

THE GARDEN CLUB OF AMERICA

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



LUTZ AND GARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Garden Club of America

Opinion

We have audited the accompanying financial statements of The Garden Club of America (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Garden Club of America as of June 30, 2025 and 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Garden Club of America 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 Garden Club of America'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 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 Garden Club of America'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 Garden Club of America'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.

Lotz + Carr, LLP

THE GARDEN CLUB OF AMERICA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 232,474	\$ 461,258
Contributions receivable	-	23,700
Prepaid expenses and other current assets	311,353	442,407
Investments, at fair value	62,884,829	57,470,777
Security deposit	130,000	130,000
Operating lease right-of-use asset	2,001,895	2,391,408
Property and equipment, net	<u>141,647</u>	<u>185,566</u>
Total Assets	<u><u>\$65,702,198</u></u>	<u><u>\$61,105,116</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 322,341	\$ 280,740
Deferred revenue	51,880	145,050
Operating lease liability	2,261,808	2,677,514
Total Liabilities	<u>2,636,029</u>	<u>3,103,304</u>
Net Assets		
Without Donor Restrictions		
General	4,621,976	4,237,067
Board designated endowment	7,054,515	6,351,772
Total Without Donor Restrictions	<u>11,676,491</u>	<u>10,588,839</u>
With Donor Restrictions	<u>51,389,678</u>	<u>47,412,973</u>
Total Net Assets	<u>63,066,169</u>	<u>58,001,812</u>
Total Liabilities and Net Assets	<u><u>\$65,702,198</u></u>	<u><u>\$61,105,116</u></u>

See notes to financial statements.

THE GARDEN CLUB OF AMERICA
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025					2024				
	Without Donor Restrictions			With Donor		Without Donor Restrictions			With Donor	
	General	Board Designated	Total	Restrictions	Total	General	Board Designated	Total	Restrictions	Total
Public Support and Revenue										
Contributions	\$ 347,486	\$ -	\$ 347,486	\$ 356,551	\$ 704,037	\$ 429,636	\$ 970,537	\$ 1,400,173	\$ 292,898	\$ 1,693,071
Contributions - endowment	-	-	-	415,375	415,375	-	-	-	1,785	1,785
Reduction of prior year contribution	-	-	-	(12,500)	(12,500)	-	-	-	-	-
Membership dues	1,136,494	-	1,136,494	-	1,136,494	1,116,216	-	1,116,216	-	1,116,216
Registration fees	951,745	-	951,745	-	951,745	1,052,246	-	1,052,246	-	1,052,246
Net investment income	522,196	767,711	1,289,907	5,592,420	6,882,327	444,371	472,189	916,560	4,594,881	5,511,441
Change in value of interest in and liability under charitable remainder unitrust	-	-	-	-	-	172,792	-	172,792	14,892	187,684
Other income	405,619	-	405,619	-	405,619	331,452	-	331,452	-	331,452
	<u>3,363,540</u>	<u>767,711</u>	<u>4,131,251</u>	<u>6,351,846</u>	<u>10,483,097</u>	<u>3,546,713</u>	<u>1,442,726</u>	<u>4,989,439</u>	<u>4,904,456</u>	<u>9,893,895</u>
Net assets released from restrictions										
Grants and contributions	326,717	-	326,717	(326,717)	-	285,203	812,605	1,097,808	(1,097,808)	-
Accumulated investment income	2,113,392	(64,968)	2,048,424	(2,048,424)	-	1,921,224	(41,795)	1,879,429	(1,879,429)	-
Total Public Support and Revenue	<u>5,803,649</u>	<u>702,743</u>	<u>6,506,392</u>	<u>3,976,705</u>	<u>10,483,097</u>	<u>5,753,140</u>	<u>2,213,536</u>	<u>7,966,676</u>	<u>1,927,219</u>	<u>9,893,895</u>
Expenses										
Program Services										
Scholarships	695,525	-	695,525	-	695,525	596,285	-	596,285	-	596,285
Civic Projects	367,198	-	367,198	-	367,198	329,357	-	329,357	-	329,357
Medals and awards	99,274	-	99,274	-	99,274	91,441	-	91,441	-	91,441
Educational programs	2,851,338	-	2,851,338	-	2,851,338	2,557,615	-	2,557,615	-	2,557,615
Total Program Services	<u>4,013,335</u>	<u>-</u>	<u>4,013,335</u>	<u>-</u>	<u>4,013,335</u>	<u>3,574,698</u>	<u>-</u>	<u>3,574,698</u>	<u>-</u>	<u>3,574,698</u>
Supporting Services										
Management and general	1,131,117	-	1,131,117	-	1,131,117	1,021,755	-	1,021,755	-	1,021,755
Fundraising	274,288	-	274,288	-	274,288	236,868	-	236,868	-	236,868
Total Supporting Services	<u>1,405,405</u>	<u>-</u>	<u>1,405,405</u>	<u>-</u>	<u>1,405,405</u>	<u>1,258,623</u>	<u>-</u>	<u>1,258,623</u>	<u>-</u>	<u>1,258,623</u>
Total Expenses	<u>5,418,740</u>	<u>-</u>	<u>5,418,740</u>	<u>-</u>	<u>5,418,740</u>	<u>4,833,321</u>	<u>-</u>	<u>4,833,321</u>	<u>-</u>	<u>4,833,321</u>
Increase in net assets	384,909	702,743	1,087,652	3,976,705	5,064,357	919,819	2,213,536	3,133,355	1,927,219	5,060,574
Net assets, beginning of the year	<u>4,237,067</u>	<u>6,351,772</u>	<u>10,588,839</u>	<u>47,412,973</u>	<u>58,001,812</u>	<u>3,317,248</u>	<u>4,138,236</u>	<u>7,455,484</u>	<u>45,485,754</u>	<u>52,941,238</u>
Net Assets, End of Year	<u>\$4,621,976</u>	<u>\$7,054,515</u>	<u>\$11,676,491</u>	<u>\$51,389,678</u>	<u>\$63,066,169</u>	<u>\$4,237,067</u>	<u>\$6,351,772</u>	<u>\$10,588,839</u>	<u>\$47,412,973</u>	<u>\$58,001,812</u>

