



ATLANTA, GEORGIA

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

**PIEDMONT PARK CONSERVANCY, INC.
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DECEMBER 31, 2023 AND 2022**

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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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 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 Kelly

March 14, 2024

PIEDMONT PARK CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,020,764	\$ 1,275,378
Pledges receivable	125,491	295,688
Accounts receivable	88,411	54,931
Prepaid expenses	48,585	59,080
Investments	10,514	-
Beverage and gift card inventory	25,761	31,786
Deferred lease assets	7,343	7,505
Total current assets	1,326,869	1,724,368
PROPERTY AND EQUIPMENT, NET	2,732,928	2,790,629
DEFERRED LEASE ASSETS - LONG TERM	54,776	47,109
Total assets	\$ 4,114,573	\$ 4,562,106

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 175,151	\$ 75,678
Deferred revenue	275,765	240,068
Total current liabilities	450,916	315,746
NET ASSETS		
Without donor restrictions		
Undesignated	2,706,281	3,098,481
Designated by Board as operating and maintenance reserve	559,726	559,726
Total without donor restrictions	3,266,007	3,658,207
With donor restrictions	397,650	588,153
Total net assets	3,663,657	4,246,360
Total liabilities and net assets	\$ 4,114,573	\$ 4,562,106

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, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 939,888	\$ 1,402,869
Rental income	1,547,061	1,351,848
Program fees	780,051	779,844
Special events	371,630	536,032
City of Atlanta support	227,062	219,000
In-kind contributions	43,568	21,213
Other income	41,788	10,314
Total revenue and contributions	3,951,048	4,321,120
NET ASSETS RELEASED FROM RESTRICTIONS	841,140	671,053
TOTAL REVENUE, CONTRIBUTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS	4,792,188	4,992,173
EXPENSES		
Program services	3,665,463	3,508,914
Supporting services		
Management and general	702,393	745,693
Fundraising	563,646	614,469
Total functional expenses	4,931,502	4,869,076
Direct costs of special events	202,886	151,604
Total expenses	5,134,388	5,020,680
Change in net assets without donor restrictions	(342,200)	(28,507)
NET ASSETS WITH DONOR RESTRICTIONS		
Support with donor restrictions	591,610	643,151
Endowment fund distributions	59,027	57,037
Loss on uncollectible pledge	(50,000)	-
Total contributions	600,637	700,188
NET ASSETS RELEASED FROM RESTRICTIONS	(841,140)	(671,053)
Change in net assets with donor restrictions	(240,503)	29,135
CHANGE IN NET ASSETS	(582,703)	628
NET ASSETS, Beginning of year	4,246,360	4,245,732
NET ASSETS, End of year	\$ 3,663,657	\$ 4,246,360

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, 2023

	Program Services			Management and General	Fundraising	Total Expenses
	Park Events	Park Maintenance and Beautification	Total Program Services			
Salaries	\$ 1,062,301	\$ 742,979	\$ 1,805,280	\$ 235,576	\$ 233,769	\$ 2,274,625
Staff health and retirement benefits	69,617	53,955	123,572	11,330	25,863	160,765
Payroll taxes	78,624	52,124	130,748	11,669	10,138	152,555
Total personnel	1,210,542	849,058	2,059,600	258,575	269,770	2,587,945
Rental expenses	348,495	-	348,495	-	62,617	411,112
Professional services and fees	2,672	1,336	4,008	248,833	8,011	260,852
Park maintenance	-	250,859	250,859	-	-	250,859
Aquatic center	247,353	-	247,353	-	-	247,353
Office expenses	26,380	7,077	33,457	87,667	82,276	203,400
Occupancy	170,522	-	170,522	-	-	170,522
Advertising and promotion	6,796	3,686	10,482	28,541	120,650	159,673
Supplies and vehicle expenses	63,059	82,139	145,198	-	-	145,198
Catering and events related expenses	-	-	-	-	140,269	140,269
Security services	-	125,767	125,767	-	-	125,767
Other expenses	58,387	986	59,373	45,273	12,265	116,911
Information technology	6,040	9,061	15,101	6,040	61,989	83,130
Insurance	41,479	22,265	63,744	11,994	949	76,687
Total expenses before depreciation	2,181,725	1,352,234	3,533,959	686,923	758,796	4,979,678
Depreciation	77,355	54,149	131,504	15,470	7,736	154,710
Total expenses	2,259,080	1,406,383	3,665,463	702,393	766,532	5,134,388
Less direct cost of donor benefits	-	-	-	-	(202,886)	(202,886)
Total functional expenses	<u>\$ 2,259,080</u>	<u>\$ 1,406,383</u>	<u>\$ 3,665,463</u>	<u>\$ 702,393</u>	<u>\$ 563,646</u>	<u>\$ 4,931,502</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, 2022**

