Park Pride, Inc.

FINANCIAL STATEMENTS

June 30, 2023

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REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Park Pride, Inc.

Opinion

We have audited the accompanying financial statements of Park Pride, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Park Pride, Inc. (the Organization) as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Park Pride, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Park Pride, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Park Pride, Inc.'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 Park Pride, Inc.'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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
November 14, 2023

FINANCIAL STATEMENTS

June 30,		2023
Assets		
Current assets		
Cash and cash equivalents	$	9,588,246
Current portion of promise to give		1,838,015
Accounts receivable		146,733
Total current assets		11,572,994
Non-current assets		
Promises to give, less current portion		952,285
Equipment, net		14,442
Total non-current assets		966,727
Total assets	$	12,539,721
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$	485,845
Accrued expenses		25,290
Fiscal sponsor program		1,192,461
Total liabilities		1,703,596
Net assets		
Without donor restrictions		1,311,247
With donor restrictions		9,524,878
Total net assets		10,836,125
Total liabilities and net assets	$	12,539,721

For the year ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions for grantmaking and park improvements	$ -	$ 3,045,161	$ 3,045,161
Program revenues	315,336	-	315,336
Fiscal sponsor program	518,453	-	518,453
Government contracts	202,840	-	202,840
Contributions of non-financial assets	106,440	-	106,440
Operating grants and contributions	362,142	3,522,300	3,884,442
Interest income	197,244	-	197,244
Net assets released from restrictions	3,552,699	(3,552,699)	-
Total revenues and other support	5,255,154	3,014,762	8,269,916
Expenses			
Program services	4,362,453	-	4,362,453
Supporting services			
General and administrative	471,936	-	471,936
Fundraising	286,054	-	286,054
Total supporting services	757,990	-	757,990
Total expenses	5,120,443	-	5,120,443
Change in net assets	134,711	3,014,762	3,149,473
Net assets at beginning of year	1,176,536	6,510,116	7,686,652
Net assets at end of year	$ 1,311,247	$ 9,524,878	$ 10,836,125

Park Pride, Inc.
Statement of Functional Expenses

For the year ended June 30, 2023	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Payroll, salaries, bonuses	$ 867,621	$ 148,735	$ 223,103	$ 1,239,459
Health insurance	79,056	13,552	20,329	112,937
Payroll taxes	61,824	10,598	15,898	88,320
Retirement benefits	18,392	3,153	4,729	26,274
Personnel costs	1,026,893	176,038	264,059	1,466,990
Grantmaking program	2,645,266	-	-	2,645,266
Fiscal sponsor program	518,453	-	-	518,453
Professional fees	-	149,687	-	149,687
Occupancy	64,708	13,866	13,866	92,440
Technology	45,075	9,293	4,942	59,310
Office supplies	19,388	19,156	2,295	40,839
Events	24,838	6,046	412	31,296
Food and entertainment	-	27,928	-	27,928
Accounting	-	24,092	-	24,092
Vehicle	11,562	6,226	-	17,788
Miscellaneous expense	1,094	10,871	-	11,965
Insurance	-	10,780	-	10,780
Depreciation	-	10,198	-	10,198
Marketing	5,176	1,155	480	6,811
Bad debt expense	-	6,600	-	6,600
Total	$ 4,362,453	$ 471,936	$ 286,054	$ 5,120,443

Park Pride, Inc.
Statement of Cash Flows

For the year ended June 30,		2023
Operating Activities		
Change in net assets	$	3,149,473
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		10,198
Bad debt expense		6,600
Changes in operating assets and liabilities		
Promises to give		(2,320,207)
Accounts receivable		(107,353)
Grants receivable		1,500,000
Employee retention tax credit receivable		259,634
Accounts payable		407,360
Accrued expenses		2,025
Fiscal sponsor program		46,701
Net cash provided by (used in) operating activities		2,954,431
Investing Activities		
Purchase of equipment		(10,345)
Net change in cash and cash equivalents		2,944,086
Cash and cash equivalents, at beginning of year		6,734,090
Cash and cash equivalents, at end of year	$	9,678,176

