



**ATLANTA, GEORGIA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 AND 2021**

**PIEDMONT PARK CONSERVANCY, INC.  
INDEX TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

	<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	6-14



**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis 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 Kell*

April 7, 2023

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

**ASSETS**

	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,275,378	\$ 1,099,049
Pledges receivable	295,688	217,433
Accounts receivable	54,931	357,725
Prepaid expenses	59,080	44,335
Investments	-	5,005
Beverage and gift cards inventory	31,786	24,238
Deferred lease assets	7,505	-
Total current assets	1,724,368	1,747,785
<b>PROPERTY AND EQUIPMENT</b>		
Land, building and improvements	4,537,219	4,517,100
Furniture, fixtures and equipment	712,679	631,016
Total	5,249,898	5,148,116
Less accumulated depreciation	2,459,269	2,320,360
Property and equipment, net	2,790,629	2,827,756
<b>DEFERRED LEASE ASSETS - LONG TERM</b>	47,109	-
Total assets	\$ 4,562,106	\$ 4,575,541

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 75,678	\$ 52,607
Deferred revenue	240,068	277,202
Total current liabilities	315,746	329,809
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	3,098,481	3,186,714
Designated by Board as operating and maintenance reserve	559,726	500,000
Total without donor restrictions	3,658,207	3,686,714
With donor restrictions	588,153	559,018
Total net assets	4,246,360	4,245,732
Total liabilities and net assets	\$ 4,562,106	\$ 4,575,541

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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Contributions	\$ 1,402,869	\$ 636,560
Rental income	1,351,848	1,144,481
Program fees	779,844	374,674
Special events	536,032	359,044
City of Atlanta support	219,000	372,079
In-kind contributions	21,213	99,418
Other income	10,314	1,348
Government grants	-	665,110
	<hr/>	<hr/>
Total revenue and contributions	4,321,120	3,652,714
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>
	671,053	900,660
<b>TOTAL REVENUE, CONTRIBUTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>
	4,992,173	4,553,374
<b>EXPENSES</b>		
Program services	3,508,914	2,919,645
Supporting services		
Management and general	745,693	486,933
Fundraising	614,469	642,978
	<hr/>	<hr/>
Total functional expenses	4,869,076	4,049,556
Direct costs of special events	151,604	116,770
	<hr/>	<hr/>
Total expenses	5,020,680	4,166,326
	<hr/>	<hr/>
Change in net assets without donor restrictions	(28,507)	387,048
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Support with donor restrictions	643,151	778,193
Endowment fund distributions	57,037	55,175
	<hr/>	<hr/>
Total contributions	700,188	833,368
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>
	(671,053)	(900,660)
Change in net assets with donor restrictions	<hr/>	<hr/>
	29,135	(67,292)
<b>CHANGE IN NET ASSETS</b>	628	319,756
<b>NET ASSETS, Beginning of year</b>	<hr/>	<hr/>
	4,245,732	3,925,976
<b>NET ASSETS, End of year</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,246,360	\$ 4,245,732

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, 2022**

	<b>Program Services</b>			<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
	<b>Park Events</b>	<b>Park Maintenance and Beautification</b>	<b>Total Program Services</b>			
Salaries	\$ 861,670	\$ 601,494	\$ 1,463,164	\$ 222,486	\$ 252,245	\$ 1,937,895
Staff health and retirement benefits	71,750	68,893	140,643	15,587	18,636	174,866
Payroll taxes	64,682	42,522	107,204	14,113	15,576	136,893
<b>Total personnel</b>	<b>998,102</b>	<b>712,909</b>	<b>1,711,011</b>	<b>252,186</b>	<b>286,457</b>	<b>2,249,654</b>
Park maintenance	-	478,218	478,218	-	-	478,218
Rental expenses	391,112	-	391,112	-	66,537	457,649
Professional services and fees	23,328	13,555	36,883	333,381	69,985	440,249
Supplies and vehicle expenses	67,138	82,009	149,147	59,125	12,449	220,721
Aquatic center	173,529	-	173,529	-	-	173,529
Advertising and promotion	7,296	2,634	9,930	29,092	129,668	168,690
Office expenses	40,439	6,677	47,116	38,334	76,038	161,488
Occupancy	133,438	-	133,438	-	-	133,438
Security services	-	121,032	121,032	-	-	121,032
Catering and events related expenses	-	-	-	12,650	85,067	97,717
Insurance	43,910	24,465	68,375	-	1,175	69,550
Other expenses	54,680	1,907	56,587	1,250	-	57,837
Information technology	5,785	8,677	14,462	5,785	31,751	51,998
<b>Total expenses before depreciation</b>	<b>1,938,757</b>	<b>1,452,083</b>	<b>3,390,840</b>	<b>731,803</b>	<b>759,127</b>	<b>4,881,770</b>
Depreciation	69,455	48,619	118,074	13,890	6,946	138,910
<b>Total expenses</b>	<b>2,008,212</b>	<b>1,500,702</b>	<b>3,508,914</b>	<b>745,693</b>	<b>766,073</b>	<b>5,020,680</b>
Less direct cost of donor benefits	-	-	-	-	(151,604)	(151,604)
<b>Total functional expenses</b>	<b>\$ 2,008,212</b>	<b>\$ 1,500,702</b>	<b>\$ 3,508,914</b>	<b>\$ 745,693</b>	<b>\$ 614,469</b>	<b>\$ 4,869,076</b>

