

MYRIAD GARDENS FOUNDATION

JUNE 30, 2021 AND 2020

AUDIT OF FINANCIAL STATEMENTS

MYRIAD GARDENS FOUNDATION  
REPORT ON AUDIT OF FINANCIAL STATEMENTS  
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JUNE 30, 2021 AND 2020

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## INDEPENDENT AUDITORS' REPORT

December 2, 2022

To the Board of Directors  
Myriad Gardens Foundation

We have audited the accompanying financial statements of the Myriad Gardens Foundation (a nonprofit corporation) (the Foundation) which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors  
Myriad Gardens Foundation  
December 2, 2022

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Myriad Gardens Foundation as of June 30, 2021 and 2020, and the related statements of activities and 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.

GRAY, BLODGETT & COMPANY, PLLC  
*Gray, Blodgett & Company, PLLC*

MYRIAD GARDENS FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$ 2,165,919	\$ 1,406,207
Certificate of deposit	254,585	254,585
Accounts receivable, private rentals and others (net of allowance of \$26,026, both years)	191,184	86,561
Accounts receivable, management agreement	205,629	150,379
Pledges receivable	708,330	750,000
Other current assets	8,334	3,198
<b>Total Current Assets</b>	<u>3,533,981</u>	<u>2,650,930</u>
<b>Net Property and Equipment</b>	<u>3,747,081</u>	<u>3,163,199</u>
<b>Other Assets</b>		
Cash & cash equivalents restricted for purpose	851,132	770,600
Investments	538,310	432,641
Beneficial interest in assets held by others	25,158	20,579
Long-term pledge receivable (net of discount of \$32,660 and \$81,786, respectively)	1,009,010	1,418,214
Other assets	-	474
<b>Total Other Assets</b>	<u>2,423,610</u>	<u>2,642,508</u>
<b>Total Assets</b>	<u>\$ 9,704,672</u>	<u>\$ 8,456,637</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 222,093	\$ 158,350
Accrued expenses	61,643	51,873
Accrued interest	-	758
Deferred revenue	130,570	145,772
SBA PPP loan payable	361,900	364,000
<b>Total Current Liabilities</b>	<u>776,206</u>	<u>720,753</u>
<b>Total Liabilities</b>	<u>776,206</u>	<u>720,753</u>
<b>Net Assets</b>		
Without Donor Restriction	5,789,023	4,131,747
With Donor Restriction	3,139,443	3,604,137
<b>Total Net Assets</b>	<u>8,928,466</u>	<u>7,735,884</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 9,704,672</u>	<u>\$ 8,456,637</u>

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

MYRIAD GARDENS FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues			
Contributions	\$ 560,334	\$ 380,000	\$ 940,334
Management fee	2,467,550	-	2,467,550
Membership revenue	92,478	-	92,478
Grant revenue	120,583	-	120,583
Program revenue	446,838	-	446,838
Rental and retail revenue - gardens	197,323	-	197,323
Rental revenue - real estate	47,595	-	47,595
Net investment income	2,267	131,216	133,483
Other income	388,340	-	388,340
	<u>4,323,308</u>	<u>511,216</u>	<u>4,834,524</u>
Total revenue	4,323,308	511,216	4,834,524
Satisfaction of time and program restrictions	<u>975,910</u>	<u>(975,910)</u>	<u>-</u>
Total revenues and other support	<u>5,299,218</u>	<u>(464,694)</u>	<u>4,834,524</u>
Expenses			
Program services	2,808,076	-	2,808,076
Management and general	551,562	-	551,562
Fundraising and membership	282,304	-	282,304
	<u>3,641,942</u>	<u>-</u>	<u>3,641,942</u>
Total expenses	3,641,942	-	3,641,942
Change in net assets	1,657,276	(464,694)	1,192,582
Net assets, beginning of year	<u>4,131,747</u>	<u>3,604,137</u>	<u>7,735,884</u>
Net assets, end of year	<u>\$ 5,789,023</u>	<u>\$ 3,139,443</u>	<u>\$ 8,928,466</u>

