

JOLIET PARK FOUNDATION

2022 ANNUAL REPORT

JOLIET PARK FOUNDATION  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Joliet Park Foundation

**Report on the Financial Statements**

We have audited the accompanying statements of financial position – cash basis of the Joliet Park Foundation (the Foundation) as of December 31, 2022 and 2021, and the related cash basis statements of activities and functional expenses for years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position – cash basis of the Foundation as of December 31, 2022 and 2021, 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 (GAAS). 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 Foundation 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 the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date.

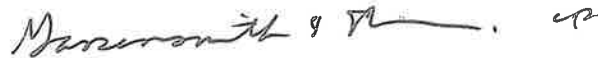
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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.



Gassensmith & Michalesko, Ltd.  
Certified Public Accountants

Joliet, Illinois  
October 26, 2023

JOLIET PARK FOUNDATION  
Statement of Financial Position - Cash Basis  
December 31, 2022

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and Cash Equivalents	54,887	71,523
Investments	<u>1,085,426</u>	<u>1,287,327</u>
Total Assets	<u><u>1,140,313</u></u>	<u><u>1,358,850</u></u>
 <u>Liabilities and Net Assets</u> 		
Net Assets		
Unrestricted	183,481	406,384
Restricted	<u>956,832</u>	<u>952,466</u>
Total Fund Balance	<u><u>1,140,313</u></u>	<u><u>1,358,850</u></u>

The Notes to Financial Statements are an integral part of these statements.

JOLIET PARK FOUNDATION  
STATEMENT OF ACTIVITIES - Cash Basis

Years Ending December 31, 2022 and 2021

	2022		2021			
	Total	Unrestricted Net Assets	Restricted Net Assets	Total	Unrestricted Net Assets	Restricted Net Assets
<u>Public Support &amp; Revenue</u>						
Contributions	59,300	58,300	1,000	44,700	43,700	1,000
Fundraising Revenue						
Greenhouse Events	6,975	6,975	-	4,145	4,145	-
Other	19,520	19,520	-	38,681	38,681	-
Realized Investment Income	(36,970)	-	(36,970)	148,976	-	148,976
Unrealized Investment Gains	(164,930)	-	(164,930)	(58,541)	-	(58,541)
Net Assets Released from Restriction	-	(205,266)	205,266	-	85,142	(85,142)
Total Revenues	<u>(116,105)</u>	<u>(120,471)</u>	<u>4,366</u>	<u>177,961</u>	<u>171,668</u>	<u>6,293</u>
<u>Expenses</u>						
Fundraising Events						
Moonlight Golf Outing	4,384	4,384	-	2,449	2,449	-
Other	30,270	30,270	-	8,796	8,796	-
Donations	58,300	58,300	-	93,000	93,000	-
Donations - Joliet Park District	5,000	5,000	-	5,000	5,000	-
Administrative and other	4,478	4,478	-	4,295	4,295	-
Total Expenses	<u>102,432</u>	<u>102,432</u>	<u>-</u>	<u>113,540</u>	<u>113,540</u>	<u>-</u>
Change in net assets	(218,537)	(222,903)	4,366	64,421	58,128	6,293
Fund Balance - Beginning of Year	<u>1,358,850</u>	<u>406,384</u>	<u>952,466</u>	<u>1,294,429</u>	<u>348,256</u>	<u>946,173</u>
Fund Balance - End of Year	<u>1,140,313</u>	<u>183,481</u>	<u>956,832</u>	<u>1,358,850</u>	<u>406,384</u>	<u>952,466</u>

The Notes to Financial Statements are an integral part of these statements.

JOLIET PARK FOUNDATION  
Statement of Functional Expenses - Cash Basis  
For The Year Ending December 31, 2022

	<u>Total</u> <u>Expenses</u>	<u>Administrative</u> <u>and Other</u>	<u>Special</u> <u>Olympics</u>	<u>Total</u> <u>Fundraising</u>	<u>Greenhouse</u> <u>Events</u>	<u>Other</u>
Donations	58,300 ✓	58,300	-	-	-	-
Staff Liaison - Joliet Park District	5,000	5,000	-	-	-	-
Raffle Expenses	-	-	-	-	-	-
Insurance	750	750	-	-	-	-
Professional Service	2,750	2,750	-	-	-	-
Supplies	10,241	-	-	10,241	2,913	7,328
Repairs	-	-	-	-	-	-
Meals and entertainment	24,700	287	-	24,413	-	24,413
Other	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>102,431</u>	<u>67,777</u>	<u>-</u>	<u>34,654</u>	<u>2,913</u>	<u>31,741</u>

The Notes to Financial Statements are an integral part of these statements.