	<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	\$ 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
Total personnel	998,102	712,909	1,711,011	252,186	286,457	2,249,654
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
Park maintenance	-	478,218	478,218	-	-	478,218
Aquatic center	173,529	-	173,529	-	-	173,529
Office expenses	40,439	6,677	47,116	38,334	76,038	161,488
Occupancy	133,438	-	133,438	-	-	133,438
Advertising and promotion	7,296	2,634	9,930	29,092	129,668	168,690
Supplies and vehicle expenses	67,138	82,009	149,147	59,125	12,449	220,721
Catering and events related expenses	-	-	-	12,650	85,067	97,717
Security services	-	121,032	121,032	-	-	121,032
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
Insurance	43,910	24,465	68,375	-	1,175	69,550
Total expenses before depreciation	1,938,757	1,452,083	3,390,840	731,803	759,127	4,881,770
Depreciation	69,455	48,619	118,074	13,890	6,946	138,910
Total expenses	2,008,212	1,500,702	3,508,914	745,693	766,073	5,020,680
Less direct cost of donor benefits	-	-	-	-	(151,604)	(151,604)
Total functional expenses	<u>\$ 2,008,212</u>	<u>\$ 1,500,702</u>	<u>\$ 3,508,914</u>	<u>\$ 745,693</u>	<u>\$ 614,469</u>	<u>\$ 4,869,076</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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (582,703)	\$ 628
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation	154,710	138,910
In-kind donation of investments	(10,514)	-
Loss on uncollectible pledge	(50,000)	-
Decrease (increase) in pledges receivable	220,197	(78,255)
(Increase) decrease in accounts receivable	(33,480)	302,794
Decrease (increase) in prepaid expenses	10,495	(14,745)
Decrease (increase) in beverage and gift card inventory	6,025	(7,548)
Increase in deferred lease assets	(7,505)	(54,614)
Increase in accounts payable	99,473	23,071
Increase (decrease) in deferred revenue	35,697	(37,134)
Total adjustments	425,098	272,479
Net cash and cash equivalents (used in) provided by operating activities	(157,605)	273,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	5,005
Purchases of property and equipment	(97,009)	(101,783)
Net cash and cash equivalents used in investing activities	(97,009)	(96,778)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(254,614)	176,329
CASH AND CASH EQUIVALENTS		
Beginning of year	1,275,378	1,099,049
CASH AND CASH EQUIVALENTS		
End of year	\$ 1,020,764	\$ 1,275,378

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, 2023 AND 2022**

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 \$110 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 was set to expire in 2023. As of December 31, 2023, the Conservancy and the City agreed to an extension of the current MOU through April 30, 2024 as they negotiate a new MOU or renewal of the existing MOU through December 31, 2028.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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 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, 2023 and 2022, 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, 2023 and 2022 included \$100,000 and \$240,000 that were due from one and three 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, 2023 and 2022, all amounts are expected to be collected, and no allowance for uncollectible accounts has been recorded.

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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.

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. The useful lives of these assets range from 5-40 years. Depreciation expense was \$154,710 and \$138,910 for the years ended December 31, 2023 and 2022, 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.

The governing Board has 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, 2023 AND 2022

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.

During the year ended December 31, 2023, PPC received a \$1,000,000 pledge for the purchase of land as part of a park expansion program. The pledge is conditional upon PPC entering into a binding purchase agreement; therefore, it will not be recognized as revenue until this condition is met. This pledge has an expiration date of May 31, 2025.

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 contribution 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.

Deferred revenue related to rental income that will be earned in the next operating year totaled \$111,481 and \$104,419 at December 31, 2023 and 2022, respectively. Deferred revenue related to program fees, special events, and City support that will be earned in the next operating year totaled \$164,284 and \$135,649 at December 31, 2023 and 2022, respectively.