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

MYRIAD GARDENS FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues			
Contributions	\$ 481,613	\$ 3,225,896	\$ 3,707,509
Management fee	1,804,550	-	1,804,550
Membership revenue	145,931	-	145,931
Grant revenue	98,758	7,500	106,258
Program revenue	687,052	-	687,052
Rental and retail revenue - gardens	194,121	-	194,121
Rental revenue - real estate	296,558	-	296,558
Net investment income	13,248	25,147	38,395
Other income	29,024	-	29,024
Total revenue	3,750,855	3,258,543	7,009,398
Satisfaction of time and program restrictions	53,060	(53,060)	-
Total revenues and other support	3,803,915	3,205,483	7,009,398
Expenses			
Program services	3,380,845	-	3,380,845
Management and general	655,270	-	655,270
Fundraising and membership	266,307	-	266,307
Total expenses	4,302,422	-	4,302,422
Change in net assets	(498,507)	3,205,483	2,706,976
Net assets, beginning of year	4,630,254	398,654	5,028,908
Net assets, end of year	\$ 4,131,747	\$ 3,604,137	\$ 7,735,884

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

MYRIAD GARDENS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Support Services			Total
	Public Programming	Horticulture and Facilities	Education	Ancillary and Other	Total Program Services	Management and General	Fundraising and Memberships	
Cost of Goods Sold	\$ 15,393	\$ 11,534	\$ 6,587	\$ -	\$ 33,514	\$ -	\$ -	\$ 33,514
Wages and benefits	60,276	1,162,772	65,324	-	1,288,372	-	158,836	1,447,208
Professional and contracted services	48,984	210,848	6,337	1,334	267,503	302,993	96,166	666,662
Programming supplies	16,089	14,739	4,329	57	35,214	6,223	5,709	47,146
Garden and grounds/facilities	2,058	156,804	-	568	159,430	-	-	159,430
Maintenance and equipment	36,376	292,688	286	111,500	440,850	13,730	353	454,933
Printing	9,610	340	2,570	-	12,520	486	7,941	20,947
Fundraising, marketing and advertising	23,380	4,540	359	105	28,384	250	3,685	32,319
Computer and software	5,408	59,061	800	-	65,269	36,700	77	102,046
Telephone, internet and postage	7,127	50,204	95	-	57,426	3,505	3,082	64,013
Travel and training	881	802	179	-	1,862	740	1,443	4,045
Membership and subscriptions	9,960	566	2,095	-	12,621	36,096	3,606	52,323
Insurance	-	-	-	-	-	49,721	-	49,721
Other expenses	1,384	12,559	-	-	13,943	-	-	13,943
Utilities	324	246,270	-	16,956	263,550	-	-	263,550
Taxes	4,638	18,018	478	114	23,248	1,601	1,406	26,255
Depreciation	-	103,841	-	529	104,370	99,517	-	203,887
<b>Total Expenses</b>	<b>\$ 241,888</b>	<b>\$ 2,345,586</b>	<b>\$ 89,439</b>	<b>\$ 131,163</b>	<b>\$ 2,808,076</b>	<b>\$ 551,562</b>	<b>\$ 282,304</b>	<b>\$ 3,641,942</b>

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



MYRIAD GARDENS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Support Services			Total
	Public Programming	Horticulture and Facilities	Education	Ancillary and Other	Total Program Services	Management and General	Fundraising and Memberships	
Cost of Goods Sold	\$ 29,648	\$ 5,110	\$ 8,373	\$ -	\$ 43,131	\$ -	\$ 22	\$ 43,153
Wages and benefits	163,055	1,240,556	163,845	-	1,567,456	71,637	161,230	1,800,323
Professional and contracted services	99,135	408,780	8,057	2,515	518,487	316,152	67,260	901,899
Programming supplies	34,297	27,382	10,479	74	72,232	8,303	7,310	87,845
Garden and grounds/facilities	-	307,144	68	515	307,727	56	-	307,783
Maintenance and equipment	19,147	147,694	1,262	3,311	171,414	10,872	-	182,286
Printing	19,370	5,592	1,600	-	26,562	-	11,402	37,964
Fundraising, marketing and advertising	27,608	27,050	3,885	125	58,668	249	1,369	60,286
Computer and software	1,897	51,494	2,130	-	55,521	27,579	231	83,331
Telephone, internet and postage	7,486	52,913	352	-	60,751	984	6,805	68,540
Travel and training	1,757	11,007	877	-	13,641	3,596	2,523	19,760
Membership and subscriptions	23,340	926	1,005	-	25,271	47,464	3,780	76,515
Insurance	-	-	-	-	-	61,857	-	61,857
Other expenses	2,122	21,895	-	26,026	50,043	1,360	2,309	53,712
Utilities	3,166	250,985	-	21,676	275,827	-	-	275,827
Taxes	4,405	21,858	1,017	275	27,555	4,408	2,066	34,029
Depreciation	-	105,614	-	945	106,559	100,753	-	207,312
<b>Total Expenses</b>	<b>\$ 436,433</b>	<b>\$ 2,686,000</b>	<b>\$ 202,950</b>	<b>\$ 55,462</b>	<b>\$ 3,380,845</b>	<b>\$ 655,270</b>	<b>\$ 266,307</b>	<b>\$ 4,302,422</b>