See notes to financial statements.

THE GARDEN CLUB OF AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025								2024	
	Program Services				Total	Supporting Services			Total Expenses	Total Expenses
	Scholarships	Civic Projects	Medals and Awards	Educational Programs		Management and General	Fundraising	Total		
Salaries and wages	\$ 56,460	\$ 11,891	\$ 26,239	\$ 577,494	\$ 672,084	\$ 352,601	\$ 148,021	\$ 500,622	\$1,172,706	\$1,040,408
Payroll taxes and employee benefits	16,544	3,484	7,688	169,214	196,930	112,275	43,372	155,647	352,577	318,808
Total Salaries, Wages, Taxes and Benefits	73,004	15,375	33,927	746,708	869,014	464,876	191,393	656,269	1,525,283	1,359,216
HQ occupancy	24,787	25,531	21,581	301,162	373,061	165,150	34,232	199,382	572,443	557,382
Cost of goods sold	-	-	-	33,000	33,000	40,422	-	40,422	73,422	60,468
Professional fees	67,502	-	135	223,180	290,817	150,857	1,200	152,057	442,874	325,135
Office expense	18,088	18,631	15,749	219,774	272,242	122,199	24,981	147,180	419,422	386,154
Website and related	8,760	9,023	7,627	106,439	131,849	58,368	12,099	70,467	202,316	202,634
Insurance	2,926	3,014	2,548	35,552	44,040	19,496	4,041	23,537	67,577	60,546
Scholarships	498,242	-	-	-	498,242	-	-	-	498,242	420,598
Club project grants	-	292,789	-	4,000	296,789	-	-	-	296,789	263,550
Charitable contributions	-	-	-	20,250	20,250	3,840	-	3,840	24,090	2,350
Certificates, medals and awards	-	552	5,520	1,591	7,663	2,133	-	2,133	9,796	10,751
Event/workshops supplies	-	-	-	87,166	87,166	27,886	3,282	31,168	118,334	94,448
Honorariums and related expenses	-	-	-	97,144	97,144	1,575	-	1,575	98,719	88,792
Hotel/venue expense	-	-	-	189,256	189,256	2,642	-	2,642	191,898	204,652
Volunteer expenses	-	-	-	2,685	2,685	-	-	-	2,685	963
Travel and transportation	-	-	2,757	104,197	106,954	7,790	-	7,790	114,744	137,673
Meal expenses	-	-	7,501	652,309	659,810	49,118	-	49,118	708,928	612,095
Depreciation	2,216	2,283	1,929	26,925	33,353	14,765	3,060	17,825	51,178	45,914
Total Expenses, 2025	\$ 695,525	\$367,198	\$ 99,274	\$2,851,338	\$4,013,335	\$ 1,131,117	\$ 274,288	\$1,405,405	\$5,418,740	
Total Expenses, 2024	\$ 596,285	\$329,357	\$ 91,441	\$2,557,615	\$3,574,698	\$ 1,021,755	\$ 236,868	\$1,258,623		\$4,833,321

