

**THE GARRISON INSTITUTE**

**Financial Statements  
for the year ended  
December 31, 2023  
(with Summarized Comparative Information  
for the year ended December 31, 2022)**

**Independent Auditor's Report**

To the Board of Trustees of  
The Garrison Institute

We have audited the accompanying financial statements of The Garrison Institute (the "Institute"), which comprise the statement of financial position as of December 31, 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 the Institute as of December 31, 2023 and the results of its activities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute 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 Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

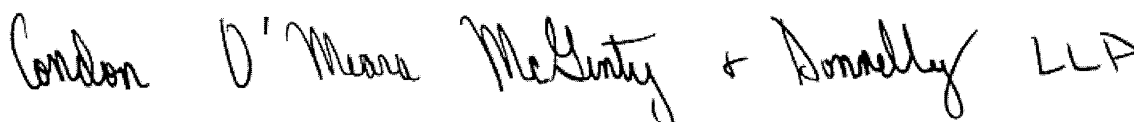
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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.

***Report on Summarized Comparative Information***

We have previously audited the Institute's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Gordon D'Meara McGinty & Donnelly LLP". The signature is written in a cursive, flowing style.

May 22, 2024

# The Garrison Institute

## STATEMENT OF FINANCIAL POSITION

As of December 31,	2023	2022
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 260,005	\$ 267,982
Grants and contributions receivable	655,560	344,632
Prepaid expenses and other assets	61,549	-
Property and equipment, at cost, net	268,095	303,981
<b>TOTAL ASSETS</b>	<b>\$1,245,209</b>	<b>\$ 916,595</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 313,743	\$ 474,576
Unearned revenue	299,198	78,035
<b>TOTAL LIABILITIES</b>	<b>612,941</b>	<b>552,611</b>
<b>Net assets (deficit):</b>		
Without donor restrictions	(60,782)	211,484
With donor restrictions	693,050	152,500
<b>TOTAL NET ASSETS</b>	<b>632,268</b>	<b>363,984</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,245,209</b>	<b>\$ 916,595</b>

See notes to financial statements.

# The Garrison Institute

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

(with Summarized Comparative Totals for the Year Ended December 31, 2022)

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and revenue:</b>				
Registration fees	\$ 1,555,147	\$ -	\$ 1,555,147	\$1,070,404
Foundation and corporate contributions of cash	1,564,236	1,175,050	2,739,286	1,679,076
Individual contributions of cash	181,197	-	181,197	243,181
Government grant	-	-	-	342,520
Contributed nonfinancial assets	400,000	-	400,000	400,000
Scholarship donations	15,698	-	15,698	6,915
Program	100,361	-	100,361	219,200
Special event, net of direct benefits to donors of \$121,970 in 2023	30,382	-	30,382	-
Other	35,113	-	35,113	21,699
Net assets released from restrictions	634,500	(634,500)	-	-
<b>Total support and revenue</b>	<b>4,516,634</b>	<b>540,550</b>	<b>5,057,184</b>	<b>3,982,995</b>
<b>Expenses:</b>				
Program services	3,627,282	-	3,627,282	2,488,410
Supporting activities				
Development	681,223	-	681,223	274,541
Management and general	607,794	-	607,794	894,728
<b>Total expenses</b>	<b>4,916,299</b>	<b>-</b>	<b>4,916,299</b>	<b>3,657,679</b>
<b>Increase (decrease) in net assets before other</b>	<b>(399,665)</b>	<b>540,550</b>	<b>140,885</b>	<b>325,316</b>
<b>Other:</b>				
Employee retention credits	97,399	-	97,399	-
Insurance proceeds	30,000	-	30,000	-
<b>Increase (decrease) in net assets</b>	<b>(272,266)</b>	<b>540,550</b>	<b>268,284</b>	<b>325,316</b>
<b>Net assets, beginning of year</b>	<b>211,484</b>	<b>152,500</b>	<b>363,984</b>	<b>38,668</b>
<b>Net assets (deficit), end of year</b>	<b>\$ (60,782)</b>	<b>\$ 693,050</b>	<b>\$ 632,268</b>	<b>\$ 363,984</b>

See notes to financial statements.

# The Garrison Institute

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023  
(With Summarized Comparative Totals for the Year Ended December 31, 2022)