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

MYRIAD GARDENS FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,192,582	\$ 2,706,976
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	203,887	207,312
SBA PPP Loan Forgiveness	(364,000)	-
Change in beneficial interest in assets held by others	(5,655)	(472)
Non-cash net investment income	(127,559)	(25,148)
(Increase) decrease in accounts receivable	(159,873)	115,437
(Increase) decrease in other current assets	(4,662)	1,943
(Increase) decrease in pledge receivable	450,874	(2,168,214)
Increase (decrease) in accounts payable	63,743	10,937
Increase (decrease) in damage deposits	-	(2,000)
Increase (decrease) in deferred revenue	(15,202)	17,991
Increase (decrease) in accrued expenses	9,012	796
Contributions restricted for capital expenditures	(380,000)	(750,000)
Contributions restricted for endowment	(50,000)	(50,000)
	<u>813,147</u>	<u>65,558</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows From Investing Activities		
Purchase of investments	-	(100,000)
Proceeds from investments	22,966	18,441
Property & equipment purchases	(787,769)	(332,931)
	<u>(764,803)</u>	<u>(414,490)</u>
Net Cash Provided (Used) by Investing Activities		
Cash Flows From Financing Activities		
Proceeds from SBA PPP Loan	361,900	364,000
Contributions received for capital expenditures	380,000	750,000
Contributions received for endowment	50,000	50,000
	<u>791,900</u>	<u>1,164,000</u>
Net Cash Provided (Used) by Investing Activities		
Net increase (decrease) in cash	840,244	815,068
Cash, cash equivalents and restricted cash beginning of year	<u>2,176,807</u>	<u>1,361,739</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 3,017,051</u>	<u>\$ 2,176,807</u>
Supplemental disclosure		
Cash and cash equivalents	\$ 2,165,919	\$ 1,406,207
Restricted Cash	<u>851,132</u>	<u>770,600</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 3,017,051</u>	<u>\$ 2,176,807</u>

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

MYRIAD GARDENS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 1 - Nature of the Foundation

Myriad Gardens Foundation (the Foundation) was incorporated on September 16, 1981 with the vision to develop and sustain a botanical garden and conservatory that will be recognized internationally for its educational programs and its exceptional beauty and diversity. The mission of the Foundation is to support the Myriad Botanical Gardens of Oklahoma City (the Gardens) by providing funding, operating and management support, and increasing public awareness, support and involvement and promoting the highest possible standards.

As a part of the management support provided to the Gardens the Foundation may rent various portions of the grounds. Several indoor and outdoor areas are available to be rented by the public for a fee.

The Foundation also provides management support for real estate located at the corner of Reno and Hudson in Oklahoma City. This property is adjacent to the Gardens, and owned by Oklahoma City Economic Development Trust (OCEDT). The Foundation utilizes office space in this building, and other portions of the property are utilized by the maintenance staff of the Gardens. Several office spaces on this property are rented to other businesses.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting – The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation – The financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Financial Statements of Not-for-Profit Entities*, which requires the Foundation to report net assets based on the existence or absence of donor-imposed restrictions.