JOLIET PARK FOUNDATION  
Statement of Functional Expenses - Cash Basis  
For The Year Ending December 31, 2021

	<u>Total</u> <u>Expenses</u>	<u>Administrative</u> <u>and Other</u>	<u>Special</u> <u>Olympics</u>	<u>Total</u> <u>Fundraising</u>	<u>Greenhouse</u> <u>Events</u>	<u>Other</u>
Donations	93,000	93,000	-	-	-	-
Staff Liaison - Joliet Park District	5,000	5,000	-	-	-	-
Raffle Expenses	140	-	-	140	-	140
Insurance	750	750	-	-	-	-
Professional Service	2,500	2,500	-	-	-	-
Supplies	7,346	244	-	7,102	511	6,591
Repairs	-	-	-	-	-	-
Meals and entertainment	4,076	287	-	3,789	-	3,789
Other	<u>728</u>	<u>728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>113,540</u>	<u>102,509</u>	<u>-</u>	<u>11,031</u>	<u>511</u>	<u>10,520</u>

The Notes to Financial Statements are an integral part of these statements.



JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 1 Nature of the Organization

Incorporated in 1986 as a non-profit organization, the Joliet Park Foundation (the Foundation) enhances, promotes, and supports quality leisure services in cooperation with the Joliet Park District. The Foundation's primary revenue sources are contributions and fundraising events.

NOTE 2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the cash method of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Net assets, public support, revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions.

Net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets– Net assets that are not subject to donor-imposed stipulations.

Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, whether by actions of the Foundation and/or the passage of time.

Cash and Cash Equivalents

Cash and cash equivalents consists of deposits in a checking account at a local bank. The Foundation does not consider investments in government money market funds to be cash equivalents.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 2 Summary of Significant Accounting Policies (continued)

Short-Term investments

Investments consist primarily of assets invested in mutual funds. The Foundation accounts for investments in accordance with the Financial Accounting Standards Board (FASB) standard for investments held by nonprofit organizations (ASC 958-320 and Subsections). This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position - Cash Basis. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Statement of Activities - Cash Basis. Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position- Cash Basis.

Investment Policy

The Foundation's investment policy expects to attain investment returns consistent with generation of sufficient income, preservation of principal, and long-term growth to provide sufficient cash flow, net of any investment fees, to meet annual distributions for the restricted activity or facility named in the fund. The current year target investment allocations are 60% for equity investments and 40% for fixed income investments.

Donated Service and Materials

The Foundation records the value of donated goods or services when there is an objective basis available to measure their value. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 2 Summary of Significant Accounting Policies (continued)

Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Foundation. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the Contributions Received section of the FASB ASC. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, (i.e. when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities – Cash Basis as assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Foundation has adopted the provisions of the FASB standard on Accounting for Uncertainty in Income Taxes (ASC 740-10-25). The Foundation does not believe there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2022 and 2021, there were no interest or penalties recorded or included in its financial statements.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 2 Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, prepaid expenses, accounts payable, and accrued liabilities, approximate fair value due to their short maturities.

NOTE 3 Cash and Cash Equivalents

Cash and cash equivalents were \$54,887 and \$71,523 at December 31, 2022 and 2021, respectively. The bank balances were \$59,861 and \$79,136, respectively at December 31, 2022 and 2021. The difference between the bank and financial statement balances is associated with deposits in transit and outstanding disbursements.

NOTE 4 Investments

Investments at December 31 consist of the following:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Government Money Market Funds	82,938	82,938	66,067	66,067
Equity Mutual Funds	622,108	632,020	551,925	724,952
Fixed Income Mutual Funds	366,799	370,468	490,825	496,308
	1,071,845	1,085,426	1,108,817	1,287,327

The following schedule summarizes the investment return in the Statement of Activities- Cash Basis for the year ended December 31:

	2022	2021
Interest and Dividend Income	22,271	16,746
Realized Gains(Losses)	(52,409)	132,230
Unrealized Investment Gains(Losses)	(164,930)	(58,541)
	(195,068)	90,435

The Foundation reported investment management fees of \$3,416 and \$3,734, respectively in 2022 and 2021, in connection with its investment account at Old National Wealth Management. These fees were reported as a reduction of Realized Investment Income in the accompanying Statement of Functional Expenses- Cash Basis.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 5 Fair Value Disclosure

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk. In determining fair value, the Foundation uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follow:

Level I - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Foundation has access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 5 Fair Value Disclosure (continued)

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	82,938	-	-	82,938
Equities	632,020	-	-	632,020
Fixed Income	370,468	-	-	370,468
	<u>1,085,426</u>	<u>-</u>	<u>-</u>	<u>1,085,426</u>

NOTE 6 Transactions with Joliet Park District

In 2022 and 2021, the Foundation received donations totaling \$58,300 and \$93,000 from various donors that were remitted to the Park District after being received, respectively.

JOLIET PARK FOUNDATION  
Notes to Financial Statements  
December 31, 2022 and 2021

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NOTE 7      Restricted Net Assets

Restricted net assets consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Pilcher Park/ Greenhouse Projects	920,880	917,764
Marcum Fund	26,155	25,905
Nature Center	<u>9,797</u>	<u>8,797</u>
	<u>956,832</u>	<u>952,466</u>

NOTE 8      Subsequent Events

The Foundation has evaluated events occurring after the date of the Statement of Financial Position - Cash Basis through October 26, 2023 in order to determine their potential for recognition and disclosure in the financial statements.