

**MISSOURI BOTANICAL GARDEN
CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

**Year Ended September 30, 2020
and
Period From January 1, 2019 Through
September 30, 2019**

MISSOURI BOTANICAL GARDEN

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Consolidated Financial Statements	
Balance Sheets	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Consolidating Balance Sheet by Fund	30
Consolidating Statement of Activities by Fund	31

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Missouri Botanical Garden

We have audited the accompanying consolidated financial statements of the Missouri Botanical Garden, a perpetual not-for-profit trust established in 1889 by Henry Shaw and authorized by the General Assembly of the State of Missouri, and subsidiary, which comprise the consolidated balance sheets as of September 30, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Missouri Botanical Garden and subsidiary as of September 30, 2020 and September 30, 2019, and the changes in their net assets and their cash flows for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules on pages 30 through 32 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021, on our consideration of the Missouri Botanical Garden's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Missouri Botanical Garden's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Missouri Botanical Garden's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, cursive font, with 'LLP' in a smaller, simpler font to the right.

St. Louis, Missouri
January 21, 2021

**MISSOURI BOTANICAL GARDEN
CONSOLIDATED BALANCE SHEETS**

	<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 5,903,285	\$ 37,897,830
Grants receivable	449,751	340,417
Contract assets	232,817	114,873
Contributions receivable, net	28,310,960	26,409,187
Other receivables, net	4,013,521	2,279,098
Inventories, prepayments and other assets	1,697,786	1,670,534
Investments	199,432,985	160,336,660
Property and equipment, net of accumulated depreciation	<u>86,043,077</u>	<u>81,734,724</u>
Total assets	<u>\$ 326,084,182</u>	<u>\$ 310,783,323</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 8,147,553	\$ 9,415,272
Contract liabilities	634,028	865,724
Deferred revenue	59,959	100,304
Refundable advance - paycheck protection program	4,547,400	-
Liability for gift annuity payments	<u>1,363,707</u>	<u>2,214,616</u>
Total liabilities	<u>14,752,647</u>	<u>12,595,916</u>
 NET ASSETS		
Without donor restrictions		
General operating - undesignated	<u>673,642</u>	<u>2,364,691</u>
Board-designated -		
Operating	(2,399,977)	1,511,668
Capital projects	73,104,812	72,027,728
Endowment funds	<u>14,096,021</u>	<u>14,227,551</u>
Total board-designated	<u>84,800,856</u>	<u>87,766,947</u>
Total without donor restrictions	85,474,498	90,131,638
With donor restrictions	<u>225,857,037</u>	<u>208,055,769</u>
Total net assets	<u>311,331,535</u>	<u>298,187,407</u>
Total liabilities and net assets	<u>\$ 326,084,182</u>	<u>\$ 310,783,323</u>

See notes to consolidated financial statements.

MISSOURI BOTANICAL GARDEN
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Botanical Garden Subdistrict	\$ 12,840,000	\$ -	\$ 12,840,000
Contributions	6,795,240	14,657,553	21,452,793
Memberships	3,340,287	-	3,340,287
Bequests	1,454,670	-	1,454,670
Admissions	3,005,230	-	3,005,230
Grants and contracts	-	5,966,642	5,966,642
Education	219,243	-	219,243
Retail shops	1,096,317	-	1,096,317
Property rentals	249,981	-	249,981
Net investment return	633,539	9,773,836	10,407,375
Other	(114,382)	1,476	(112,906)
Net assets released from restrictions	<u>12,598,839</u>	<u>(12,598,839)</u>	<u>-</u>
Total public support and revenues	<u>42,118,964</u>	<u>17,800,668</u>	<u>59,919,632</u>
EXPENSES			
Program services			
Science and conservation	13,510,555	-	13,510,555
Horticulture	12,706,292	-	12,706,292
Education and sustainability	4,931,244	-	4,931,244
Other	<u>6,105,613</u>	<u>-</u>	<u>6,105,613</u>
Total program services	<u>37,253,704</u>	<u>-</u>	<u>37,253,704</u>
Supporting services			
Management and general	7,481,820	-	7,481,820
Fundraising	<u>1,820,024</u>	<u>-</u>	<u>1,820,024</u>
Total supporting services	<u>9,301,844</u>	<u>-</u>	<u>9,301,844</u>
Total expenses	<u>46,555,548</u>	<u>-</u>	<u>46,555,548</u>
CHANGES IN NET ASSETS FROM OPERATIONS	<u>(4,436,584)</u>	<u>17,800,668</u>	<u>13,364,084</u>
NON OPERATING ACTIVITIES			
Transfer of funds	1,470,494	(1,470,494)	-
Change in value of annuity agreements	-	1,471,094	1,471,094
Minimum pension liability adjustment	<u>(1,691,050)</u>	<u>-</u>	<u>(1,691,050)</u>
Changes in net assets from non operating activities	<u>(220,556)</u>	<u>600</u>	<u>(219,956)</u>
CHANGES IN NET ASSETS	<u>(4,657,140)</u>	<u>17,801,268</u>	<u>13,144,128</u>
NET ASSETS - BEGINNING OF YEAR	<u>90,131,638</u>	<u>208,055,769</u>	<u>298,187,407</u>
NET ASSETS - END OF YEAR	<u>\$ 85,474,498</u>	<u>\$ 225,857,037</u>	<u>\$ 311,331,535</u>

See notes to consolidated financial statements.

MISSOURI BOTANICAL GARDEN
CONSOLIDATED STATEMENT OF ACTIVITIES
Period From January 1, 2019 Through September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES			
Botanical Garden Subdistrict	\$ 9,614,000	\$ -	\$ 9,614,000
Contributions	2,919,087	48,236,227	51,155,314
Memberships	2,849,818	-	2,849,818
Bequests	4,213,907	-	4,213,907
Admissions	2,565,235	-	2,565,235
Grants and contracts	15,000	4,734,600	4,749,600
Education	294,568	-	294,568
Retail shops	1,434,288	-	1,434,288
Property rentals	317,196	-	317,196
Net investment return	154,359	17,094,508	17,248,867
Other	851,529	3,896	855,425
Net assets released from restrictions	<u>10,308,498</u>	<u>(10,308,498)</u>	<u>-</u>
Total public support and revenues	<u>35,537,485</u>	<u>59,760,733</u>	<u>95,298,218</u>
EXPENSES			
Program services			
Science and conservation	9,551,470	-	9,551,470
Horticulture	9,318,247	-	9,318,247
Education and sustainability	3,968,850	-	3,968,850
Other	<u>5,612,915</u>	<u>-</u>	<u>5,612,915</u>
Total program services	<u>28,451,482</u>	<u>-</u>	<u>28,451,482</u>
Supporting services			
Management and general	5,806,107	-	5,806,107
Fundraising	<u>1,003,125</u>	<u>-</u>	<u>1,003,125</u>
Total supporting services	<u>6,809,232</u>	<u>-</u>	<u>6,809,232</u>
Total expenses	<u>35,260,714</u>	<u>-</u>	<u>35,260,714</u>
CHANGES IN NET ASSETS FROM OPERATIONS	<u>276,771</u>	<u>59,760,733</u>	<u>60,037,504</u>
NON OPERATING ACTIVITIES			
Transfers of funds	41,203	(41,203)	-
Change in value of annuity agreements	-	41,203	41,203
Minimum pension liability adjustment	<u>(700,385)</u>	<u>-</u>	<u>(700,385)</u>
Changes in net assets from non operating activities	<u>(659,182)</u>	<u>-</u>	<u>(659,182)</u>
CHANGES IN NET ASSETS	<u>(382,411)</u>	<u>59,760,733</u>	<u>59,378,322</u>
NET ASSETS - BEGINNING OF PERIOD - as reported	91,375,923	146,255,712	237,631,635
Cumulative effect of adjustment of ASC Topic 606 on January 1, 2019	<u>(861,874)</u>	<u>2,039,324</u>	<u>1,177,450</u>
NET ASSETS - BEGINNING OF PERIOD - as adjusted	<u>90,514,049</u>	<u>148,295,036</u>	<u>238,809,085</u>
NET ASSETS - END OF PERIOD	<u>\$ 90,131,638</u>	<u>\$ 208,055,769</u>	<u>\$ 298,187,407</u>

See notes to consolidated financial statements.