The Foundation does not imply time restrictions on gifts of long-lived assets. In absence of explicit donor stipulation as to how long an asset must be held, the Foundation releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.

In accordance with Generally Accepted Accounting Principles, the Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and may be designated for specific purposes by the Board of Directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for the resources was restricted has been fulfilled, or both.

Revenue Recognition – In accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Donations of property and equipment are recorded as revenue and capitalized at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor restricts the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted revenue.

Grant revenues are recognized in revenue when received or awarded.

Consistent with FASB ASC 606, *Revenue from Contracts with Customers*, revenues that have the characteristics of exchange transactions, such as management fees, membership revenues, program revenues, and rental revenues are recognized when the performance obligation is satisfied. The performance obligation is satisfied when control of the services or the event is transferred to the member or customer in an amount that reflects the consideration the Foundation expects to be entitled to receive in exchange for those goods or services. This revenue is recognized net of any discounts, waivers, or refunds.

Management fee revenue is recognized ratably over the length of the annual management agreement. Membership revenues are considered a single performance obligation and are recognized when memberships are issued as the earning process is significantly complete. Program, sponsorship and rental revenues are recognized when the programs or events occur. There are no significant financing components related to any of the Foundation's contracts with customers.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses – The Foundation allocates its expenses on a functional basis among its programs, management and general services, and fundraising and membership services. The majority of expenses can be identified with a specific program or service and are allocated directly to the program or function. Expenses that are common to different programs and services are allocated based on various relationships. Certain professional and contracted services, maintenance and equipment expenses, and telephone, internet and postage costs are allocated based on estimated time and effort expended.

Income Tax Status – Myriad Gardens Foundation qualifies as a tax exempt Foundation under Section 501(c) (3) of the Internal Revenue Code and, therefore, no provision for federal or state income taxes has been recorded. The Foundation is not a private foundation within the meaning of Section 509(a). There was no interest or penalties included in these financial statements. Generally, all revenue earned outside the purpose for which the Foundation is created may be taxable as earned income. The Foundation's tax returns are generally subject to examination by the Internal Revenue

Service and the State of Oklahoma for a period of three years from the date they are to be filed.

Cash and Cash Equivalents – Cash and cash equivalents include short term, interest bearing, highly liquid investments with original maturities of three months or less.

Certificates of Deposit – Certificates of deposit are recorded at cost plus accrued interest.

Accounts Receivable – Accounts receivable for private rentals and other activities are stated at unpaid balances, less an allowance for doubtful accounts. Accounts receivable from the OCEDT are stated at unpaid balances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Allowance for Doubtful Accounts – The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on management experience, and other circumstances, which may affect the ability of customers and donors to meet their obligations. Management has established an allowance of \$26,026 related to other accounts receivable at both June 30, 2021 and 2020.

Property and Equipment – Property and equipment with a cost of \$ 7,000 or more and which have an estimated useful life greater than one year, are capitalized at cost, or if donated, at approximate fair value at the date of donation. Depreciation is computed using the straight-line method over their estimated useful lives.

Investments – The Foundation has valued its investments based on Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC 958, the Foundation is required to report investments in equity securities with readily determinable fair values and all investments in debt securities in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities. Investment return is reflected in the statement of activities as temporarily restricted based upon the existence and nature of donor imposed restrictions.

Fair Market Value Measurement – Fair value is defined as “the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices for identical assets or liabilities that are observable in the market place. For example, Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted process are observable for the asset or liability (such as interest rates and yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and market-corroborated inputs.

Level 3 – Inputs that are unobservable (supported by little or no market activity) and are significant to the fair value measurement. Unobservable inputs reflect the Foundation’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Financial assets and liabilities carried at fair value on a recurring basis include beneficial interest in assets held by others and investments. The Foundation has no financial assets or liabilities carried at fair value on a non-recurring basis during the years ended June 30, 2021 or 2020.

Compensated Absences – The Foundation accrues accumulated unpaid annual leave when earned by the employee. Generally, annual leave must be taken during the calendar year earned. However, eligible employees may carry forward 120 hours per calendar year. Eligible employees who end their employment with the Foundation are reimbursed for each day of accumulated annual leave.

