

CHEEKWOOD BOTANICAL GARDEN
AND MUSEUM OF ART

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

DECEMBER 31, 2021 AND 2020

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AND MUSEUM OF ART

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DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Cheekwood Botanical Garden
and Museum of Art
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Cheekwood Botanical Garden and Museum of Art ("Cheekwood") which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cheekwood Botanical Garden and Museum of Art as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cheekwood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheekwood's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cheekwood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheekwood's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.



Nashville, Tennessee
June 14, 2022

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 8,505,566	\$ 4,863,155
Promises to give and accounts receivable - operating	426,772	364,478
Inventories	103,993	119,010
Prepaid expenses	208,418	314,887
Restricted cash:		
Endowment	33,883	1,207,675
Other long-term purposes	1,016,770	1,058,508
Promises to give, net:		
Endowment	66,721	1,680,296
Other long-term purposes	462,902	506,298
Investments - endowment	21,730,508	16,574,040
Property and equipment, net	25,760,573	26,571,494
Collections - Notes 1 and 8	-	-
TOTAL ASSETS	<u>\$ 58,316,106</u>	<u>\$ 53,259,841</u>

LIABILITIES AND NET ASSETS

<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 1,254,114	\$ 1,390,638
Deferred revenues	2,574,836	2,025,236
Other	<u>16,753</u>	<u>29,320</u>
TOTAL LIABILITIES	<u>3,845,703</u>	<u>3,445,194</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	29,092,710	26,960,714
Board-designated endowment	2,940,139	2,519,225
Board-designated future operations	1,236,125	-
Board-designated Swan Ball	<u>159,477</u>	<u>916,423</u>
Total without donor restrictions	33,428,451	30,396,362
With donor restrictions	<u>21,041,952</u>	<u>19,418,285</u>
TOTAL NET ASSETS	<u>54,470,403</u>	<u>49,814,647</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 58,316,106</u>	<u>\$ 53,259,841</u>

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Net Assets Without</u> <u>Donor Restrictions</u>	<u>Net Assets With</u> <u>Donor Restrictions</u>	<u>Totals</u>
SUPPORT AND REVENUES			
Contributions	\$ 2,197,168	\$ 1,732,719	\$ 3,929,887
Volunteer fundraising contributions	126,420	44,435	170,855
Government grants and programs	201,575	-	201,575
Contributions and net revenues from special events	1,469,339	-	1,469,339
In-kind contributions	95,211	-	95,211
Admission fees	5,867,005	-	5,867,005
Membership dues	2,009,966	-	2,009,966
Educational programs	211,587	-	211,587
Restaurant, catering and gift shop	1,467,322	-	1,467,322
Rental event income	1,086,748	-	1,086,748
Investment income, net	557,464	1,793,445	2,350,909
Loss on disposal of property and equipment	(30,172)	-	(30,172)
Miscellaneous income	14,950	-	14,950
Net assets released resulting from satisfaction of donor restrictions	<u>1,946,932</u>	<u>(1,946,932)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>17,221,515</u>	<u>1,623,667</u>	<u>18,845,182</u>
FUNCTIONAL EXPENSES			
Program services	11,908,733	-	11,908,733
Administrative	1,224,988	-	1,224,988
Fundraising	<u>1,055,705</u>	<u>-</u>	<u>1,055,705</u>
TOTAL FUNCTIONAL EXPENSES	<u>14,189,426</u>	<u>-</u>	<u>14,189,426</u>
CHANGE IN NET ASSETS	3,032,089	1,623,667	4,655,756
NET ASSETS - BEGINNING OF YEAR	<u>30,396,362</u>	<u>19,418,285</u>	<u>49,814,647</u>
NET ASSETS - END OF YEAR	<u>\$ 33,428,451</u>	<u>\$ 21,041,952</u>	<u>\$ 54,470,403</u>