See notes to financial statements.

THE GARDEN CLUB OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Scholarships</u>	<u>Civic Projects</u>	<u>Medals and Awards</u>	<u>Educational Programs</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries and wages	\$ 55,254	\$ 10,023	\$ 23,956	\$ 494,828	\$ 584,061	\$ 335,503	\$ 120,844	\$ 456,347	\$1,040,408
Payroll taxes and employee benefits	16,084	2,918	6,974	144,042	170,018	113,613	35,177	148,790	318,808
Total Salaries, Wages, Taxes and Benefits	<u>71,338</u>	<u>12,941</u>	<u>30,930</u>	<u>638,870</u>	<u>754,079</u>	<u>449,116</u>	<u>156,021</u>	<u>605,137</u>	<u>1,359,216</u>
HQ occupancy	24,135	24,859	21,013	293,239	363,246	160,805	33,331	194,136	557,382
Cost of goods sold	-	-	-	28,898	28,898	31,570	-	31,570	60,468
Professional fees	39,273	-	180	167,768	207,221	112,524	5,390	117,914	325,135
Office expense	16,721	17,222	14,558	203,156	251,657	111,405	23,092	134,497	386,154
Website and related	8,775	9,037	7,639	106,606	132,057	58,460	12,117	70,577	202,634
Insurance	2,622	2,700	2,283	31,853	39,458	17,467	3,621	21,088	60,546
Scholarships	420,598	-	-	-	420,598	-	-	-	420,598
Club project grants	-	260,550	-	3,000	263,550	-	-	-	263,550
Charitable contributions	-	-	-	1,850	1,850	500	-	500	2,350
Certificates, medals and awards	-	-	7,901	1,549	9,450	1,301	-	1,301	10,751
Event/workshops supplies	-	-	-	87,220	87,220	7,228	-	7,228	94,448
Honorariums and related expenses	199	-	-	87,743	87,942	300	550	850	88,792
Hotel/venue expense	-	-	2,404	201,656	204,060	592	-	592	204,652
Volunteer expenses	-	-	-	963	963	-	-	-	963
Travel and transportation	10,636	-	500	121,352	132,488	5,185	-	5,185	137,673
Meal expenses	-	-	2,302	557,737	560,039	52,056	-	52,056	612,095
Depreciation	1,988	2,048	1,731	24,155	29,922	13,246	2,746	15,992	45,914
Total Expenses	<u>\$ 596,285</u>	<u>\$329,357</u>	<u>\$ 91,441</u>	<u>\$2,557,615</u>	<u>\$3,574,698</u>	<u>\$ 1,021,755</u>	<u>\$ 236,868</u>	<u>\$1,258,623</u>	<u>\$4,833,321</u>

See notes to financial statements.