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, 2021**

	<b>Program Services</b>			<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
	<b>Park Events</b>	<b>Park Maintenance and Beautification</b>	<b>Total Program Services</b>			
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
Park maintenance	-	302,197	302,197	-	-	302,197
Rental expenses	325,258	-	325,258	-	34,180	359,438
Professional services and fees	-	-	-	175,840	-	175,840
Supplies and vehicle expenses	17,020	79,432	96,452	-	-	96,452
Aquatic center	129,390	-	129,390	-	-	129,390
Advertising and promotion	7,818	2,125	9,943	26,127	100,149	136,219
Office expenses	39,266	7,222	46,488	30,958	61,994	139,440
Occupancy	106,041	-	106,041	-	-	106,041
Security services	-	104,235	104,235	-	-	104,235
Catering and events related expenses	-	-	-	-	82,590	82,590
Insurance	40,289	24,778	65,067	10,613	1,522	77,202
Other expenses	30,671	562	31,233	15,022	5,687	51,942
Information technology	7,865	11,798	19,663	7,864	40,561	68,088
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.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 628	\$ 319,756
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	138,910	136,130
In-kind donation of investments	-	(5,005)
Increase in pledges receivable	(78,255)	(217,433)
Decrease (increase) in accounts receivable	302,794	(354,158)
Increase in prepaid expenses	(14,745)	(2,025)
(Increase) decrease in beverage and gift cards inventory	(7,548)	23,160
Increase in deferred lease assets	(54,614)	-
Increase in accounts payable	23,071	4,190
Decrease in deferred revenue	(37,134)	(138,286)
Total adjustments	272,479	(553,427)
Net cash and cash equivalents provided by (used in) operating activities	273,107	(233,671)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	5,005	-
Purchases of property and equipment	(101,783)	-
Net cash and cash equivalents used in investing activities	(96,778)	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	176,329	(233,671)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,099,049	1,332,720
<b>CASH AND CASH EQUIVALENTS</b>		
End of year	\$ 1,275,378	\$ 1,099,049

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, 2022 AND 2021**

**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 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; and,
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 which expires in 2023. Management is currently working with the City to renew the 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, 2022 AND 2021**

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, 2022 and 2021, 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, 2022 and 2021 included \$240,000 and \$160,000 that are due from three and two donors, respectively.

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. Account receivables are considered delinquent based upon how recently payments have been received. At December 31, 2022 and 2021, 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, 2022 AND 2021**

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 \$138,910 and \$136,130 for the years ended December 31, 2022 and 2021, 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 (the "Reserve Fund"). The purpose of the Reserve Fund 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 2022, the governing Board adopted a policy which states that bequests received without donor restrictions or designations on their use will be utilized as gifts to the Reserve Fund. Once the Reserve Fund reaches 50% of the annual operating budget, bequests received will be added to a Board designated Endowment Fund.

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 that 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."

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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.

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, 2022 and 2021, PPC recorded approximately \$21,000 and \$99,000, 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. In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the Statements of Activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. PPC adopted the standard in 2022 and applied it retrospectively to 2021. The adoption of this standard did not have a significant impact on PPC's financial statements (See Note 7).

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

R. Management has evaluated subsequent events through April 7, 2023, which is the date these financial statements were available to be issued.

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 1,275,378	\$ 1,099,049
Pledges and accounts receivable	350,619	575,158
Investments	-	5,005
Gift cards inventory	50	1,404
Total current financial assets	1,626,047	1,680,616
Less amounts unavailable for general expenditure:		
Board designated operating and maintenance reserve	(559,726)	(500,000)
Net assets with donor restrictions	(588,153)	(559,018)
Financial assets available for general expenditures	\$ 478,168	\$ 621,598

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 May 2023. 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 May 2023. Borrowings under the line of credit bear interest at the institution's prime rate ("prime") plus a spread of 1.0%, subject to a floor of 5.0%. The effective rate was 8.5% and 5.0% at December 31, 2022 and 2021, 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, 2022 and 2021.