MISSOURI BOTANICAL GARDEN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2020

	Program Services				Supporting Services				Total
	Science and Conservation	Horticulture	Education and Sustainability	Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Wages	\$ 5,906,036	\$ 5,212,203	\$ 2,789,484	\$ 2,606,088	\$ 16,513,811	\$ 3,442,418	\$ 967,531	\$ 4,409,949	\$ 20,923,760
Employee Benefits and Taxes	<u>1,386,014</u>	<u>1,323,933</u>	<u>681,280</u>	<u>581,074</u>	<u>3,972,301</u>	<u>675,665</u>	<u>161,960</u>	<u>837,625</u>	<u>4,809,926</u>
Total Compensation	7,292,050	6,536,136	3,470,764	3,187,162	20,486,112	4,118,083	1,129,491	5,247,574	25,733,686
Professional Services and Fees	2,130,681	503,340	279,791	813,140	3,726,952	916,870	202,584	1,119,454	4,846,406
Advertising and Promotion	-	132	391	1,022	1,545	303,141	14,286	317,427	318,972
Office Expenses	762,760	755,488	251,332	257,245	2,026,825	545,342	143,770	689,112	2,715,937
Utilities and Occupancy Costs	347,449	505,499	88,810	177,231	1,118,989	122,708	17,382	140,090	1,259,079
Travel, Conferences and Meetings	423,306	21,734	59,999	643	505,682	16,772	-	16,772	522,454
Depreciation	1,767,592	3,516,027	549,963	595,535	6,429,117	468,816	88,492	557,308	6,986,425
Insurance	97,295	78,694	34,132	30,464	240,585	358,267	9,276	367,543	608,128
Cost of Goods Sold	-	6,181	-	550,284	556,465	260,182	-	260,182	816,647
Other Expenses	<u>689,422</u>	<u>783,061</u>	<u>196,062</u>	<u>492,887</u>	<u>2,161,432</u>	<u>371,639</u>	<u>214,743</u>	<u>586,382</u>	<u>2,747,814</u>
TOTAL EXPENSES	<u>\$ 13,510,555</u>	<u>\$ 12,706,292</u>	<u>\$ 4,931,244</u>	<u>\$ 6,105,613</u>	<u>\$ 37,253,704</u>	<u>\$ 7,481,820</u>	<u>\$ 1,820,024</u>	<u>\$ 9,301,844</u>	<u>\$ 46,555,548</u>

MISSOURI BOTANICAL GARDEN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Period From January 1, 2019 Through September 30, 2019

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total
	Science and Conservation	Horticulture	Education and Sustainability	Other		Management and General	Fundraising		
Salaries and Wages	\$ 4,306,063	\$ 3,786,779	\$ 2,115,101	\$ 1,717,419	\$ 11,925,362	\$ 2,532,912	\$ 548,134	\$ 3,081,046	\$ 15,006,408
Employee Benefits and Taxes	<u>1,029,605</u>	<u>978,992</u>	<u>511,428</u>	<u>383,944</u>	<u>2,903,969</u>	<u>528,710</u>	<u>98,391</u>	<u>627,101</u>	<u>3,531,070</u>
Total Compensation	5,335,668	4,765,771	2,626,529	2,101,363	14,829,331	3,061,622	646,525	3,708,147	18,537,478
Professional Services and Fees	1,175,454	438,512	335,655	824,396	2,774,017	745,541	66,223	811,764	3,585,781
Advertising and Promotion	643	873	1,717	3,286	6,519	307,603	8,377	315,980	322,499
Office Expenses	632,466	645,072	297,103	272,818	1,847,459	527,736	70,372	598,108	2,445,567
Utilities and Occupancy Costs	304,859	454,309	75,723	137,995	972,886	117,629	15,064	132,693	1,105,579
Travel, Conferences and Meetings	386,787	83,991	60,434	9,643	540,855	53,796	681	54,477	595,332
Depreciation	1,163,582	2,464,553	371,716	416,674	4,416,525	310,578	58,161	368,739	4,785,264
Insurance	84,885	59,016	26,570	20,058	190,529	303,770	5,799	309,569	500,098
Cost of Goods Sold	-	8,249	5,852	575,270	589,371	36,282	-	36,282	625,653
Other Expenses	<u>467,126</u>	<u>397,901</u>	<u>167,551</u>	<u>1,251,412</u>	<u>2,283,990</u>	<u>341,550</u>	<u>131,923</u>	<u>473,473</u>	<u>2,757,463</u>
TOTAL EXPENSES	\$ <u>9,551,470</u>	\$ <u>9,318,247</u>	\$ <u>3,968,850</u>	\$ <u>5,612,915</u>	\$ <u>28,451,482</u>	\$ <u>5,806,107</u>	\$ <u>1,003,125</u>	\$ <u>6,809,232</u>	\$ <u>35,260,714</u>

MISSOURI BOTANICAL GARDEN
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended September 30, 2020	Period From January 1, 2019 Through September 30, 2019
CASH FLOWS FROM OPERATIONS		
Changes in net assets	\$ 13,144,128	\$ 59,378,322
Cumulative effect of adjustment of ASC Topic 606 on January 1, 2019	-	1,177,450
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation	6,986,425	4,785,264
Gain on sale of property and equipment	(14,195)	-
Net realized and unrealized gains on investments	(7,796,318)	(16,078,328)
Contributions restricted for capital projects and endowments	(12,504,420)	(46,540,449)
Change in operating assets and liabilities-		
Receivables	(2,048,998)	163,980
Contract assets	(117,944)	(114,873)
Inventories, prepayments and other assets	(27,252)	(24,095)
Accounts payable and accrued liabilities	(3,280,633)	863,525
Contract liabilities	(231,696)	865,724
Deferred revenue	(40,345)	(2,392,721)
Refundable advance - paycheck protection program	4,547,400	-
Liability for gift annuity payments	(850,909)	(1,385)
Net cash (used) provided by operating activities	<u>(2,234,757)</u>	<u>2,082,414</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	49,348,580	11,811,182
Purchases of investments	(80,648,587)	(13,900,440)
Proceeds from sale of property and equipment	17,400	-
Purchases of property and equipment	(9,285,069)	(3,366,652)
Net cash used by investing activities	<u>(40,567,676)</u>	<u>(5,455,910)</u>
FINANCING ACTIVITIES		
Collection of contributions restricted for capital projects and endowments	10,807,888	32,248,153
Net cash provided by financing activities	<u>10,807,888</u>	<u>32,248,153</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,994,545)	28,874,657
CASH AND CASH EQUIVALENTS, Beginning	<u>37,897,830</u>	<u>9,023,173</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 5,903,285</u>	<u>\$ 37,897,830</u>
NON-CASH FINANCING ACTIVITIES		
Capital items acquired through a capital lease	<u>\$ 50,097</u>	<u>\$ -</u>
Capital items acquired through construction payable	<u>\$ 1,962,817</u>	<u>\$ 1,421,349</u>
Changes in restricted contributions receivable for capital projects	<u>\$ 3,447,645</u>	<u>\$ 14,352,296</u>
Endowments	<u>\$ (1,751,113)</u>	<u>\$ (60,000)</u>