Advertising Expense – All advertising costs, included in fundraising, marketing and advertising expense on the statement of functional expenses, which approximated \$12,000 and \$30,000 for the years ending June 30, 2021 and 2020, respectively, are expensed as incurred or when the first time advertising takes place.

New Accounting Pronouncements – In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers: Topic 606*. This new revenue recognition guidance replaces most pre-existing revenue recognition guidance in U.S. generally accepted accounting principles (GAAP). The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation adopted this principle change on July 1, 2020.

The Foundation implemented ASU 2014-09 using a retrospective method of application. The standard's practical expedient that permits the omission of prior-period information about remaining performance obligations, which are not material to restated information, was applied. No other practical expedients were applied.

The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

Subsequent Events – Subsequent events have been evaluated through the issuance date of this report.

Note 3 - Liquidity

The following represents the Foundation's financial assets as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and restricted cash	\$ 3,017,051	\$ 2,176,807
Certificate of deposit	254,585	254,585
Accounts receivable	396,813	236,940
Pledges receivable	1,717,340	2,168,214
Investments	538,310	432,641
Beneficial interest in assets held by other	<u>25,158</u>	<u>20,579</u>
Total Financial Assets	5,949,257	5,289,766
Less: Amounts not available to be used within one year:		
Restricted for endowment	(538,310)	(432,641)
Restricted for purpose by donor	(73,412)	(235,582)
Restricted for capital campaign	(2,527,720)	(2,935,914)
Restricted beneficial interest in assets held by others	<u>(25,158)</u>	<u>(20,579)</u>
Financial Assets available to meet general expenditures over the next 12 months	<u>\$ 2,784,657</u>	<u>\$ 1,665,050</u>



Except as noted above, none of the Foundation's financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Foundation does not have a formal policy or defined goal regarding maintenance of financial assets. As part of their liquidity management plan, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation also maintains cash in excess of daily requirements in sweep accounts 100% collateralized with AAA government agency securities.

Note 4 - Concentration of Credit Risk

The Foundation maintains cash balances at financial institutions in the Oklahoma City area. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. The Foundation had an uninsured balance of \$322,403 at June 30, 2021. Management of the Foundation does not believe that there is any significant risk associated with the concentrations of credit.

Note 5 - Pledges Receivable

Included in pledges receivable are the following unconditional promises to give:

	<u>2021</u>	<u>2020</u>
Long-term pledge receivable	\$ 1,041,670	\$ 1,500,000
Current portion of pledges receivable	<u>708,330</u>	<u>750,000</u>
Total pledges receivable	1,750,000	2,250,000
Less discount	<u>(32,660)</u>	<u>(81,786)</u>
Pledges receivable at end of period	<u>\$ 1,717,340</u>	<u>\$ 2,168,214</u>

All pledges receivable are restricted for capital improvements and are discounted at a rate of 1.67% and 2.11% at June 30, 2021 and 2020, respectively.

The pledges receivable are due as follows:

Less than one year	\$ 708,330
One to five years	<u>1,041,670</u>
	<u>\$ 1,750,000</u>

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures & equipment	\$ 3,371,204	\$ 3,365,486
Construction in process	1,381,979	590,703
Computer software	-	9,225
Accumulated depreciation	<u>(1,006,102)</u>	<u>(802,215)</u>
Net property and equipment	<u>\$ 3,747,081</u>	<u>\$ 3,163,199</u>

Total depreciation expense for the years ended June 30, 2021 and 2020 is \$203,887 and \$207,312, respectively.

Note 7 - SBA PPP Loan Payable

On April 10, 2020, the Foundation was granted a loan in the amount of \$364,000 pursuant to the Paycheck Protection Program (PPP) under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP, some or all of the loan may be forgiven when they have been used for qualifying expenses as described in the CARES Act. The full amount of this loan was forgiven by the SBA on April 13, 2021 and the entire amount was recognized included in other income during the year ended June 30, 2021.

On February 2, 2021, the Organization was granted a second round loan in the amount of \$361,900 pursuant to the Consolidated Appropriations act of 2021. The loan bears an annual interest rate of 1%. Under the terms of the PPP, some or all of the loan may be forgiven if the funds have been used for qualifying expenses as described in the CARES Act. At June 30, 2021, the organization had not yet met substantially all forgiveness requirements according to FASB ASC 958-605 and as such, the full amount of the loan was outstanding at year-end and no interest has been accrued. This loan was fully forgiven on April 6, 2022.