**4. NET ASSETS**

Board designated net assets, referred to as the Reserve Fund, consisted of \$559,726 and \$500,000 for an operating and maintenance reserve at December 31, 2022 and 2021, respectively. During 2022, the Reserve Fund increased by \$112,726, the amount equal to

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

unrestricted bequests received by PPC. The governing Board also released \$53,000 from the Reserve Fund to improve the lighting systems throughout the Park in 2022.

Net assets with donor restrictions are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Capital projects and park improvements	\$ 348,153	\$ 303,333
Safe Haven	-	95,685
Park consulting project	-	70,000
	<u>348,153</u>	<u>469,018</u>
Subject to the passage of time:		
Promises to give without restrictions but are unavailable until collection	<u>240,000</u>	<u>90,000</u>
	<u>240,000</u>	<u>90,000</u>
 Total net assets with donor restrictions	 <u><u>\$ 588,153</u></u>	 <u><u>\$ 559,018</u></u>

Net assets released from donor restrictions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Capital projects and park improvements	\$ 282,738	\$ 656,410
Active Oval	-	10,000
Safe Haven	95,735	-
COVID-19 relief	-	105,000
Park consulting project	82,908	25,000
Green Market	75,000	75,000
Volunteer program	44,672	29,250
	<u>581,053</u>	<u>900,660</u>
Subject to the passage of time:		
Promises to give without restrictions but are unavailable until collection	<u>90,000</u>	<u>-</u>
	<u>90,000</u>	<u>-</u>
 Total net assets released from donor restrictions	 <u><u>\$ 671,053</u></u>	 <u><u>\$ 900,660</u></u>

**PIEDMONT PARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**5. ENDOWMENT FUND**

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 \$1,195,778 and \$1,452,707 at December 31, 2022 and 2021, respectively. Distributions to PPC from this endowment fund are recorded as contributions in the year they are received. Amounts received from the endowment fund were \$57,037 and \$55,175 for the years ended December 31, 2022 and 2021, respectively.

**6. GOVERNMENT GRANTS**

During the year ended December 31, 2021, PPC received a Paycheck Protection Program ("PPP") loan in the amount of \$352,000 from the Small Business Administration ("SBA"). The loan accrued interest at 1.0% per annum, with no required payments for ten months after funding. PPC fully utilized the funds for the PPP's intended purpose and it was forgiven by the SBA. The full amount has been recorded as government grant revenue for the year ended December 31, 2021.

PPC received \$313,110 of Employer Retention Credit to offset payroll taxes for qualifying wages paid as provided for in the Coronavirus Aid, Relief, and Economic Security Act. The full amount has been recorded as government grant revenue for the year ended December 31, 2021.

**7. IN-KIND CONTRIBUTIONS**

In-kind contributions consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Catering and rental services	\$ 5,613	\$ 11,500
Professional services	5,705	62,418
Landscaping supplies	8,100	17,910
Gift certificates for auction	1,795	7,590
	<u>          </u>	<u>          </u>
Total in-kind contributions	<u>\$ 21,213</u>	<u>\$ 99,418</u>

PPC's in-kind contributions were valued using estimated average prices of identical or similar services or products using pricing data of similar services or products under a "like-kind" methodology, considering the utility of the services and goods at the time of the contribution.



**PIEDMONT PARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

No in-kind contributions were restricted. PPC does not sell donated gifts-in-kind and only uses the goods and services for its own program or supporting service activities.

**8. OPERATING LEASES**

During the years ended December 31, 2022 and 2021, PPC leased building space to a restaurant tenant under a noncancelable operating lease with a five-year term expiring in June 2027. The agreement provides for monthly base rental payments plus a percentage of gross annual sales over a specified amount. This lease provided for six months of reduced rent.

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. This lease commenced in April 2022 and provides for 12 months of rent abatement.

For the years ended December 31, 2022 and 2021, rental income from these leases totaled \$198,218 and \$106,281, respectively.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 151,013
2024	165,862
2025	165,862
2026	165,862
2027	114,972
Thereafter	<u>265,710</u>
Total	<u><u>\$ 1,029,281</u></u>

**9. PARK IMPROVEMENT PROJECTS**

At December 31, 2022 and 2021, 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 \$608,000 and \$322,000 for 2022 and 2021, respectively, of facility maintenance expenses and additional safety services that were unreimbursed by the City.

**PIEDMONT PARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**10. 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 \$41,201 and \$47,808 for the years ended December 31, 2022 and 2021, respectively.

**11. LITIGATION**

PPC is involved in litigation with a former tenant involving disputed rental space. As of December 31, 2022, 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.