See notes to consolidated financial statements.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Garden Operations

The Missouri Botanical Garden (the Garden) was founded by Henry Shaw in 1859 and is operated as a Missouri charitable trust formed in 1889, pursuant to his will, serving as a center for research, education and horticultural display. Its mission is to discover and share knowledge about plants and their environment in order to preserve and enrich life. The Garden is funded through public contributions, local and federal grants, investment income, membership and admission fees, retail shop revenue and revenue from botanical services provided to the public and funded by the Botanical Garden Subdistrict of the Metropolitan Zoological Park and Museum District of the City of St. Louis and St. Louis County (the Botanical Garden Subdistrict). The Garden is a tax exempt 501(c)(3) organization under the Internal Revenue Code.

Effective January 1, 2019, the Garden changed its fiscal year-end from December 31 to September 30.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Garden and its wholly-owned subsidiary, MBG Properties, Inc. All significant inter-organization transactions and balances have been eliminated in consolidation.

COVID-19 Pandemic Impact

As a result of COVID-19, Garden events and operations were curtailed from March 2020 to the present, which resulted in a reduction of revenues and other support. The Garden received a Paycheck Protection Program (PPP) loan in April 2020 (see note 8). In an effort to support the members and public interest, the Garden created various online programming, including virtual tours and online classes. Attendance capacities were also reduced to comply with local health mandates and to ensure safe social distancing.

Basis of Presentation

The financial statements of the Garden have been prepared on the accrual basis and in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Garden 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 organization. These net assets may be used at the discretion of the Garden's management and Board of Trustees (Board). From time to time, the Board designates a portion of net assets without donor restrictions for specified purposes which make them unavailable for use at management's discretion including:

- Operating - endowment spending appropriation for specific projects
- Capital Projects - net property and equipment less uncapitalized fundraising costs
- Long-Term Investment - investment fair value of board designated endowments

Negative Board designated funds reflect the anticipated recognition of revenue for the PPP Refundable Advance.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions: - Net assets that are subject to donor and grantor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Garden or by the passage of time. Other donor restrictions will never lapse, thus requiring that the funds be retained permanently.

Fair Value Measurements

The fair value of financial instruments including cash and cash equivalents, grants, contributions and other receivables, contract assets, inventories, prepayments and other assets, accounts payable and accrued liabilities, contract liabilities, and deferred revenue approximate carrying value due to the short-term nature of these accounts.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Garden determines the fair values of its financial instruments based on the fair value hierarchy established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: financial instruments are valued based on quoted prices in active markets for identical assets or liabilities.
- Level 2: financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.
- Level 3: financial instruments are valued using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

There were no triggering events that required fair value measurements of the Garden's nonfinancial assets and liabilities at September 30, 2020 and 2019.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits held in banks, overnight repurchase agreements, and certificates of deposit with original maturities of three months or less. Short-term commercial paper, liquid securities and money market funds are included in investments.

Grants Receivable

Grants receivable consists of amounts due to the Garden related to the work performed under non-exchange grant and contract agreements.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Assets

Contract assets consist primarily of receivables for exchange grants and contracts where performance obligations were achieved but cash has not been received from the vendor.

Contributions Receivable

Legally enforceable pledges are recorded as receivables in the year made. Pledges for support of current operations are recorded as general operating support without restrictions. Pledges made and received beyond one year are discounted to the present value of estimated future cash flows using a risk-adjusted discount rate equal to the 30-year Treasury Bond rate at the pledge date (ranging from 3.96% to 1.46% at September 30, 2020). The initially recorded fair value is considered a Level 2 fair value approach. For pledges made and received within one year, the net realizable value is a reasonable estimate of the fair value. Amortization of the discount is included in contribution revenue. If restricted by a donor for endowment, the amount is reported as revenue in the with donor restrictions net asset class. If restricted by a donor for particular purposes or for capital acquisition, the amount is reported as revenue in the with donor restrictions net asset class until the asset is placed in service. Conditional pledges receivable are not included as support until the conditions are substantially met. Management writes off receivables when it determines that an amount will not be collected and considers all pledges receivable at September 30, 2020 and 2019 to be collectible. Accordingly, no allowance for uncollectible pledges receivable has been reflected in the consolidated financial statements.

Other Receivables

Other receivables consist primarily of receivables from the Botanical Garden Subdistrict, accrued interest, and the cash surrender value of a life insurance policy.

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is based on the selling price of inventories. Cost is determined using the average cost method. For scientific publications, the cost of inventory includes layout, printing, and applicable freight costs.

Investments

Purchased investments are carried at fair value. Contributed securities are stated at their fair value on the date of receipt using a Level 1, 2 or 3 fair value approach depending on the type of contributed security. It is the policy of the Garden to sell all contributed securities as soon as they are received. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at estimated fair market value on the date of receipt, if donated. Certain equipment is leased by the Garden and is treated as a capital lease. Expenditures greater than \$5,000 for vehicles and \$15,000 for non-vehicles are reviewed for capitalization. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized.

Depreciation and amortization is provided on a straight-line basis over the following useful lives:

	<u>Years</u>
Building, Gardens and Other Structures	10 - 45
Furniture, Office and Data Processing Equipment	3 - 15
Other	3 - 15

In accordance with its policy, the Garden reviews the estimated useful lives of its fixed assets on an ongoing basis. Due to upcoming construction projects, the actual lives of certain equipment and buildings were now shorter than the estimated useful lives used for depreciation purposes in the Garden's financial statements. As a result, effective April 1, 2019, the Garden changed its estimates of the useful lives of those assets to better reflect the estimated periods during which these assets will remain in service. The effect of this change in estimate was to increase 2019 depreciation expense and accumulated depreciation by \$1,090,154.

Collections

The Garden's collections include living plants, herbarium specimens, art objects, books, and prints. The Garden has not capitalized the collections that include living plants and herbarium specimens. The Garden's collections are maintained for public exhibition, education, and research in furtherance of public service rather than for financial gain. Collections are among the most valuable assets of the Garden and are protected, kept unencumbered, cared for, and preserved. Art objects, books and prints are subject to the capitalization policy described previously.

Deferred Revenue

Deferred revenue represents cash received from non-exchange grants and contracts that include conditions and have refundable provisions prior to performance by the Garden.