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Net Assets Without</u> <u>Donor Restrictions</u>	<u>Net Assets With</u> <u>Donor Restrictions</u>	<u>Totals</u>
SUPPORT AND REVENUES			
Contributions	\$ 2,046,769	\$ 2,077,902	\$ 4,124,671
Volunteer fundraising contributions	49,300	102,665	151,965
Government grants and programs	1,401,476	-	1,401,476
Contributions and net revenues from special events	1,158,824	-	1,158,824
In-kind contributions	208,207	-	208,207
Admission fees	4,682,236	-	4,682,236
Membership dues	1,329,837	-	1,329,837
Educational programs	101,496	-	101,496
Restaurant, catering and gift shop	1,068,155	-	1,068,155
Rental event income	201,041	-	201,041
Investment income, net	650,459	1,905,348	2,555,807
Loss on disposal of property and equipment	(29,017)	-	(29,017)
Miscellaneous income	128,266	67,250	195,516
Net assets released resulting from satisfaction of donor restrictions	<u>3,152,139</u>	<u>(3,152,139)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>16,149,188</u>	<u>1,001,026</u>	<u>17,150,214</u>
FUNCTIONAL EXPENSES			
Program services	10,589,071	-	10,589,071
Administrative	1,181,135	-	1,181,135
Fundraising	<u>1,008,054</u>	<u>-</u>	<u>1,008,054</u>
TOTAL FUNCTIONAL EXPENSES	<u>12,778,260</u>	<u>-</u>	<u>12,778,260</u>
CHANGE IN NET ASSETS	3,370,928	1,001,026	4,371,954
NET ASSETS - BEGINNING OF YEAR	<u>27,025,434</u>	<u>18,417,259</u>	<u>45,442,693</u>
NET ASSETS - END OF YEAR	<u>\$ 30,396,362</u>	<u>\$ 19,418,285</u>	<u>\$ 49,814,647</u>

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Exhibitions and Programs</u>	<u>Restaurant, Rentals and Gift Shops</u>	<u>Total</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 3,912,881	\$ 487,425	\$ 4,400,306	\$ 645,420	\$ 641,836	\$ 5,687,562
Professional fees and contract services	364,675	6,100	370,775	103,013	11,335	485,123
Exhibitions and public programs	2,145,091	-	2,145,091	30,633	110	2,175,834
Special events	-	55,394	55,394	-	265,815	321,209
Communication, advertising and donor cultivation	448,681	19,551	468,232	38,184	83,128	589,544
Utilities	247,417	4,647	252,064	84,941	1,819	338,824
Maintenance and repairs	452,562	1,641	454,203	12,201	-	466,404
Software and equipment	201,055	9,303	210,358	139,390	21,866	371,614
Supplies	72,963	17,488	90,451	11,139	2,221	103,811
Travel and transportation	32,438	5,347	37,785	3,804	2,813	44,402
Insurance	211,770	42,639	254,409	42,643	-	297,052
Interest expense, bank and credit card fees	220,814	66,126	286,940	11,955	21,527	320,422
Miscellaneous	53,735	(4,070)	49,665	46,089	3,235	98,989
Cost of goods sold	4,504	1,066,813	1,071,317	-	-	1,071,317
Depreciation	<u>1,604,119</u>	<u>157,624</u>	<u>1,761,743</u>	<u>55,576</u>	<u>-</u>	<u>1,817,319</u>
Total	<u>\$ 9,972,705</u>	<u>\$ 1,936,028</u>	<u>\$ 11,908,733</u>	<u>\$ 1,224,988</u>	<u>\$ 1,055,705</u>	<u>\$ 14,189,426</u>