THE GARDEN CLUB OF AMERICA
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 5,064,357	\$ 5,060,574
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Non-cash operating lease right-of-use asset	389,513	377,624
Depreciation	51,178	45,914
Net realized and unrealized gain on investments	(5,844,140)	(4,514,264)
Net change in interest in and liability under charitable remainder unitrust	-	(187,684)
Contributions to net assets with donor restrictions for endowment	(415,375)	(1,785)
(Increase) decrease in:		
Contributions receivable	12,500	50,000
Prepaid expenses and other current assets	131,054	(114,611)
Increase (decrease) in:		
Accounts payable and accrued expenses	41,601	41,837
Deferred revenue	(93,170)	99,385
Operating lease liability	(415,706)	(389,064)
Net Cash Provided (Used) By Operating Activities	<u>(1,078,188)</u>	<u>467,926</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(7,259)	(39,088)
Purchase of investments	(3,569,386)	(7,279,466)
Proceeds from sales of investments	3,999,474	6,943,806
Net Cash Provided (Used) By Investing Activities	<u>422,829</u>	<u>(374,748)</u>
Cash Flows From Financing Activities		
Contributions to net assets with donor restrictions for endowment received	<u>426,575</u>	<u>110,260</u>
Net increase (decrease) in cash	(228,784)	203,438
Cash, beginning of year	<u>461,258</u>	<u>257,820</u>
Cash, End of Year	<u>\$ 232,474</u>	<u>\$ 461,258</u>

See notes to financial statements.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Garden Club of America (the "GCA"), founded in 1913, is a not-for-profit association of member clubs incorporated in the State of Delaware. The purpose of the GCA is to stimulate the knowledge and love of gardening, to share the advantages of association by means of educational meetings, conferences, correspondence and publications, and to restore, improve, and protect the quality of the environment through educational programs and action in the fields of conservation and civic improvement.

The following is a summary of GCA program services:

Scholarships

The GCA awards numerous annual scholarships and fellowships in multiple disciplines including botany, environmental, conservation, landscape design, pollinator research, urban forestry and horticulture. Applicants include undergraduate, graduate, PhD and professional candidates. Applications of candidates are reviewed by members of the GCA or collaborating institutions with relevant and technical knowledge to evaluate the candidate's scholarly background and proposed research. Program expenses include scholarship grants and in certain cases small administrative fees to collaborating non-profit institutions.

Civic Projects

The GCA supports club and national civic projects through several initiatives:

- Founders Fund awards are given on an annual basis to selected GCA clubs who submit plans for a local community service project. These awards are administered by a committee, voted upon by the GCA clubs and approved by the Executive Board.
- Partners for Plants is a habitat restoration program that facilitates and funds projects between local clubs and land managers on public lands. These grants are administered by a sub-committee and approved by the Executive Board.
- The Restoration Initiative offers grants for public landscape restoration and conservation projects in communities devastated by natural disasters. Each of these grants are administered by a sub-committee and approved by the Executive Board.
- The Common Ground Collaborative supports GCA member clubs in building long-term relationships with diverse community groups to develop, improve, and maintain public land and programs. Each of these grants are administered by a sub-committee and approved by the Executive Board.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

a - Organization (continued)

Medals and Awards

The GCA awards medals to members and non-members for national achievement and for certain honors at GCA Flower Shows.

Educational Programs

The GCA offers a vast array of educational programs that benefit GCA clubs, their members, communities and the public. These programs, developed and overseen by GCA committees, include:

- Educational conferences, workshops and publications related to horticulture, conservation, environmental legislative issues, floral design, judging, photography, and garden history and design;
- Flower shows which advance the understanding of floral design, horticulture, photography, conservation, botanical arts and garden history and design;
- Initiatives which contribute to national efforts and education of the public and which have broad external impact including but not limited to the Archives of American Gardens at the Smithsonian Institution and the GCA's Rare Books Collection at the New York Botanical Garden.

b - Basis of Accounting

The financial statements of the GCA have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United State of America ("U.S. GAAP").

c - Net Assets

The GCA reports information regarding its financial position and activities according to the following asset classifications:

Net Assets Without Donor Restrictions

These net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the objectives of the GCA. These net assets may be used at the discretion of the Executive Board. These include net assets available but designated to fund grants, scholarships and initiatives not subject to donor restrictions. Net assets designated to fund operations include cash reserves designated for future operating needs. Net assets without donor restrictions also include the investment in property and equipment, net of accumulated depreciation.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

c - Net Assets (continued)

Net Assets With Donor Restrictions

These net assets are subject to restrictions imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the GCA or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the funds be maintained in perpetuity.

d - Cash Equivalents

In the statement of financial position, the GCA classifies as cash equivalents any highly liquid investments with original maturities of less than three months, except for those included in its investment portfolio. As of June 30, 2025 and 2024, the GCA held no cash equivalents other than those in its investment portfolio.

e - Fair Value Measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be disclosed separately by level within the fair value hierarchy and establish three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets.