Contract Liabilities

Contract liabilities represent cash received from exchange transactions such as property rentals, memberships, education classes, and grant and contract agreements prior to performance by the Garden.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gift Annuities

The Garden has certain arrangements with donors in which the donor contributes assets in exchange for a promise of fixed payments for a specified period of time to a designated party. At the time of the donation, the assets received are held by the Garden as part of its general assets; a liability is recorded and measured at the present value which is a Level 2 fair value approach, using discount rates ranging from 3.75% to 7.00% as of September 30, 2020 and 2019.

The obligations under these agreements are adjusted over the term of the agreement for changes in the fair value of assets, accretion of the discount, and other changes in estimates of future benefits. The assets are included in the Garden's investment portfolio.

As a result of a loss due to the disposition of annuitants of \$850,909 for the year ended September 30, 2020, negative revenue of \$851,357, is included in "other revenue".

Revenue Recognition

Revenue derived from contract services provided by the Garden to the Botanical Garden Subdistrict are recorded as earned (Note 14).

The Garden records contributions when received as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. 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-board designated in the consolidated statements of activities.

Bequests are recognized at the time the probate court declares the donor's will valid, unless there are conditions or uncertain events surrounding the bequest. In those circumstances, the transaction is recorded at the time the cash is received. Bequests are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Garden reports gifts of property and equipment as net assets without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions. The Garden reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A number of volunteers contribute services to the Garden in a variety of ways such as gardening and various clerical services that do not meet the requirements for recognition, and are not reflected in the accompanying consolidated financial statements.

Revenue Recognition for Contracts with Customers

The Garden's revenue streams under contracts with customers are comprised of membership dues, admissions, grants and contracts, education, retail shops, and property rentals.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition for Contracts with Customers (Continued)

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Garden determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether visitors or participants (customers) can benefit from the resources, and whether the resources are readily available. The Garden also performs an analysis to determine if membership dues constitute separate performance obligations. The Garden's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Garden recognizes revenue over a period of time if the customer receives and consumes the benefit that the Garden provided, or if the Garden's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Garden expects to be entitled (such as merchant price, event agreements, price of membership and course fees set in advance). In some situations (such as course fees for education programs, memberships, or room rental), the Garden bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Garden recognizing contract liabilities upon receipt of payment.

The following explains the performance obligations related to each revenue stream and how they are recognized.

Membership Dues - The Garden earns dues from its members for memberships. Membership dues are earned over the course of one year, representing the period over which the Garden satisfies the performance obligation. Membership dues on the Consolidated Statement of Activities consist of both contribution revenue and exchange revenue. Of the total \$3,340,287 and \$2,849,818 membership revenue for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, respectively, \$1,361,395 and \$1,179,076, respectively, is considered to be an exchange revenue and subject to the performance obligations stated above and the remaining \$1,978,892 and \$1,670,742, respectively, is considered contribution revenue and recognized upon receipt.

Grants and Contracts - The Garden receives grants and contracts from various sources to fund scientific research, sustainability projects, provide education to the public, as well as other projects. The Garden's grants and contracts revenue stream contains both contribution revenue and exchange revenue. Of the total \$5,966,642 and \$4,474,600 revenue reported for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, respectively, \$2,389,001 and \$1,817,125, respectively, is considered exchange revenue and the remaining \$3,577,641 and \$2,932,475, respectively, is considered contribution revenue. The contribution grants and contracts revenue are either recognized upon receipt if there are no conditions or recognized as conditions are satisfied, typically as costs are incurred. The exchange grants and contracts are reviewed for performance obligations and are reflected as "with Donor Restrictions" and included in "Net Assets Released from Restrictions." As the performance obligations are met, revenue is recognized.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition for Contracts with Customers (Continued)

Education - The Garden generates revenue from providing educational classes or programs to the public. Revenue is recorded at the time the class or program is held.

Admissions and Retail Shops - The Garden generates revenue from ticket sales and merchandise sales. Ticket sales are recognized at the time the transaction is executed as that is the point in time when the Garden satisfies the performance obligation. Merchandise sales at retail shops are recognized at the point in time when the sale occurs and the visitor takes possession of the item purchased.

Property Rentals - Property rental revenues consist of room rentals for special events on a specified date. The Garden recognizes revenue at the point in time when services are rendered to the customer.

Advertising Expenses

Advertising costs are expensed as incurred and totaled approximately \$175,000 and \$179,000 for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, respectively.

Income Taxes

The Garden is a not-for-profit trust, exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to taxation as unrelated business income. MBG Properties, Inc. is exempt from Federal income tax under section 501(c)(2) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying consolidated financial statements.

The Garden follows the provisions of ASC 740-10-25, *Income Taxes*, requiring disclosure of uncertain tax positions. There have been no interest or penalties neither recognized in the consolidated statements of activities nor in the consolidated balance sheets related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The Garden evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

Use of Estimates

The presentation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosure. Accordingly, actual results could differ from those estimates. Significant management estimates included in the consolidated financial statements relate to the fair value of certain investments, inventory valuation, useful lives of depreciable assets, interests in and obligations under split-interest agreements, actuarial pension assumptions, and the allocation of common expenses over program functions.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation, occupancy cost, and other management and general expenses have been allocated to functional classifications based on square footage of facilities. Other management and general expenses have been allocated based on the number of computers or salaries.

Subsequent Events

The Garden has performed a review of events subsequent to the consolidated balance sheet date through January 21, 2021, the date the consolidated financial statements were available to be issued.

NOTE 2 — LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the balance sheet date for operating expenditure, such as operating expenses, were as follows:

	September 30,	
	2020	2019
Cash and Cash Equivalents*	\$ 2,680,602	\$ 2,221,625
Grants Receivable and Contract Assets	682,568	455,290
Contributions Receivable, Net*	995,272	699,404
Other Receivables, Net	4,013,521	2,279,098
Upcoming Fiscal Year Endowment Appropriation	<u>6,741,265</u>	<u>6,317,624</u>
Total Financial Assets Available within One Year	<u>\$ 15,113,228</u>	<u>\$ 11,973,041</u>

*Excludes cash restricted primarily for capital projects and contributions restricted for capital projects.

The Garden regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Garden has various sources of liquidity at its disposal, including cash and cash equivalents, marketable investments and a line of credit.

Cash in excess of daily requirements is invested in short-term investments and certificates of deposit. To manage unanticipated liquidity needs, the Garden maintains a \$5,000,000 line of credit with a commercial bank. There was no balance outstanding at September 30, 2020 and 2019 (Note 9).

Additionally, as of September 30, 2020 and 2019, the Garden had \$14,096,021 and \$14,227,551, respectively, in board designated endowment funds. Although there is no intention to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 3 — CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows:

	September 30,	
	2020	2019
Less Than One Year	\$ 9,914,452	\$ 6,331,312
One to Five Years	19,320,955	20,670,208
More Than Five Years	337,375	1,090,000
Pledge Discounts	<u>(1,261,822)</u>	<u>(1,682,333)</u>
	<u>\$ 28,310,960</u>	<u>\$ 26,409,187</u>

NOTE 4 — INVESTMENTS

Net investment return on the consolidated statements of activities is shown net of investment, custodian, advisory and management fees of \$297,138 and \$160,414 for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, respectively. Included in these fees are amounts paid to a financial institution for which a Trustee is a director. The amounts paid to the financial institution during the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 are \$282,944 and \$154,477, respectively. This conflict of interest was approved at the Board meetings held on September 23, 2020 and March 27, 2019, respectively.