Note 8 - Unrestricted Net Assets

Included in net assets without donor restrictions are designations by the board of directors for contingencies in the amount of \$254,585 for the years ended June 30, 2021 and 2020, respectively. The contingency funds are maintained to offset the effects of a possible future shortfall in funding.

Note 9 - Restrictions on Net Assets

Total net assets with donor restrictions as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Purpose restricted net assets	\$ 2,601,133	\$ 3,171,496
Perpetually restricted net assets	<u>538,310</u>	<u>432,641</u>
	<u>\$ 3,139,443</u>	<u>\$ 3,604,137</u>

Included in net assets with donor restrictions are amounts restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Garden Programs	\$ 20,000	\$ 27,500
Capital Repairs	53,413	208,082
Capital Campaign	<u>2,527,720</u>	<u>2,935,914</u>
	<u>\$ 2,601,133</u>	<u>\$ 3,171,496</u>

Net assets restricted in perpetuity consist of endowment funds restricted by donors.

During the year ended June 30, 2020, the Foundation received the remaining \$50,000 of a \$200,000 conditional promise to give permanently restricted funding. This was a challenge grant that established an endowment for the purpose of planting spring bulbs throughout the Gardens.

Note 10 - Endowment

The Foundation's endowment consists of a fund created through donor-restricted contributions to facilitate the planting of spring bulbs. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Foundation follows the ASC's guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The State of Oklahoma enacted the Uniform Prudent Management of Institutional Funds Act ("OK UPMIFA") effective November 1, 2007.

The Board of Directors of the Foundation has interpreted OK UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor

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stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until the funds are appropriated for spending in accordance with spending policies. The amount of endowment funds that have fallen below the endowment corpus value are reported in unrestricted net assets.

In accordance with OK UPMIFA, the following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds held for the benefit of the Foundation.

- (1) The duration and preservation of the fund;
- (2) The purposes of the Foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the organization; and
- (7) The investment policies of the organization.

Endowment net asset composition by type of fund as of June 30, 2021 and 2020 is as follows:

June 30, 2021	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 538,310</u>	<u>\$ 538,310</u>
Total endowment funds	<u>\$ 538,310</u>	<u>\$ 538,310</u>

  

June 30, 2020	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 432,641</u>	<u>\$ 432,641</u>
Total endowment funds	<u>\$ 432,641</u>	<u>\$ 432,641</u>

Changes in endowment net assets for the fiscal year ended June 30, 2021 and 2020 are as follows:

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2021	<u>Restricted in Perpetuity</u>	<u>Total</u>
Beginning endowment net assets	\$ 432,641	\$ 432,641
Investment return	131,216	131,216
Program expenditures	<u>(25,547)</u>	<u>(25,547)</u>
Ending endowment net assets	<u>\$ 538,310</u>	<u>\$ 538,310</u>
2020	<u>Restricted in Perpetuity</u>	<u>Total</u>
Beginning endowment net assets	\$ 374,887	\$ 374,887
Contributions	50,000	50,000
Investment return	25,148	25,148
Program expenditures	<u>(17,394)</u>	<u>(17,394)</u>
Endowment net assets, end of year	<u>\$ 432,641</u>	<u>\$ 432,641</u>

Funds with Deficiencies – From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2021 and 2020, there were no underwater endowments.

Return Objectives and Risk Parameters – The Foundation has adopted investment policies for endowment assets, implied in the grant agreement that created the fund, that will attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. The endowment assets are to be invested with investment policies which emphasize preservation of capital, protection against inflation and a continuing source of income.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation shall annually distribute 5% of the fair market value of the endowment. If the return on the endowment does not equal 5%, principal shall be distributed until the amount reaches 5%. If the return on the endowment exceeds 5%, the excess return shall be added to the corpus, and shall not be treated as accumulated income. Fair value shall be defined as the average value of the endowment over the previous twelve months.