Level 2 Observable inputs other than level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

f - Investments

Investments in marketable securities are reported at fair value as of June 30, 2025 and 2024 and are measured on a recurring basis based on quoted market prices in active markets.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

f - Investments (continued)

Alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent as a practical expedient and are not required to be categorized within the fair value hierarchy. The net asset value per share is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The GCA reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

Interest, dividends, realized and unrealized gains and losses on investments, net of investment management fees, are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a donor stipulated purpose restriction is accomplished or a time restriction expires, the underlying net assets are reclassified to net assets without donor restrictions.

Investment income is allocated to the various funds based on fair values of the funds.

The GCA has adopted investment and spending policies for its investments in an attempt to provide a stream of funding to support programs while seeking to maintain the purchasing power of the assets. Under the investment policy, as approved by the Executive Board, the assets are invested in a manner that is intended to produce results that meet the spending policy plus the rate of inflation while assuming reasonable and prudent levels of risk. To minimize large fluctuations in values, investments are broadly diversified among various asset classes.

g - Property and Equipment

Property and equipment are recorded at cost. Furniture, fixtures and equipment over \$1,000 are capitalized and depreciated using the straight-line method over the estimated useful life of the asset. Leasehold improvements over \$4,000 are capitalized and amortized on a straight-line basis over the life of the lease.

h - Leases

For leases with an initial term greater than twelve months, the GCA's operating lease liability is initially recorded at the present value of the unpaid lease payments as of the lease commencement date. The GCA's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Leases (continued)

The GCA uses a risk-free rate for the valuation of its operating lease liability.

i - Collections of Art and Similar Items

The GCA's collections, which consist of rare books and artwork, generally received as donations, are not capitalized in the statement of financial position and not reflected in the financial statements.

j - Revenue Recognition

The GCA has multiple revenue streams that are accounted for as exchange transactions, including memberships, registration fees, and merchandise sales.

Memberships

The GCA offers membership that covers a term of its fiscal year and provides each member with access to resources which include educational workshops, conferences, publications, events and access to the marketplace. Membership is billed and collected during the fiscal year membership period.

Registration Fees

Income received for event registration, meetings, and committee activities is deferred when received, and recognized as revenue in the period during which the event, meeting or activity takes place.

Merchandise Sales

Revenues from merchandise sales associated with an event, meeting or activity are recognized as revenue and reported as other income in the period during which the event, meeting or activity takes place. Other merchandise sales are recognized as revenue and reported as income when the sale is completed.

k - Contributions and Net Assets Released from Restrictions

Contributions are recognized as revenue when they are received, whether in the form of cash or other assets, or as unconditional pledges. Contributions received with no donor stipulations are considered available for unrestricted use and they are reported as revenue and net assets without donor restrictions. Contributions received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, the underlying net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If the donor restrictions are perpetual in nature, the contribution will be maintained in perpetuity.

Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

k - Contributions and Net Assets Released from Restrictions (continued)

The GCA does not currently carry an allowance for doubtful accounts for any potentially uncollectible contributions receivable as management does not deem any contributions receivable to be uncollectible at this time.

The GCA receives testamentary pledges whereby the donor will fulfill the pledge against his estate upon dissolution. Because the donor could change the terms of his will at any time prior to death, the pledge is not unconditional and does not meet the criteria for recognition and accordingly, the GCA does not recognize any revenue from testamentary pledges.

l - Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

m - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the GCA's expenses are directly related to program activities. The expenses that are allocated include salaries, taxes and benefits, which are allocated based on an estimate of employee time and effort; and depreciation, general office expense and occupancy costs, which are allocated based on square footage.

n - Tax Status

The GCA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the GCA has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Section 509(a)(1) of the Code. Donors are eligible to receive the maximum charitable tax deductions available for public charities under the Code.

o - Subsequent Events

The GCA has evaluated events and transactions for potential recognition or disclosure through November 12, 2025, which is the date the financial statements are available to be issued.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Information Regarding Liquidity and Availability

The GCA operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of general expenditures during a typical year is funded by membership dues, event registration fees and appropriations from the investment portfolio. The GCA considers general expenditures to consist of all expenses related to its ongoing program activities and the expenses related to general and administrative and fundraising efforts that support those activities.