Investments are recorded at fair value in the accompanying consolidated balance sheets (Note 6).

Investments consist of the following:

	September 30,	
	2020	2019
Equities	\$ 68,669,980	\$ 58,434,645
Bonds	52,057,549	20,562,093
Mutual Funds	50,488,893	53,324,242
Commercial Paper	5,192,182	3,992,965
Real Estate Funds and Other	<u>23,024,381</u>	<u>24,022,715</u>
	<u>\$ 199,432,985</u>	<u>\$ 160,336,660</u>

The total cost basis of these investments amounted to \$129,416,747 and \$97,446,291 at September 30, 2020 and 2019, respectively.

NOTE 5 — ENDOWMENT

The Garden's endowment consists of 33 individual classifications established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 5 — ENDOWMENT (Continued)

The Board has interpreted the state of Missouri enacted version of the Uniform Prudent Management of Institutional Funds Act (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 stipulations to the contrary.

As a result of this interpretation, the Garden retains, in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value donated to the endowment) and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time and accumulation is added.

In accordance with UPMIFA, the Garden considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

As of September 30, 2020 and 2019, the Garden had the following endowment net asset composition by type of fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>September 30, 2020</u>			
Board-Designated Endowment Funds	\$ 14,096,021	\$ -	\$ 14,096,021
Donor-Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	83,106,735	83,106,735
Accumulated investment gains	-	<u>62,360,973</u>	<u>62,360,973</u>
	<u>\$ 14,096,021</u>	<u>\$ 145,467,708</u>	<u>\$ 159,563,729</u>
<u>September 30, 2019</u>			
Board-Designated Endowment Funds	\$ 14,227,551	\$ -	\$ 14,227,551
Donor-Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	82,083,752	82,083,752
Accumulated investment gains	-	<u>58,071,578</u>	<u>58,071,578</u>
	<u>\$ 14,227,551</u>	<u>\$ 140,155,330</u>	<u>\$ 154,382,881</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Garden to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2020 and 2019.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 5 — ENDOWMENT (Continued)

Return Objectives and Risk Parameters

The Garden has investment and spending policies for endowment assets that 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 Garden must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the applicable indices while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Garden relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Garden targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Garden has a policy of appropriating for distribution each year a percent of its endowment fund's average fair value over the prior 12 quarters at six months preceding the fiscal year end in which the distribution is planned. In the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, the spend formula was based on 4.5% and 4.6%, respectively, of the average fair value. In establishing this policy, the Garden considered the long-term expected return on its endowment.

The changes in endowment net assets for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, October 01, 2019	\$ 14,227,551	\$ 140,155,330	\$ 154,382,881
Contributions	-	1,051,773	1,051,773
Investment Return			
Investment income, including			
realized gains	-	2,581,225	2,581,225
Net appreciation	-	7,193,213	7,193,213
Amounts Transferred from Endowment	(131,530)	803,023	671,493
Amounts Appropriated	-	(6,316,856)	(6,316,856)
Endowment Net Assets, September 30, 2020	<u>\$ 14,096,021</u>	<u>\$ 145,467,708</u>	<u>\$ 159,563,729</u>

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 5 — ENDOWMENT (Continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, January 1, 2019	\$ 14,098,000	\$ 127,446,697	\$ 141,544,697
Contributions	-	194,628	194,628
Investment Return			
Investment income, including			
realized gains (losses)	(10)	1,535,961	1,535,951
Net appreciation	-	15,558,509	15,558,509
Amounts Transferred from Endowment	129,561	(64,755)	64,806
Amounts Appropriated	-	(4,515,710)	(4,515,710)
Endowment Net Assets, September 30, 2019	<u>\$ 14,227,551</u>	<u>\$ 140,155,330</u>	<u>\$ 154,382,881</u>

NOTE 6 — FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets measured at fair value:

Equities, Mutual Funds, and Commercial Paper

Domestic and foreign securities, mutual funds, and commercial paper instruments traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Investments in mutual funds represent open ended funds which transact at a net asset value on a daily basis. Since the market for these securities is active and observable, such investments are reported at the unadjusted net asset value at the end of each trading day.

Bonds

Corporate and foreign bonds are valued based on yields currently available on comparable securities of issuers of similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. Government bonds include both U.S. treasury bonds and agency bonds. U.S. treasury bonds are valued using proprietary valuation models incorporating live data from active market makers and brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers and other data. Evaluated pricing models that vary by type of security and incorporate available market data are utilized to determine fair market value of agency bonds. Standard inputs include issuer and type of security, benchmark yields, reported trades, broker/dealer quotes and issuer spreads.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

Real Estate Funds

The Garden holds real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments have been estimated using the net asset value per share of the investments (NAV), which represents the amounts at which the Garden may acquire or redeem its fund interests. However, the funds have certain redemption and restriction provisions which may prevent the Garden from redeeming its interest within 90 days. Redemption of the funds requires a notice period of at least 45 days, and redemptions will generally occur the fiscal quarter following the redemption notice. Additionally, the funds may be subject to certain gate restrictions; however, the Garden does not feel such restrictions are likely to prevent redemption within the next 90 days. There are no unfunded commitments with respect to these funds.

Private Equity Funds

The value of private equity funds, which are not readily marketable, is based on the value determined in audited financial statements. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Private equity funds have no ability to be redeemed. At September 30, 2020, the Garden's unfunded commitments with respect to these funds are \$3,724,751.

Fair values of assets measured on a recurring basis at September 30, 2020 and 2019 are as follows:

	Total Fair Value	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
<u>September 30, 2020</u>				
Investments				
Equities	\$ 68,669,980	\$ 68,669,980	\$ -	\$ -
Bonds				
Government	5,472,944	-	5,472,944	-
Corporate	9,836,702	-	9,836,702	-
Other	35,847,190	-	35,847,190	-
Foreign	900,713	-	900,713	-
Fixed mutual funds	13,978,433	13,978,433	-	-
Equity mutual funds	36,510,460	36,510,460	-	-
Commercial paper	<u>5,192,182</u>	<u>5,192,182</u>	<u>-</u>	<u>-</u>
Total investments at fair value	176,408,604	<u>\$ 124,351,055</u>	<u>\$ 52,057,549</u>	<u>\$ -</u>
Investments Reported at NAV	<u>23,024,381</u>			
Total investments	<u>\$ 199,432,985</u>			

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

	Total Fair Value	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
<u>September 30, 2019</u>				
Investments				
Equities	\$ 58,434,645	\$ 58,434,645	\$ -	\$ -
Bonds				
Government	5,285,649	-	5,285,649	-
Corporate	9,922,365	-	9,922,365	-
Other	4,631,879	-	4,631,879	-
Foreign	722,200	-	722,200	-
Fixed mutual funds	13,441,293	13,441,293	-	-
Equity mutual funds	39,882,949	39,882,949	-	-
Commercial paper	<u>3,992,965</u>	<u>3,992,965</u>	-	-
Total investments at fair value	136,313,945	<u>\$ 115,751,852</u>	<u>\$ 20,562,093</u>	<u>\$ -</u>
Investments Reported at NAV	<u>24,022,715</u>			
Total investments	<u>\$ 160,336,660</u>			

NOTE 7 — PROPERTY AND EQUIPMENT

Property and equipment, consists of the following:

	<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>Nondepreciable</u>		
Land	\$ 7,213,463	\$ 7,213,463
Construction in progress	14,651,404	3,904,494
Fountains, sculptures, gardens and other	2,962,286	2,962,286
<u>Depreciable</u>		
Buildings, gardens and other structures	153,289,629	152,993,832
Furniture, office and data processing equipment	6,850,766	6,745,910
Other	<u>6,175,902</u>	<u>6,095,664</u>
	191,143,450	179,915,649
Accumulated depreciation	<u>(105,100,373)</u>	<u>(98,180,925)</u>
	<u>\$ 86,043,077</u>	<u>\$ 81,734,724</u>

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 7 — PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 was \$6,986,425 and \$4,785,264, respectively.