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

Note 1: DESCRIPTION OF THE ORGANIZATION

Park Pride Atlanta, Inc. (the Organization) was incorporated in the state of Georgia as a not-for-profit corporation in November 1989. During 2018, the Organization formally changed its name to Park Pride, Inc. The Organization's purpose is to engage communities to activate the power of parks in the City of Atlanta and surrounding areas. Support for the Organization is primarily derived from charitable contributions from individuals, corporations, and foundations and from local governments.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the value of contributed non-financial assets and the allocation of functional expenses.

Program Services

The Organization's program services consist of the following:

Grantmaking and park improvements – The Organization awards funds for community driven park improvement projects.

Fiscal sponsor program – The Organization acts as a fiscal sponsor and receives contributions and grants on behalf of community Friends of the Park groups raising funds to activate and improve their parks. Park Pride manages and tracks contributions and disbursements, ensuring that funds are spent according to their stated purpose.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines that the receivable will not be collected.

Management believes all receivables are fully collectible and therefore no allowance for doubtful accounts was necessary at June 30, 2023.

Equipment

All acquisitions of equipment in excess of $500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Program revenue and event income is recognized as revenue when performance obligations under the terms of the contracts with clients are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in fiscal sponsor program within the statement of financial position.

Grants and contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Grants and contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to personnel costs are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance, occupancy and upkeep of the entire facility, professional fees and events are allocated across functional areas based on a fixed percentage.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization did not have any unrelated business income for the year ended June 30, 2023.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740*, Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued November 14, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial positon date, reduced by amounts not available for general use within one year of the statement of financial positon date because of contractual or donor-imposed restrictions.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

June 30,	2023
Total assets at period end	$ 12,539,721
Less non-financial assets	
Equipment, net	(14,442)
Financial assets at period end	12,525,279
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(9,524,878)
Board designated operating reserve	(1,042,390)
Fiscal sponsor program	(1,192,461)
Financial assets available to meet cash needs for general expenditures within one year	$ 765,550

The Organization is principally supported by its grants, contributions and program service fees. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expenses of approximately $500,000.

Note 4: PROMISES TO GIVE

Promises to give consist of the following:

June 30,	2023
Receivable within one year	$ 1,838,015
Receivable in one to five years	952,285
Total promises to give	2,790,300

Bad debt expense totaled $6,600 for 2023.

Note 5: EQUIPMENT

The components of equipment consist of the following at June 30, 2023:

	Estimated Useful Lives (in years)		
Computer equipment	3	$	52,540
Vehicles	5		24,783
Website	7		29,000
Total depreciable equipment			106,323
Less accumulated depreciation			(91,881)
Total equipment, net		$	14,442

Depreciation expense for the year ended June 30, 2023, was $10,198.

Note 6: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

June 30,		2023
Undesignated	$	268,857
Board designated		
Operating reserve		1,042,390
Total net assets without donor restrictions	$	1,311,247

A summary of net assets with donor restrictions consists of the following:

June 30,		2023
Time restricted	$	3,481,043
Purpose restrictions		
Park improvement projects		6,043,835
Total net assets with donor restrictions	$	9,524,878

Note 6: NET ASSETS (Continued)

A summary of the release of donor restrictions consists of the following:

For the year ended June 30	2023
Time restrictions	$ 907,433
Purpose restrictions	
Park improvement projects	2,645,266
Total net assets released from donor restrictions	$ 3,552,699

Note 7: REVENUE

The Organization recognizes revenue over time for amounts collected by partnering neighborhoods and parks which are remitted to the Organization for future expenditures as outlined in the fiscal sponsorship contracts. As of June 30, 2023, there are fiscal sponsor obligations to be satisfied of $1,192,461. The Organization administers these funds as per the contracts and recognizes revenue as the obligations are satisfied.