Membership dues and related income are paid annually by each member club and they are a stable source of revenue for the GCA. During the 2026 fiscal year, the GCA expects to receive \$1,136,494 in membership dues.

As of June 30, 2025, the GCA has investments subject to spending policy and appropriation of \$58,146,977. The GCA's policy is to appropriate in each fiscal year an amount not to exceed 4.75% of the five-year trailing average of the quarter-end market values of invested funds. Amounts available to be appropriated for expenditure for the year ending June 30, 2026 total \$2,413,990.

At June 30, 2025, approximately 80% of the GCA's investment portfolio consists of highly liquid investments. Only 20% is invested in private investments subject to constraints that limit the GCA's ability to withdraw capital.

The GCA regularly monitors liquidity to meet its operating needs while seeking to maximize the investment of available funds. All revenues from contributions are transferred to investments as received. All other revenues in excess of daily cash requirements are also transferred to the investment portfolio.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 2 - Information Regarding Liquidity and Availability (continued)

Financial assets as of June 30 and those available within one year to meet cash needs for general expenditures are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash	\$ 232,474	\$ 461,258
Other receivables (on the statement of financial position, included in prepaid expenses and other current assets)	3,278	2,135
Contributions receivable	-	23,700
Investments at fair value	<u>62,884,829</u>	<u>57,470,777</u>
Total Financial Assets	63,120,581	57,957,870
Less: Amounts not Available to be Used within One Year:		
Contributions receivable, to be invested in perpetuity	-	(23,700)
Net assets with donor restrictions, subject to expenditure for specific purposes	(31,787,165)	(27,836,951)
Net assets with donor restrictions invested in perpetuity, subject to spending policy and appropriation	(19,305,297)	(19,284,940)
Net assets without donor restrictions, subject to spending policy and appropriation	(7,054,515)	(6,351,772)
Plus: Amounts to be appropriated for use within one year	<u>2,413,990</u>	<u>2,260,317</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 7,387,594</u>	<u>\$ 6,720,824</u>

In addition, for the 2026 fiscal year, the amount of \$7,054,515 shown above as net assets without donor restrictions but subject to spending policy and appropriation can be made available for expenditure, if necessary, at the discretion of the Executive Board. However, the GCA does not anticipate that these assets will be needed for general expenditures within the coming year.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 3 - Concentration of Credit Risk

The GCA maintains cash in a financial institution that management believes is well established and considered safe and sound. The cash balances typically do not exceed the FDIC insurance limit. The GCA has not experienced any losses with this financial institution to date. Investments are exposed to various risks such as interest rate, liquidity, market volatility and credit. Due to the level of uncertainty related to these risks, it is reasonably possible that changes in these risks could materially affect the fair value of investments reported in the statement of financial position as of June 30, 2025. The GCA routinely assesses the strength of the financial institutions holding cash in its bank accounts and securities in its investment portfolio. As a consequence, management believes its exposure to concentration of credit risk is limited.

Note 4 - Contributions Receivable

Contributions receivable at June 30, 2024 were due within one year.

As of June 30, 2024, contributions receivable in the amount of \$23,700 are with donor restrictions for investment in perpetuity and were due within one year.