Expenses:	2023											2022
	Program Services								Supporting Activities			
	Retreats	Virtual	Based Resilience	Compassionate Leadership in Finance	Fellowships	Planetary Health	Projects	Total Program Services	Development	General	Total	
Salaries and benefits	\$ 499,974	\$ 18,823	\$ 244,301	\$ -	\$ -	\$ 143,050	\$ -	\$ 906,148	\$ 331,992	\$ 324,791	\$1,562,931	\$ 920,610
Other employee expenses	5,164	200	3,528	-	-	1,697	-	10,589	5,763	111,954	128,306	299,530
Professional fees/contract services	56,528	1,423	18,459	4,343	1,423	1,423	42,000	125,599	94,621	131,220	351,440	316,743
Direct program costs	512,437	17,340	11,818	170,255	273,150	41,204	398,856	1,425,060	48,154	5,422	1,478,636	652,786
Communications	14,927	489	357	1,017	567	6,508	32,935	56,800	147,956	4,684	209,440	155,962
Catering, facility and other	-	-	-	-	-	-	-	-	121,970	-	121,970	-
Consultants	-	-	-	486	-	-	-	486	14,445	30	14,961	14,331
Vehicle	3,299	-	-	-	-	-	-	3,299	-	-	3,299	2,193
Housekeeping	70,939	-	53	-	103	422	-	71,517	-	-	71,517	48,333
Information technology	193,359	5,156	5,156	5,156	5,156	5,157	-	219,140	25,781	12,891	257,812	470,344
Office and program supplies/equipment	18,070	342	393	426	342	486	1,209	21,268	6,499	3,058	30,825	32,062
Building	683,764	1,337	1,337	1,337	1,337	1,337	-	690,449	1,337	5,194	696,980	657,151
Other, including depreciation and amortization	88,526	1,677	1,930	732	318	3,744	-	96,927	4,675	8,550	110,152	87,634
Total expenses by function	2,146,987	46,787	287,332	183,752	282,396	205,028	475,000	3,627,282	803,193	607,794	5,038,269	3,657,679
Less: direct expenses of special event net with revenue on the statement of activities	-	-	-	-	-	-	-	-	121,970	-	121,970	-
TOTAL	\$2,146,987	\$ 46,787	\$ 287,332	\$ 183,752	\$ 282,396	\$ 205,028	\$ 475,000	\$3,627,282	\$ 681,223	\$ 607,794	\$4,916,299	\$3,657,679

See notes to financial statements.

# The Garrison Institute

## STATEMENT OF CASH FLOWS

<b>Year Ended December 31,</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 268,284	\$ 325,316
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	49,419	53,788
Forgiveness of SBA PPP loan	-	(342,520)
Change in operating assets and liabilities:		
(Increase) in grants and contributions receivable	(310,928)	(254,202)
(Increase) decrease in prepaid expenses and other assets	(61,549)	10,820
Increase (decrease) in accounts payable and accrued expenses	(160,833)	336,279
Increase in unearned revenue	221,163	6,415
Net cash provided by operating activities	5,556	135,896
<b>Cash flows (used in) investing activities</b>		
Purchases of property and equipment	(13,533)	(35,944)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,977)</b>	<b>99,952</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>267,982</b>	<b>168,030</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 260,005</b>	<b>\$ 267,982</b>

See notes to financial statements.

**The Garrison Institute**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 December 31, 2023

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**1. PRINCIPAL  
 BUSINESS  
 ACTIVITY AND  
 SUMMARY OF  
 SIGNIFICANT  
 ACCOUNTING  
 POLICIES:**

The Garrison Institute (the "Institute") is a not-for-profit organization incorporated in June 2001 under the laws of the State of New York. The Internal Revenue Service has determined that the Institute is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

The Institute's mission is to apply the wisdom that arises from contemplation and insights derived from science to today's pressing social and environmental issues to create a more compassionate, resilient future.

The Institute maintains its net assets as follows:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions and are available for the general operations of the Institute.

With donor restrictions

The Institute reports gifts of cash and other assets as support with donor restrictions if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The balance in the Institute's net assets with donor restrictions have time and purpose restrictions and will be used to fund the Institute's mission. Contributions received with donor stipulations that limit their uses, which are fulfilled in the same reporting period, are recorded as being without donor restrictions.

The Institute records contributions as revenue when the pledged gift or cash is received.

Registration fees are recognized as revenue when earned, which is at the time an event or retreat occurs. Unearned revenue consists of fees that will be earned in future periods.



**The Garrison Institute**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**December 31, 2023**

**1. PRINCIPAL  
BUSINESS  
ACTIVITY AND  
SUMMARY OF  
SIGNIFICANT  
ACCOUNTING  
POLICIES:  
(continued)**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Natural expenses attributable to more than one functional expense category are allocated based on salary and wages and time and effort reporting.

For purposes of the statement of cash flows, the Institute considers all highly liquid assets with an original maturity of three months or less to be cash equivalents.

Grants and contributions receivable at December 31, 2023 are expected to be collected in 2024 with the exception of \$200,000 expected to be collected in 2025.

The Institute deems all receivables to be collectible and accordingly, does not have an allowance for doubtful accounts. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

The Institute capitalizes expenditures in excess of \$1,000 and with a useful life greater than one year. Depreciation of property and equipment is being provided for by the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements is being provided for by the straight-line method over the estimated useful life of the improvement being that the lease is with a related party. The cost of routine maintenance, repairs and minor renewals is expensed as incurred.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

The Institute's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Institute places its cash and cash equivalents with a quality financial institution. At times during the year, cash balances were in excess of the FDIC insurance limits. However, the Institute has not incurred any losses on such accounts to date. The Institute monitors the collectability of its receivables and they are deemed collectible by management. The Institute believes no significant concentration of credit risk exists with respect to its cash, cash equivalents and receivables.