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, 2023 and 2022, PPC recorded approximately \$44,000 and \$21,000, 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. Management has evaluated subsequent events through March 14, 2024, 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, 2023 AND 2022

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,020,764	\$ 1,275,378
Pledges and accounts receivable	213,902	350,619
Investments	10,514	-
Gift card inventory	<u>1,597</u>	<u>50</u>
Total current financial assets	1,246,777	1,626,047
Less amounts unavailable for general expenditure:		
Board designated operating and maintenance reserve	(559,726)	(559,726)
Net assets with donor restrictions	<u>(397,650)</u>	<u>(588,153)</u>
Financial assets available for general expenditures	<u>\$ 289,401</u>	<u>\$ 478,168</u>

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 2024. Management's intent is to renew the line of credit effective upon maturity.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 4,112,224	\$ 4,098,923
Furniture, fixtures and equipment	796,387	712,679
Land	<u>438,296</u>	<u>438,296</u>
Total	5,346,907	5,249,898
Less accumulated depreciation	<u>2,613,979</u>	<u>2,459,269</u>
Property and equipment, net	<u>\$ 2,732,928</u>	<u>\$ 2,790,629</u>

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

4. LINE OF CREDIT

PPC has a \$500,000 line of credit with a financial institution maturing in May 2024. Borrowings under the line of credit bear interest at the institution's prime rate ("prime") plus 1.0%, subject to a floor of 5.0%. The effective rate was 9.5% and 8.5% at December 31, 2023 and 2022, 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, 2023 and 2022. Management's intent is to renew the line of credit effective upon maturity.

5. NET ASSETS

Board designated net assets, referred to as the Reserve Fund, consisted of \$559,726 for an operating and maintenance reserve at December 31, 2023 and 2022. During 2022, the Reserve Fund increased by \$112,726, the amount equal to 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 released from donor restrictions are as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Capital projects and park improvements	\$ 436,368	\$ 282,738
Volunteer program	87,106	44,672
Green Market	75,000	75,000
Safe Haven	2,666	95,735
Park consulting project	-	82,908
	<u>601,140</u>	<u>581,053</u>
Subject to the passage of time:		
Promises to give without restrictions that are unavailable until collection	<u>240,000</u>	<u>90,000</u>
Total net assets released from donor restrictions	<u>\$ 841,140</u>	<u>\$ 671,053</u>

PIEDMONT PARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Capital projects and park improvements	\$ 220,066	\$ 348,153
Capital campaign planning	50,000	-
Inclusive playground	27,584	-
	<u>297,650</u>	<u>348,153</u>
Subject to the passage of time:		
Promises to give without restrictions that are unavailable until collection	<u>100,000</u>	<u>240,000</u>
Total net assets with donor restrictions	<u>\$ 397,650</u>	<u>\$ 588,153</u>

6. 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 \$1,294,212 and \$1,195,778 at December 31, 2023 and 2022, 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 \$59,027 and \$57,037 for the years ended December 31, 2023 and 2022, respectively.

7. IN-KIND CONTRIBUTIONS

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

	<u>2023</u>	<u>2022</u>
Catering and rental services	\$ 33,503	\$ 5,613
Professional services	6,950	5,705
Gift certificates for auction	3,115	1,795
Landscaping supplies	-	8,100
Total in-kind contributions	<u>\$ 43,568</u>	<u>\$ 21,213</u>

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

8. OPERATING LEASES

PPC leases 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 reduced rent for the first six months and includes an optional one-time right to extend the term of the lease for an additional five years by the tenant.

PPC also leases building space to 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 provided rent abatement for the first 12 months from the commencement date.

Fixed assets related to the two operating lease spaces are recorded as part of land, building and improvements in the Statements of Financial Position. The leased building spaces cost approximately \$1,295,000 with accumulated depreciation of approximately \$624,000 and \$588,000 at December 31, 2023 and 2022, respectively. Depreciation expense for the leased spaces was approximately \$36,000 and \$34,500 for the years ended December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, rental income and expense reimbursements under these leases totaled \$306,578 and \$254,576, respectively.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 165,862
2025	165,862
2026	165,862
2027	114,972
2028	62,520
Thereafter	<u>203,190</u>
Total	<u>\$ 878,268</u>

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9. PARK IMPROVEMENT PROJECTS

At December 31, 2023 and 2022, 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 \$483,000 and \$608,000 for 2023 and 2022, respectively, of facility maintenance expenses and additional safety services that were unreimbursed by the City.

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 \$46,235 and \$41,201 for the years ended December 31, 2023 and 2022, respectively.

11. LITIGATION

PPC is involved in litigation with a former tenant involving disputed rental space. As of December 31, 2023, 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.