Note 5 - Investments and Fair Value Measurements

Investments at June 30 are summarized as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 53	\$ 53	\$ 50	\$ 50
Mutual Funds and Exchange Traded Funds:				
Equities - domestic	15,807,653	22,297,367	12,351,105	17,486,913
Equities - international	11,426,031	14,259,463	10,820,377	12,317,302
Fixed income - domestic	14,224,650	13,337,639	13,860,854	12,570,055
Fixed income - international	1,648,473	1,497,785	1,560,801	1,381,566
Real estate	-	-	2,717,810	2,815,918
Alternative Investments:				
Limited partnerships - venture capital	<u>9,401,138</u>	<u>11,492,522</u>	<u>8,987,358</u>	<u>10,898,973</u>
Total	<u>\$52,507,998</u>	<u>\$62,884,829</u>	<u>\$50,298,355</u>	<u>\$57,470,777</u>

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 5 - Investments and Fair Value Measurements (continued)

The fair value of investments measured on a recurring basis at June 30 are as follows:

	2025				Measured at Net Asset Value (NAV)
	Total	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 53	\$ 53	\$ -	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:					
Equities - domestic	22,297,367	22,297,367	-	-	-
Equities - international	14,259,463	14,259,463	-	-	-
Fixed income - domestic	13,337,639	13,337,639	-	-	-
Fixed income - international	1,497,785	1,497,785	-	-	-
Alternative Investments:					
Limited partnerships - venture capital	<u>11,492,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,492,522</u>
Total	<u>\$62,884,829</u>	<u>\$51,392,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,492,522</u>
	2024				Measured at Net Asset Value (NAV)
	Total	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 50	\$ 50	\$ -	\$ -	\$ -
Mutual Funds and Exchange Traded Funds:					
Equities - domestic	17,486,913	17,486,913	-	-	-
Equities - international	12,317,302	12,317,302	-	-	-
Fixed income - domestic	12,570,055	12,570,055	-	-	-
Fixed income - international	1,381,566	1,381,566	-	-	-
Real estate	2,815,918	2,815,918	-	-	-
Alternative Investments:					
Limited partnerships - venture capital	<u>10,898,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,898,973</u>
Total	<u>\$57,470,777</u>	<u>\$46,571,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,898,973</u>

The investment strategy of the limited partnerships is to make investments which maximize long-term, risk-adjusted returns and capital appreciation by investing in securities, investment funds, discretionary accounts, and investment partnerships across a broad range of marketable and alternative asset classes. The investments valued using net asset value are redeemable on an annual basis with 365 days' notice, subject to available liquid resources.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 5 - Investments and Fair Value Measurements (continued)

Net investment income for the years ended June 30 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$1,231,395	\$1,141,664
Investment management fees	(193,208)	(144,487)
Net realized gain on sale of investments	2,639,731	1,337,877
Change in unrealized value on investments	<u>3,204,409</u>	<u>3,176,387</u>
Total	<u>\$6,882,327</u>	<u>\$5,511,441</u>

Note 6 - Endowments

The GCA's endowments consist of individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions and designations for specific uses as determined by the Executive Board.

The GCA is required under the Uniform Prudent Management of Institutional Funds Act to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds, the purposes of the GCA and the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the GCA, and the investment policies of the GCA.

The GCA includes the following net assets in its endowments:

- the original value of gifts to be maintained in perpetuity and accumulated earnings on those funds;
- the unappropriated portion of gifts subject to restrictions that are temporary in nature, expected to be met either by actions of the GCA or the passage of time, and the accumulated earnings on those funds;
- assets designated, from net assets without donor restriction, for specific purposes by the Executive Board, and the accumulated earnings on those funds.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 6 - Endowments (continued)

Return Objectives and Risk Parameters

The GCA's endowments are to be invested in a thoughtful and prudent manner as to provide income for annual program and support services while supporting the GCA's ability to pursue long-term growth.

Spending Policy

The GCA's policy is to appropriate in each fiscal year an amount not to exceed 4.75% of the five-year trailing average of the quarter-end market values of invested endowment funds. During the fiscal years ended June 30, 2025 and 2024, the total appropriations from endowment funds were \$2,113,392 and \$1,921,224, respectively.