## The Garrison Institute

## NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

1. **PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**  
(continued)
- The financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

A significant portion of the Institute's support and revenue is received from one donor, a private family foundation, whose two principals are also on the Board of the Institute. The approximate percentage of support and revenue received from the Foundation for 2023 was 24%.

The Institute has evaluated events and transactions for potential recognition or disclosure through May 22, 2024, which is the date the financial statements were available to be issued.

2. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**
- As of December 31, 2023 and 2022, financial assets and liquidity resources available within one year of the statement of financial position date for general expenditures were as follows:

As of December 31,	2023	2022
Cash and cash equivalents	\$ 260,005	\$ 267,982
Grants and contributions receivable-current	<u>455,560</u>	<u>344,632</u>
Total financial assets	<u>\$ 715,565</u>	<u>\$ 612,614</u>

3. **PROPERTY AND EQUIPMENT:**
- Property and equipment, at cost, consists of the following:

As of December 31,	2023	2022	Estimated Useful Life
Equipment	\$ 494,703	\$ 488,170	3-5 years
Furniture and fixtures	103,674	103,674	7 years
Leasehold improvements	<u>531,086</u>	<u>524,086</u>	10 years
Property and equipment, gross	1,129,463	1,115,930	
Less: accumulated depreciation and amortization	861,368	811,949	
PROPERTY AND EQUIPMENT, NET	<u>\$ 268,095</u>	<u>\$ 303,981</u>	

4. **LEASE:**
- The Institute leases its facilities from a related party under the terms of an agreement dated March 21, 2003. The lease requires \$1 in annual rent and is for a period of forty-nine years expiring March 20, 2052 (see note 5).

## The Garrison Institute

## NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

5. **CONTRIBUTED NONFINANCIAL ASSETS:** Contributed nonfinancial assets that meet the recognition criteria of Statement of Financial Accounting Standards, are recorded at their fair value when such goods are received or services are rendered.
- Contributed goods and services meeting the criteria for recognition and recorded in the accompanying statement of activities consist of the Institute's use of the property and facilities, which has an estimated fair value of approximately \$400,000 per year. The property and facilities are used for the Institute's entire operation, including its program and supporting activities.
- The Institute receives other contributed services that are not recognized because they do not meet the criteria for recognition.
6. **SBA PPP LOAN:** In February 2021, the Institute applied for and received \$342,520 under the Paycheck Protection Program ("PPP") which was a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Institute elected to record the proceeds as a liability until the loan was, in part or wholly, forgiven and the Institute was legally released. In April 2022, the PPP loan was fully forgiven and was recorded as a government grant in the 2022 statement of activities.
7. **403(b) PLAN:** The Institute maintains a 403(b) plan (the "Plan") covering substantially all employees. Under the Plan, employer contributions are based on a percentage of the employees' salaries as may be determined by the Institute's Board of Trustees. The rate of contribution was 3% of the employee's eligible compensation for 2023 and 2022. Contributions to the Plan were included in salaries and benefits in the statement of activities and amounted to \$13,800 and \$11,463 during the years ended December 31, 2023 and 2022, respectively. Additionally, Plan participants may make voluntary contributions, subject to Internal Revenue Service limitations.
8. **NET ASSETS WITH DONOR RESTRICTIONS** Net assets released from donor restrictions during the year ended December 31, 2023 totaled \$634,500 and were used to fund programs described within note 1 to the financial statements. Net assets with donor restrictions at December 31, 2023 are restricted as follows:

Description	Amount
Healing-Centered Projects	\$ 500,000
Inner Transformation for Social Impact Leaders	100,050
Contemplative-Based Resilience	<u>93,000</u>
Total	\$ 693,050

## The Garrison Institute

## NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

- |     |  |  |
|-----|--|--|
| 9.  | <b>RELATED PARTY<br/>TRANSACTIONS</b>  | On October 1, 2018, the Institute entered into a license agreement with Garrison Institute International (“International”), a not-for-profit organization based in the Netherlands, to license to International the right to use the name “Garrison Institute” as well as the logo, trademarks and services of the Institute for non-profit purposes. International paid \$1 in full consideration for the rights granted by the Institute. International is responsible for all costs and expenses of its program. The Institute has no financial or operational responsibility to International. Two members of the Institute’s Board of Trustees are also members of the Board of International. The license is for five years and shall automatically renew for an additional five years unless either party terminates the license. |
| 10. | <b>EMPLOYEE<br/>RETENTION CREDITS:</b> | In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislation (the “Acts”) were signed into law to provide, among other things, refundable employee retention credits for qualified employees for wages paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, such credits for the year ended December 31, 2023 totaled \$97,399 and are recorded as revenue in the 2023 statement of activities. The Institute expects to receive \$183,300 in additional credits during the year ended December 31, 2024.   |
| 11. | <b>INSURANCE<br/>PROCEEDS:</b>         | During 2023, the Institute sustained damage to its premises. The Institute filed a claim with its insurance carrier pursuant to the terms of its insurance coverage and received \$30,000 in connection with the claim which is reflected as insurance proceeds in the 2023 statement of activities.   |
| 12. | <b>TAX STATUS:</b>                     | The Institute is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Institute 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 Internal Revenue Code.   |