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Exhibitions and Programs</u>	<u>Restaurant, Rentals and Gift Shops</u>	<u>Total</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 3,659,256	\$ 437,241	\$ 4,096,497	\$ 630,445	\$ 525,167	\$ 5,252,109
Professional fees and contract services	281,612	-	281,612	171,891	22,395	475,898
Exhibitions and public programs	2,156,035	971	2,157,006	541	-	2,157,547
Special events	2,650	1,080	3,730	-	328,700	332,430
Communication, advertising and donor cultivation	591,964	18,737	610,701	20,422	99,691	730,814
Utilities	213,726	4,013	217,739	71,045	1,604	290,388
Maintenance and repairs	359,158	4,370	363,528	13,021	-	376,549
Software and equipment	121,356	13,619	134,975	94,647	21,803	251,425
Supplies	82,934	12,449	95,383	14,889	819	111,091
Travel and transportation	16,970	2,284	19,254	3,471	88	22,813
Insurance	199,058	39,681	238,739	52,143	-	290,882
Interest expense, bank and credit card fees	187,761	53,667	241,428	16,838	5,679	263,945
Miscellaneous	27,849	36,431	64,280	35,360	2,108	101,748
Cost of goods sold	2,903	472,040	474,943	-	-	474,943
Depreciation	<u>1,433,550</u>	<u>155,706</u>	<u>1,589,256</u>	<u>56,422</u>	<u>-</u>	<u>1,645,678</u>
Total	<u>\$ 9,336,782</u>	<u>\$ 1,252,289</u>	<u>\$ 10,589,071</u>	<u>\$ 1,181,135</u>	<u>\$ 1,008,054</u>	<u>\$ 12,778,260</u>

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 4,655,756	\$ 4,371,954
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,817,319	1,645,678
Contributions restricted or designated for endowment and other long-term purposes	(983,517)	(1,786,508)
Loss on disposal of property and equipment	30,172	29,017
Realized and unrealized gains on investments	(2,119,272)	(2,441,089)
Decrease (increase) in:		
Promises to give and accounts receivable - operating	(62,294)	312,061
Inventories	15,017	36,252
Prepaid expenses	106,469	138,762
Increase (decrease) in:		
Accounts payable and accrued expenses	(136,524)	(247,459)
Deferred revenues	549,600	699,081
Other	(12,567)	1,297
TOTAL ADJUSTMENTS	<u>(795,597)</u>	<u>(1,612,908)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,860,159</u>	<u>2,759,046</u>
INVESTING ACTIVITIES		
Purchases of investment securities	(20,703,320)	(25,948,718)
Proceeds from sale of investment securities	17,666,124	24,849,634
Purchases of property and equipment	<u>(1,036,570)</u>	<u>(2,470,319)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,073,766)</u>	<u>(3,569,403)</u>
FINANCING ACTIVITIES		
Proceeds from contributions restricted or designated for:		
Investment in endowment	1,673,592	1,513,533
Investment in capital improvements	966,896	2,600,401
Investment in future art acquisitions	<u>-</u>	<u>67,250</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,640,488</u>	<u>4,181,184</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	2,426,881	3,370,827
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>7,129,338</u>	<u>3,758,511</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 9,556,219</u>	<u>\$ 7,129,338</u>

(continued on next page)

See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

CASH, CASH EQUIVALENTS AND RESTRICTED CASH ARE REPORTED IN THE STATEMENTS
OF FINANCIAL POSITION AS FOLLOWS:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 8,505,566	\$ 4,863,155
Restricted cash - endowment	33,883	1,207,675
Restricted cash - other long-term purposes	<u>1,016,770</u>	<u>1,058,508</u>
	<u>\$ 9,556,219</u>	<u>\$ 7,129,338</u>

SUPPLEMENTAL CASH FLOW DISCLOSURE

Interest paid	<u>\$ 1,511</u>	<u>\$ 8,961</u>
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NONCASH INVESTING TRANSACTIONS

Contribution of collection items	<u>\$ -</u>	<u>\$ -</u>
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See accompanying notes to financial statements.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Cheekwood Botanical Garden and Museum of Art, doing business as Cheekwood Estate & Gardens, ("Cheekwood") is a Tennessee not-for-profit corporation whose mission is to celebrate and preserve the institution as an historical landmark where beauty and excellence in art and horticulture nurture the spirit and serve as inspiration for a diverse and broad audience. Located on the Cheek estate, including the historic residence and 55 acres of botanical gardens, Cheekwood provides historical interpretation, unique art and garden educational experiences for residents of Middle Tennessee and visitors from across the world. Cheekwood's financial statements include the accounts and operations of the Swan Ball ("Swan Ball"), which is an annual special event administered by the Swan Ball volunteers to benefit Cheekwood.