The GCA's endowment funds are summarized by purpose and by net asset classification as follows as of June 30:

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total
		Term Endowments and Accumulated Investment Income	Investment in Perpetuity	
Scholarships	\$1,965,921	\$ 6,191,974	\$ 2,019,587	\$10,177,482
Civic projects	59,004	1,430,271	976,612	2,465,887
Medals and awards	98,544	1,289,745	164,448	1,552,737
Educational programs	460,205	2,503,341	2,227,325	5,190,871
General operations	<u>4,470,841</u>	<u>20,371,834</u>	<u>13,917,325</u>	<u>38,760,000</u>
Total	<u>\$7,054,515</u>	<u>\$31,787,165</u>	<u>\$19,305,297</u>	<u>\$58,146,977</u>
	2024			
	Without Donor Restrictions	With Donor Restrictions		Total
		Term Endowments and Accumulated Investment Income	Investment in Perpetuity	
Scholarships	\$1,803,825	\$ 5,353,361	\$ 2,019,587	\$ 9,176,773
Civic projects	52,631	1,258,832	973,512	2,284,975
Medals and awards	88,439	1,013,920	155,291	1,257,650
Educational programs	410,494	2,120,767	2,227,326	4,758,587
General operations	<u>3,996,383</u>	<u>18,090,071</u>	<u>13,909,224</u>	<u>35,995,678</u>
Total	<u>\$6,351,772</u>	<u>\$27,836,951</u>	<u>\$19,284,940</u>	<u>\$53,473,663</u>

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 7 - Interest in Charitable Remainder Unitrust

In November 1994, the GCA was named as the trustee and the sole remainder beneficiary of an irrevocable charitable remainder unitrust valued at approximately \$693,000 at the time of gift. The trust, as administered by the GCA, was obligated to distribute each year to the donor-designated beneficiary an amount of income. Upon the death of the beneficiary in January 2024, the assets remaining in the trust of \$821,417 were made available for use by the GCA and were added to its board designated endowment.

Note 8 - Property and Equipment

Property and equipment as of June 30 consist of the following:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Leasehold improvements	Life of lease	\$ 768,098	\$ 768,098
Equipment	5 years	99,773	92,514
Furniture and fixtures	5 years	<u>205,829</u>	<u>205,829</u>
		1,073,700	1,066,441
Less: Accumulated depreciation		<u>(932,053)</u>	<u>(880,875)</u>
		<u>\$ 141,647</u>	<u>\$ 185,566</u>

Note 9 - Retirement Plan

The GCA maintains a contributory, defined-contribution 401(k) plan covering all eligible employees. The GCA makes matching contributions on employee deferrals in accordance with the plan document. Contributions to the plan for the 2025 and 2024 fiscal years totaled \$106,493 and \$92,454, respectively.

THE GARDEN CLUB OF AMERICA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 10 - Operating Lease Liability

The GCA leases its office under an operating lease which expires on February 28, 2030. The lease is non-cancelable prior to February 28, 2026, on or after which the landlord has the right to cancel. The lease requires base rents of \$413,784 from March 1, 2015, increasing in annual increments up to \$519,996 in the last year. In addition, the GCA is responsible for escalation costs and its proportionate tenant's share of expenses as outlined in the lease agreement. The total security deposit under the lease was \$130,000 as of June 30, 2025 and 2024.

Operating lease expense for the years ended June 30, 2025 and 2024 were \$464,301 for both years. There were no variable lease costs incurred. As of June 30, 2025, remaining lease term of the GCA's operating lease is 56 months and the discount rate is 3%.

Maturities of the GCA's operating lease liability as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 519,996
2027	519,996
2028	519,996
2029	519,966
Thereafter, through February 28, 2030	<u>346,664</u>
	2,426,648
Less: Amounts attributable to interest	<u>(164,840)</u>
	<u>\$2,261,808</u>

Note 11 - Commitment and Contingency

In connection with its educational programs, including annual meetings and conferences and trips, the GCA enters into contracts with venues and other third parties in advance of the respective program event date. The contracts typically include provisions which require the payment of a cancellation fee should the GCA cancel an event.

As of June 30, 2025 and 2024, the contingent liabilities related to such cancellation fees totaled approximately \$657,833 and \$934,670, respectively. The contingent liability of \$657,833 as of June 30, 2025 relates to events planned for fiscal years 2026 through 2029. The GCA plans to hold all of those events as scheduled. Accordingly, no liability has been recognized in the accompanying financial statements.