Note 11 - Beneficial Interest in Assets Held By Others

In prior years, the Foundation transferred funds to the Oklahoma City Community Foundation, Inc. (the Community Foundation) and specified itself as the beneficiary of the funds. Annually, distributions from the funds are paid to the Foundation according to the Community Foundation's distribution policy. The Community Foundation maintains variance power over these assets. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community. Distributions in the amount of \$1,076 and \$1,047 for the years ending June 30, 2021 and 2020, respectively, were received by the Foundation from these funds.

The Community Foundation maintains legal ownership of the funds. However, accounting principles generally accepted in the United States of America require the Foundation to reflect its beneficial interest in these assets in its financial statements. At June 30, 2021 and 2020, assets transferred to the Community Foundation by the Foundation had a fair value of \$25,158 and \$20,579, respectively.

In addition to the funds discussed above, the Community Foundation maintains other funds that have been contributed by various donors to the Community Foundation for the benefit of the Foundation. These funds are not included as assets of the Foundation. The earnings from these funds are paid to the Foundation each year in accordance with the Community Foundation's spending policy. For the years ended June 30, 2021 and 2020, the Foundation accrued distributions of \$49,083 and \$40,758, which are recorded as contributions in the accompanying statement of activities. At June 30, 2021 and 2020, the fair value of the funds originally donated by third parties was approximately \$1,960,000 and \$1,060,000, respectively. The Foundation has no remainder interest in the corpus of these funds.

Note 12 - Fair Value Measurements

The following methods and assumptions were used to estimate the fair value of assets and liabilities reported at fair market value in the accompanying financial statements.

The fair value of the mutual funds are readily determinable based on closing market prices and are included as Level 1 assets.

The fair value of the beneficial interest in assets held by the Community Foundation is based on the fair value of fund investments as reported by

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the Community Foundation. Since there is no market for similar assets (i.e., beneficial interest in assets held by others), these are considered to be Level 3 measurements.

The Foundation has no liabilities measured at fair value. As of June 30, 2021 and 2020, assets measured at fair value on a recurring basis are classified within the fair value hierarchy as follows:

June 30, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held by Community Foundation	\$ -	\$ -	\$ 25,158	\$ 25,158
Mutual Funds	<u>538,310</u>	<u>-</u>	<u>-</u>	<u>538,310</u>
Total Assets accounted for at Fair Value	<u>\$ 538,310</u>	<u>\$ -</u>	<u>\$ 25,158</u>	<u>\$ 563,468</u>
June 30, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held by Community Foundation	\$ -	\$ -	\$ 20,579	\$ 20,579
Mutual Funds	<u>432,641</u>	<u>-</u>	<u>-</u>	<u>432,641</u>
Total Assets accounted for at Fair Value	<u>\$ 432,641</u>	<u>\$ -</u>	<u>\$ 20,579</u>	<u>\$ 453,220</u>

Change in the fair value of the Foundation's Level 3 financial assets, beneficial interest in assets held by others for the years ending June 30, 2021 and 2020 are as follows:

Balance at June 30, 2019	\$ 21,154
Net investment income	472
Distributions to the Foundation	<u>(1,047)</u>
Balance at June 30, 2020	20,579
Net investment income	5,655
Distributions to the Foundation	<u>(1,076)</u>
Balance at June 30, 2021	<u>\$ 25,158</u>

The summary of changes in fair value of Level 3 assets has been prepared to reflect the activity in the same categories as those provided to the Foundation by the Community Foundation. Net investment performance includes realized and unrealized gains (losses) on investments, investment income and administrative fees and is included in change in value of beneficial interest in assets held by others in the statement of activities. Distributions from the Community Foundation decrease the Foundation's beneficial interest and increase cash at the time of distribution.

Note 13 - In-Kind Donations

The Foundation records the value of donated supplies, assets, and services when there is an objective basis available to measure their value.

Volunteers regularly donate their time to Myriad Gardens Foundation program services. No value for these volunteer hours has been recorded in the statement of activities.

Note 14 - Leasing Activities and Commitments

The Foundation has sole rights to lease the administrative, restaurant, and maintenance space of an OCEDT owned property located at Reno & Hudson under the Lease and Management Agreement (see Note 15). As of the year ended June 30, 2017 all leases were terminated and two of the tenants were renting on a month-to-month basis.

