economic Security Act. PPC recorded the amount as government grant revenue for the year ended December 31, 2021. At December 31, 2021, \$150,000 is recorded in accounts receivable on the Statement of Financial Position. In February 2022, \$144,468 of this receivable was collected.

8. PARK IMPROVEMENT PROJECTS

At December 31, 2021 and 2020, improvement projects in progress consist primarily of repairs and maintenance to existing facilities. In addition, operating and program expenses in the accompanying Statements of Activities include approximately \$322,000 and \$328,000 for 2021 and 2020, respectively, of facility maintenance expenses and additional safety services that were unreimbursed by the City.

9. RETIREMENT SAVINGS PLAN

PPC provides a 401(k)-retirement savings plan (the "Plan") covering substantially all employees. Annually, PPC contributes three percent of each eligible participant's annual compensation into a retirement savings account for that participant under the Plan. PPC employees become eligible to enter the Plan on the first January 1 or July 1 following a 90-day waiting period after their date of hire. One year after a participant is eligible to enter the Plan, the participant is eligible for the PPC three percent safe harbor contribution. Eligible employees may contribute pre-tax amounts via payroll deduction into their retirement savings account under the Plan. PPC contributions to participant accounts under the Plan were \$47,808 and \$44,243 for the years ended December 31, 2021 and 2020, respectively.

10. CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a pandemic, with the outbreak widespread across the world. PPC's Board and management are actively monitoring the impact of COVID-19 on its operations and are working to moderate operating expenses while remaining fully committed to continuing to provide critical services for the Park. In 2020, PPC cancelled all program events and converted several special events to virtual events due to social distancing guidelines. PPC was able to resume most events in 2021 albeit at reduced capacity to follow proper social distancing guidelines.

11. LITIGATION

PPC is involved in litigation involving disputed rental space with a former tenant. As of December 31, 2021, it is not possible to determine if there is a loss potential or what that amount might be. PPC has retained legal counsel and is vigorously defending the claim.