During the year ended September 30, 2020, the Garden began construction of the Jack C. Taylor Visitor Center. The estimated \$92 million project will be funded entirely from private contributions. As of September 30, 2020 there is a construction commitment for the estimated remaining cost of \$78 million to complete the project.

NOTE 8 — REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM

On April 13, 2020, the Garden was granted a \$4,547,400 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Garden is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Garden has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the Garden maintains employment levels during its 24-week covered period and uses the funds for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended September 30, 2020. The Garden used the loan proceeds for purposes consistent with the PPP requirements. While Garden management currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the final determination rests with the SBA. The Garden will be required to repay any remaining balance, plus interest accrued at 1% per annum in monthly payments beginning on the date the SBA provides the loan forgiveness amount to the lender. Principal and interest payments will be required through the maturity date, April 13, 2022.

NOTE 9 — LINE OF CREDIT

The Garden maintains an unsecured line of credit at September 30, 2020 for \$5,000,000 which expires on May 3, 2021. The line of credit bears interest of 1.50% above the LIBOR index. There was no balance outstanding at September 30, 2020.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 10 — NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted for the following purposes:

	September 30,	
	2020	2019
Subject to the Garden Spending Policy and Appropriation		
Science	\$ 45,691,660	\$ 46,467,434
Horticulture	8,935,570	7,749,581
Education and sustainability	3,599,820	3,538,858
General use/other	<u>87,240,658</u>	<u>82,399,457</u>
	<u>145,467,708</u>	<u>140,155,330</u>
Subject to Expenditure for Specific Purpose		
Capital projects	73,452,164	61,959,159
Science	2,631,382	2,368,368
Horticulture	1,924,674	2,041,166
Education and sustainability	1,480,131	960,648
Other	<u>900,973</u>	<u>571,098</u>
	<u>80,389,324</u>	<u>67,900,439</u>
	<u>\$ 225,857,037</u>	<u>\$ 208,055,769</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets were released for the following purposes:

	Year Ended September 30, 2020	Period From January 1, 2019 Through September 30, 2019
Science, Horticulture, and Education	\$ 5,565,590	\$ 4,580,465
Property and Equipment	587,516	615,659
General Operating	<u>6,445,733</u>	<u>5,112,374</u>
	<u>\$ 12,598,839</u>	<u>\$ 10,308,498</u>

Net assets with donor restrictions where the amounts are required to be maintained in perpetuity by the donor are primarily to provide investment income that is available for the operating expenses of the Garden.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 11 — RETIREMENT PLANS

The Garden sponsors a defined contribution 403(b) plan covering substantially all eligible employees who choose to participate. The Garden matches employee contributions up to a maximum of 6% of employee salary. The Garden's contributions for the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019 were \$985,586 and \$736,607, respectively.

In addition, the Garden sponsors a defined benefit pension plan covering certain eligible employees (the Plan). Effective January 1, 2005, benefit accounts were frozen for all participants and no new participants were allowed to enter the Plan. The benefits are based on years of service and an employee's cumulative compensation from entering the Plan through December 31, 2004. The Garden used a September 30 measurement date for the period from January 1, 2019 through September 30, 2019.

On December 31, 2019, the Plan was terminated. During the Plan liquidation process, the Garden obtained pension liability calculations and related funding requirements as of September 30, 2020 from their actuary, but no actuarial valuation was performed. As of September 30, 2020, the Garden had made all required contributions to the Plan to fund remaining liabilities and recognized a related minimum pension liability adjustment for the year then ended of \$1,691,050. As a result, there is no plan liability recorded on the Garden's consolidated balance sheet at September 30, 2020. Since September 30, 2020, the Plan utilized the assets held to pay all remaining liabilities.

	Year Ended September 30, 2020
Change in Benefit Obligation	
Benefit obligation at beginning of year	\$ 11,240,128
Increase for interest	427,819
Increase for actuarial loss	1,691,050
Decrease for benefit payments	(9,123,061)
Decrease for purchase of annuities	<u>(4,215,304)</u>
Benefit obligation at end of year	<u>\$ 20,632</u>
 Change in Plan Assets	
Fair value of plan assets at beginning of year	\$ 7,399,592
Increase for actual return on plan assets	427,819
Increase for employer contributions	5,531,586
Decrease for benefit payments	(9,123,061)
Decrease for purchase of annuities	<u>(4,215,304)</u>
Fair value of plan assets at end of year	<u>\$ 20,632</u>
 Net Liability at September 30, 2020	 <u>\$ -</u>

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 11 — RETIREMENT PLANS (Continued)

	Period From January 1, 2019 Through September 30, 2019
Change in Benefit Obligation During Period	
Projected benefit obligation (PBO) at beginning of period	\$ 10,764,729
Interest cost	298,610
Benefits paid	(845,349)
Actuarial loss (gain)	1,022,138
Projected benefit obligation (PBO) at end of period	<u>\$ 11,240,128</u>
Accumulated Benefit Obligation at End of Period	<u>\$ 11,240,128</u>
Change in Plan Assets During Period	
Fair value of plan assets at beginning of period	\$ 7,246,545
Actual return on plan assets	620,363
Employer contributions	378,033
Benefits paid	(845,349)
Fair value of plan assets at end of period	<u>\$ 7,399,592</u>
Funded Status at End of Period (Assets Less PBO)	<u>\$ (3,840,536)</u>
Amounts recognized in the balance sheet at September 30, 2019 consist of:	
Liabilities - Accounts Payable and Accrued Liabilities	<u>\$ 3,840,536</u>
Amounts recognized without donor restrictions at September 30, 2019 consist of:	
Increase During Period	\$ 171,377
Beginning of Period Actuarial Net Loss	<u>4,427,234</u>
Total	<u>\$ 4,598,611</u>
	<u>Pension Benefits</u>
	<u>2019</u>
Weighted-Average Assumptions Used to Determine Benefit Obligations at September 30, 2019	
Discount rate	3.00%
Rate of compensation increase	N/A
Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Period Ended September 30, 2019	
Discount rate	3.75%
Expected return on plan assets	6.00%
Rate of compensation increase	N/A

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 11 — RETIREMENT PLANS (Continued)

Plan Assets

The following are the major categories of assets maintained by the Garden's pension plan measured at fair value on a recurring basis at September 30, 2020 and 2019 using quoted market prices in active markets for identical assets Level 1, Level 2 and Level 3, as defined in Note 6:

	Investments at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 20,632	\$ -	\$ -	\$ 20,632
Mutual Funds				
Equity	-	-	-	-
Fixed	-	-	-	-
Total	<u>\$ 20,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,632</u>

	Investments at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 806,245	\$ -	\$ -	\$ 806,245
Mutual Funds				
Equity	1,366,561	-	-	1,366,561
Fixed	5,226,786	-	-	5,226,786
Total	<u>\$ 7,399,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,399,592</u>

Prior to Plan termination, the Garden's overall objective for Plan assets was to provide benefits to its beneficiaries through a carefully planned and executed investment program. The assets of the Plan were diversified to minimize the risk of large losses within any one asset class, investment type, geographic location, industry or sector distributions, or maturity date, which could seriously impair the Plan's ability to achieve its funding and long-term investment objectives. The assets of the Plan were invested to maximize returns for the level of risk taken and maintain adequate liquidity to meet required benefit payments to the Plan's beneficiaries.