The Foundation has been notified by the City that they will be required to vacate the property that houses their administrative offices including space subleased to third parties. The original date to vacate was December 31, 2015. However, the Foundation has been informed by the City that the date has been moved back until further notice.

Note 15 - Lease and Management Agreement

On July 1, 2011 the Foundation entered into a lease and management agreement with the City of Oklahoma City (City) and the OCEDT. By entering into this Agreement for the management, operation, and leasing of the Gardens, The City and OCEDT will receive substantial benefits, including economic benefits from the effective and efficient operation of a public park and increased sales taxes from increased visitation to and activities in the Gardens. Also, a major goal and purpose of contracting with the Foundation to provide professional management and operation of the Gardens is to increase revenues from operations of the Gardens and to allow the Foundation to generate additional private funding and support for the Gardens, thereby reducing the City's or OCEDT's ongoing public funding of the Gardens.

The initial term of this agreement will run for twenty-five years from the effective date of July 1, 2011. This agreement includes both the Gardens themselves and the Vitagraph Property located at the corner of Reno and Hudson, and adjacent to the Gardens.



The Foundation is to receive as compensation an annual management fee, which shall be paid in arrears on a monthly basis. The fee amount may be changed on an annual basis based on the needs of the Gardens. The Myriad Gardens Finance Committee shall review and evaluate the requested annual management fee and make a recommendation to OCEDT and to the City Council, through the City / Trust Manager. The recommendation should be submitted to the City / Trust Manager, or his or her designee, before March 1st of each year to enable consideration and funding by OCEDT. During the years ended June 30, 2021 and 2020, the Foundation received \$2,467,550 and \$1,804,550, respectively, from the OCEDT as a management fee for operating the Gardens.

Equipment, both small and large, that the City was using to maintain the Myriad Gardens at the signing of the agreement remains the property of the City. The agreement allows the Foundation to use this equipment to continue to maintain the Gardens, unless otherwise disposed of according to City policies or State Law. All equipment purchased by the Foundation is the property of the Foundation.

The Foundation is responsible for maintaining and repairing all small equipment. The routine maintenance and repair of large equipment owned by the City or OCEDT will be the responsibility of the City or OCEDT and said expenses will be considered part of the Public Annual Support provided to the operation of the Gardens. The routine maintenance of large equipment owned by the Foundation shall be the responsibility of the Foundation. The future replacement of large equipment or the purchase of new large equipment shall be an item of discussion and future agreement between OCEDT, the City and the Foundation.

Note 16 - Defined Contribution Plan

The Foundation participates in a multiemployer 403(b) plan that covers all eligible employees. Employees may elect to defer up to the maximum amount allowed by law of their compensation. The plan includes an employer's match of 100% of the first 3% of an employee's contributions and 50% of the next 2% of the employee's contributions. The plan allows immediate 100% vesting on the employer matching contributions. For the years ended June 30, 2021 and 2020, the Foundation contributed \$22,079 and \$24,405, respectively, included in wages and benefits.

Note 17 - Related Party Transactions

Donations from board members, including board dues, whether paid directly by the board members or their respective employer, totaled \$222,530 and \$190,850 during the years ended June 30, 2021 and 2020, respectively. Purchases from the respective employers of board members totaled \$6,426 and \$314,717 during the years ended June 30, 2021 and 2020, respectively.

For the years ended June 30, 2021 and 2020, the Foundation received \$27,049 and \$114,261, respectively, from the Scissortail Park Foundation for rent and reimbursement of expenses paid on behalf of the Scissortail Park Foundation.

For the years ended June 30, 2021 and 2020, the Foundation paid the Park Management Company \$506,409 and \$522,568, respectively, in management fees.

Note 18 - Risks and Uncertainties

During the COVID-19 outbreak, the Federal and Oklahoma governments implemented significant changes limiting the Foundation's common business practices. Management adapted to the changes in a manner to continue to support the community and its staff while practicing physical distancing and other CDC recommended guidelines. As the pandemic continues to slow, the Foundation has been able to return to more of a normal status. The Foundation will continue to monitor their financial position as they manage its operations.