Contract assets and liabilities related to revenue from contracts with clients consists of the following:

June 30,	2023
Contract assets	
Accounts receivable, beginning of year	$ 45,980
Accounts receivable, end of year	$ 146,733
Contract liabilities	
Fiscal sponsor program, beginning of year	$ 1,145,760
Fiscal sponsor program, end of year	$ 1,192,461

Note 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated space, utilities, and services were utilized by the Organization’s program and supporting services. There were no donor-imposed restrictions associated with the contributed space, utilities, or services.

Note 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS (Continued)

The components of donated space, utilities and services contributed to the Organization consists of the following for the year ended June 30, 2023:

For the year ended June 30, 2023	Donated Space	Donated Utilities	Donated Services	Total
Program services				
Occupancy	$ 60,508	$ 4,200	$ -	$ 64,708
Payroll, salaries, bonuses	-	-	9,800	9,800
Supporting services				
Management and general	12,966	900	2,520	16,386
Fundraising	12,966	900	1,680	15,546
Total contributed space, utilities and services	$ 86,440	$ 6,000	$ 14,000	$ 106,440

Donated space is valued at the fair value of similar properties available in commercial real estate listings. Donated utilities are valued at $500 per month which is the average usage estimate provided by the City of Atlanta. Donated services are valued using the wage amounts paid by Georgia Institute of Technology.

Note 9: CONCENTRATIONS

The Organization maintains cash deposits with financial institutions at June 30, 2023 in excess of federally insured limits of $9,515,270. Management is of the opinion that there is no risk of loss because of the financial strength of the financial institution.

The Organization made purchases from one vendor that amount to 12% of total expenses for the year ended June 30, 2023.

The Organization receives the majority of its revenue and support from grant contracts with organizations, community programs and local governments. The future receipt of such funding, however, is indeterminate due to the uncertainty of grant resources in future years. Should this support be discontinued, the Organization would have to replace this funding from other sources or discontinue certain portions of its programs.

Note 10: COMMITMENTS AND CONTINGENCIES

The Organization has an agreement with the City of Atlanta (the City) to provide services including community engagement, volunteer support, planning, design and construction services for City of Atlanta Parks. The Organization acts as a fiduciary agent on behalf of the City for park related programs, projects and initiatives as defined in the agreement. The City pays the Organization an amount not to exceed $90,000 per year for these services and also provides office space at no charge. During the year ended June 30, 2023, the Organization recognized donations of space and utilities of $106,440. Donated services consisted of rent and utilities from the City of Atlanta (Note 8).

Note 10: COMMITMENTS AND CONTINGENCIES (Continued)

From time to time, the Organization may have asserted and unasserted claims arising in the normal course of business. The Organization does not expect losses, if any, arising from these asserted and unasserted claims to have a material effect on the financial statements.

Note 11: EMPLOYEE BENEFIT PLAN

The Organization has established a SIMPLE IRA Plan (the Plan). Generally, all employees of the Organization who meet the minimum service hours are eligible to participate in the Plan. Employees may contribute up to statutory limits annually. The Organization is required to make matching contributions to the Plan up to 3% of the employee's total compensation. The Organization paid matching contributions of approximately $26,300 during the year ended June 30, 2023.

Note 12: EMPLOYEE RETENTION TAX CREDIT

Under the provisions of the CARES Act signed into law on March 27, 2020, and the subsequent extension of the CARES Act, the Organization was eligible for a refundable employee retention tax credit (ERTC) subject to certain criteria. The ERTC provides eligible employers with less than 500 employees a refundable tax credit against the employer's share of social security taxes. The ERTC is equal to 70% of qualified wages paid to employees during calendar 2021 for a maximum credit per employee of $7,000 for each calendar quarter through December 31, 2021. During the year ended December 31, 2021, the Organization claimed ERTCs of approximately $348,000. Remaining ERTC balances were collected during the year ended June 30, 2023.