NOTE 12 — CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Garden to concentrations of credit risk consist principally of cash deposits in banks and other financial institutions, investment securities, and contribution receivables. The Garden maintains cash and cash equivalents and short and long-term investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and accounts at brokerage firms are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 at each institution, as applicable. At times, the Garden may have balances with banks in excess of the FDIC coverage.

At September 30, 2020 and September 30, 2019, seven and three donors comprise over 77% and 65% of the contributions receivable balance, respectively. All of these donors have a strong history with the Garden and no issues with collectability are anticipated.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 13 — RELATED PARTY TRANSACTIONS

During the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, the Garden received \$3,208,114 and \$1,793,863, respectively, in contributions for operating, program, and capital purposes from various members of the Board. In addition, during the year ended September 30, 2020 and the period from January 1, 2019 through September 30, 2019, \$10,873,200 and \$19,107,045, respectively, were received from immediate family members of the Trustees, or from companies in which Trustees serve as a director or officer. At September 30, 2020 and 2019, contributions receivable, gross, of \$26,754,297 and \$27,760,603, respectively, were due from Trustees, immediate family members of the Trustees and companies in which Trustees serve as a director or officer, and consisted of multiple year pledges to the Garden for operating, research, and capital funds. Note 4 includes amounts paid for investment, custodian, advisory and management fees to a related party.

NOTE 14 — BOTANICAL GARDEN SUBDISTRICT

The Botanical Garden Subdistrict (the Subdistrict) is a part of the Metropolitan Zoological Park and Museum District of the City of St. Louis and St. Louis County. The Subdistrict was established to receive tax revenues from the tax collectors' offices and to pay for botanical services provided to benefit the public. Pursuant to legal requirements, the Subdistrict and the Garden enter into an annually renewable contract for botanical services. The contract provides for botanical facilities and services to be provided to the public by the Garden in exchange for compensation from the Subdistrict. In accordance with the contract, the Garden records revenue based on a rate of 3.62¢ and 3.65¢ on each \$100 of assessed valuation at September 30, 2020 and 2019, respectively. At September 30, 2020 and 2019, the Garden's other receivables included \$3,584,994 and \$2,054,467, respectively, from the Subdistrict.

NOTE 15 — RELATED ENTITIES

The Garden leases employees to and/or provides accounting services pursuant to written contracts for four other entities. The accounts of the St. Louis-Jefferson Solid Waste Management District (Solid Waste Management), the Botanical Society of America (BSA), the American Society of Plant Taxonomists (ASPT) and the U.S. Green Building Council-Missouri Gateway Chapter (GBC) have not been included in the accompanying consolidated financial statements as the criteria of control does not exist. As required, the following information regarding transactions between the Garden and these entities is provided:

The St. Louis-Jefferson Solid Waste Management District

Solid Waste Management is a local government agency which serves as a resource to assist the public, private and not-for-profit sectors in establishing and expanding waste reduction, recycling and composting efforts in the St. Louis area. At September 30, 2020 and 2019, the Garden has a contract receivable from Solid Waste Management of \$28,097 and \$24,736, respectively.

MISSOURI BOTANICAL GARDEN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 15 — RELATED ENTITIES (Continued)

Botanical Society of America

BSA is a not-for-profit corporation established to promote botany, the field of basic science dealing with the study and inquiry into form, function, diversity, development, reproduction, evolution, and uses of plants and their interactions within the biosphere. In addition to leasing employees to BSA, the Garden also leases approximately 1,000 square feet of space for a nominal fee. At September 30, 2020 and 2019, the Garden had a contract receivable of \$25,000 and \$-, respectively, from BSA.

American Society of Plant Taxonomists

ASPT is a not-for-profit corporation established to foster, encourage, and promote education and research in the field of plant taxonomy. In addition to leasing employees to ASPT, the Garden also leases approximately 135 square feet of space for a nominal fee. At September 30, 2020 and 2019, the Garden has a contract receivable of \$8,323 and \$-, respectively, from ASPT.

U.S. Green Building Council - Missouri Gateway Chapter

GBC is a not-for-profit corporation established to initiate, develop and accelerate implementation of green building concepts, technologies and principles that promote environmentally responsible, profitable and healthy places to live and work. At September 30, 2020 and 2019, the Garden has a contract receivable from GBC of \$74,941 and \$50,598, respectively.

NOTE 16 — RISKS AND UNCERTAINTIES

The Garden's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to current economic conditions, it is at least reasonably possible that changes in the value of the Garden's investments will occur in the near term and those changes could materially affect the amounts reported in the Garden's consolidated financial statements.

While there are no material legal proceedings to which the Garden is a party, the Garden may be involved in various claims, legal actions and regulatory proceedings arising in the ordinary course of business. In the opinion of the Garden's management, the resolution of these matters will not have a material adverse effect on the Garden's consolidated financial statements.

NOTE 17 — SUBSEQUENT EVENT

As described in note 11, the Garden terminated its defined benefit pension plan. Final distributions were made on October 1, 2020 and all liabilities were funded through employer contributions.

The extent of COVID-19's effect on the Garden's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Garden's finances. However, if the pandemic continues as a severe worldwide health crisis, the disease could have a material adverse effect on the Garden's financial condition, activities, and cash flow.

SUPPLEMENTARY INFORMATION

MISSOURI BOTANICAL GARDEN
CONSOLIDATING BALANCE SHEET BY FUND
September 30, 2020

	<u>Operating</u>	<u>Restricted Operating</u>	<u>Endowment</u>	<u>Property and Equipment</u>	<u>Gift Annuities</u>	<u>Capital Campaign</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 5,903,285	\$ -	\$ -	\$ 567	\$ -	\$ (567)	\$ 5,903,285
Grants receivable	-	449,751	-	-	-	-	449,751
Contract assets	-	232,817	-	-	-	-	232,817
Contributions receivable, net	575,018	1,027,434	2,388,751	-	-	24,319,757	28,310,960
Other receivables, net	3,943,965	203	(6)	1,023	4,608	63,728	4,013,521
Inventories, prepayments and other assets	1,695,997	1,689	-	100	-	-	1,697,786
Investments	18	46,629	159,990,984	608,710	1,045,004	37,741,640	199,432,985
Property and equipment, net of accumulated depreciation	-	-	-	86,043,077	-	-	86,043,077
Interfund receivables (payables)	(4,531,334)	7,415,324	(2,816,000)	5,657,611	338,093	(6,063,694)	-
Total assets	<u>\$ 7,586,949</u>	<u>\$ 9,173,847</u>	<u>\$ 159,563,729</u>	<u>\$ 92,311,088</u>	<u>\$ 1,387,705</u>	<u>\$ 56,060,864</u>	<u>\$ 326,084,182</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 6,299,640	\$ 73,161	\$ -	\$ 169,955	\$ 11,533	\$ 1,593,264	\$ 8,147,553
Contract liabilities	612,317	21,711	-	-	-	-	634,028
Deferred revenue	1,350	58,609	-	-	-	-	59,959
Refundable advance - paycheck protection program	-	4,547,400	-	-	-	-	4,547,400
Liability for gift annuity payments	-	-	-	-	1,363,707	-	1,363,707
Total liabilities	<u>6,913,307</u>	<u>4,700,881</u>	<u>-</u>	<u>169,955</u>	<u>1,375,240</u>	<u>1,593,264</u>	<u>14,752,647</u>
NET ASSETS							
Without donor restrictions							
General operating - undesignated	673,642	-	-	-	-	-	673,642
Board-designated -							
Operating	-	(2,399,977)	-	-	-	-	(2,399,977)
Capital Projects	-	-	-	76,362,588	-	(3,257,776)	73,104,812
Endowment Funds	-	-	14,096,021	-	-	-	14,096,021
Total board-designated	-	(2,399,977)	14,096,021	76,362,588	-	(3,257,776)	84,800,856
Total without donor restrictions	673,642	(2,399,977)	14,096,021	76,362,588	-	(3,257,776)	85,474,498
With donor restrictions	-	6,872,943	145,467,708	15,778,545	12,465	57,725,376	225,857,037
Total net assets	<u>673,642</u>	<u>4,472,966</u>	<u>159,563,729</u>	<u>92,141,133</u>	<u>12,465</u>	<u>54,467,600</u>	<u>311,331,535</u>
Total liabilities and net assets	<u>\$ 7,586,949</u>	<u>\$ 9,173,847</u>	<u>\$ 159,563,729</u>	<u>\$ 92,311,088</u>	<u>\$ 1,387,705</u>	<u>\$ 56,060,864</u>	<u>\$ 326,084,182</u>

MISSOURI BOTANICAL GARDEN
CONSOLIDATING STATEMENT OF ACTIVITIES BY FUND
Year Ended September 30, 2020

	<u>Operating</u>	<u>Restricted Operating</u>	<u>Endowment</u>	<u>Property and Equipment</u>	<u>Gift Annuities</u>	<u>Capital Campaign</u>	<u>Elimination</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES								
Botanical Garden Subdistrict	\$ 12,840,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,840,000
Contributions	6,795,240	1,421,742	1,051,773	112,500	-	12,071,538	-	21,452,793
Memberships	3,340,287	-	-	-	-	-	-	3,340,287
Bequests	1,454,670	-	-	-	-	-	-	1,454,670
Admissions	3,005,230	-	-	-	-	-	-	3,005,230
Grants and contracts	-	5,966,642	-	-	-	-	-	5,966,642
Education	219,243	-	-	-	-	-	-	219,243
Retail shops	1,096,317	-	-	-	-	-	-	1,096,317
Property rentals	249,981	-	-	-	-	-	-	249,981
Net investment return	4,574,330	1,763,269	3,457,582	7,681	1,599	602,914	-	10,407,375
Other	952,405	(190,764)	-	66,566	(852,956)	-	(88,157)	(112,906)
Total public support and revenues	<u>\$ 34,527,703</u>	<u>\$ 8,960,889</u>	<u>\$ 4,509,355</u>	<u>\$ 186,747</u>	<u>\$ (851,357)</u>	<u>\$ 12,674,452</u>	<u>\$ (88,157)</u>	<u>\$ 59,919,632</u>

(Continued on Page 32)

MISSOURI BOTANICAL GARDEN
CONSOLIDATING STATEMENT OF ACTIVITIES BY FUND (Continued)
Year Ended September 30, 2020

	<u>Operating</u>	<u>Restricted Operating</u>	<u>Endowment</u>	<u>Property and Equipment</u>	<u>Gift Annuities</u>	<u>Capital Campaign</u>	<u>Eliminations</u>	<u>Total</u>
EXPENSES								
Program Services								
Science and conservation	\$ 7,627,963	\$ 3,961,096	\$ -	\$ 1,772,204	\$ -	\$ 149,292	\$ -	\$ 13,510,555
Horticulture	8,343,945	452,682	-	3,516,748	-	392,917	-	12,706,292
Education and sustainability	2,305,120	2,037,050	-	551,541	-	37,533	-	4,931,244
Other	<u>4,272,328</u>	<u>1,202,074</u>	-	<u>596,465</u>	-	<u>34,746</u>	-	<u>6,105,613</u>
Total Program Services	<u>22,549,356</u>	<u>7,652,902</u>	-	<u>6,436,958</u>	-	<u>614,488</u>	-	<u>37,253,704</u>
Supporting services								
Management and general	7,037,165	51,526	-	471,345	-	9,941	(88,157)	7,481,820
Fundraising	<u>1,373,107</u>	<u>31,327</u>	-	<u>88,607</u>	-	<u>326,983</u>	-	<u>1,820,024</u>
Total supporting services	<u>8,410,272</u>	<u>82,853</u>	-	<u>559,952</u>	-	<u>336,924</u>	<u>(88,157)</u>	<u>9,301,844</u>
TOTAL EXPENSES	<u>30,959,628</u>	<u>7,735,755</u>	-	<u>6,996,910</u>	-	<u>951,412</u>	<u>(88,157)</u>	<u>46,555,548</u>
CHANGES IN NET ASSETS FROM OPERATIONS	<u>3,568,075</u>	<u>1,225,134</u>	<u>4,509,355</u>	<u>(6,810,163)</u>	<u>(851,357)</u>	<u>11,723,040</u>	-	<u>13,364,084</u>
NON OPERATING ACTIVITIES								
Transfers of funds	(3,127,482)	(3,731,835)	671,493	5,355,398	(619,737)	1,452,163	-	-
Capital purchase transfers	(440,592)	(460,816)	-	11,247,885	-	(10,346,477)	-	-
Changes in value of annuity agreements	-	-	-	-	1,471,094	-	-	1,471,094
Minimum pension liability adjustment	<u>(1,691,050)</u>	-	-	-	-	-	-	<u>(1,691,050)</u>
Changes in net assets from non operating activities	<u>(5,259,124)</u>	<u>(4,192,651)</u>	<u>671,493</u>	<u>16,603,283</u>	<u>851,357</u>	<u>(8,894,314)</u>	-	<u>(219,956)</u>
CHANGES IN NET ASSETS	<u>(1,691,049)</u>	<u>(2,967,517)</u>	<u>5,180,848</u>	<u>9,793,120</u>	-	<u>2,828,726</u>	-	<u>13,144,128</u>
NET ASSETS - BEGINNING OF YEAR	<u>2,364,691</u>	<u>7,440,483</u>	<u>154,382,881</u>	<u>82,348,013</u>	<u>12,465</u>	<u>51,638,874</u>	-	<u>298,187,407</u>
NET ASSETS - END OF YEAR	<u>\$ 673,642</u>	<u>\$ 4,472,966</u>	<u>\$ 159,563,729</u>	<u>\$ 92,141,133</u>	<u>\$ 12,465</u>	<u>\$ 54,467,600</u>	<u>\$ -</u>	<u>\$ 311,331,535</u>