Basis of Presentation

The financial statements of Cheekwood have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which require Cheekwood 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 Cheekwood's management and the Board of Trustees. Cheekwood's Board of Trustees has designated from net assets without donor restrictions, certain net assets for the Swan Ball, future operations and for a board-designated endowment.

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 Cheekwood 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-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Support and Revenue Recognition

Contributions: Cheekwood recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Conditional promises to give, including those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Based on giving levels, arrangements with individual and corporate donors often contain both an exchange element, relating to the value of benefits provided, and a contribution element for the difference between the total amount and the value of benefits. Cheekwood recognizes the contribution portion when received and recognizes revenue for the exchange element as the benefits are provided. Benefits provided may include invitations to receptions and dinners, tickets to special events, admission passes, membership benefits and discounts on rental event fees. Corporate benefits may also include advertising and marketing. Benefits generally expire within one year.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition (continued)

The transaction amount is allocated to each benefit based on actual amounts charged for similar benefits, where applicable, or estimates based on similar goods or services provided within the surrounding area. The amount not allocated to benefits is allocated to contribution. Revenues for invitations and special event tickets are recognized when those activities occur. Revenues for admission passes and membership benefits are recognized when the admission passes are provided and over a one-year period for membership benefits. Revenue associated with discounts on rental events is recognized, net of estimated forfeitures, when the event occurs. Advertising and marketing benefits are generally related to corporate sponsorship of specific events and are recognized over a three-month period during which the event occurs.

Government grants and programs: A portion of Cheekwood's revenue is derived from cost-reimbursable government grant agreements, which are conditioned upon the attainment of certain performance requirements, the incurrence of allowable qualifying expenses or both. Amounts received are recognized as revenue when Cheekwood has incurred expenditures in compliance with the specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported in deferred revenues in the statements of financial position.

Contributions and net revenues from special events: Contributions and net revenues from the Swan Ball and its related events are recognized as those events occur. As of December 31, amounts received for next year's Swan Ball and events are recorded as deferred revenues.

Admission fees: Ticket sales are generally non-refundable and are recognized at the time the transaction is executed by the ticketholder. Ticket sales for special events are deferred until the event occurs.

Membership dues: Cheekwood memberships are for either a one-year or two-year period and offer admission to the estate during regular operating hours as well as discounts for the gift shops, Café 29, and for special programs and events. Membership revenue is recognized ratably over the period of the membership.

Educational programs: Cheekwood provides educational classes, camps and public programs. Fees for these activities are recognized as revenue at the time the activities are held.

Restaurant, catering and gift shop: Merchandise sales at the gift shops and food and beverage purchases at Café 29 are recognized at the point of sale. Catering revenue occurs primarily with rental events and is recognized consistent with those events.

Rental event income: Cheekwood offers various garden and building spaces for weddings, corporate and other events. Revenue from these events is recognized when the event occurs, and services are rendered to the customer. Most rental events require a deposit, which is recorded in deferred revenues until the event occurs.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition (continued)

Due to the nature and timing of the performance of services or access to benefits, substantially all deferred revenues at December 31 relating to the above-described activities are recognized in the following year.

Deferred Revenues

Deferred revenues represent amounts received from exchange transactions prior to providing the related goods and services. Deferred revenues relate to rental event deposits, memberships, certain government grants, and the exchange component of individual and corporate giving and sponsorships. Amounts received for Swan Ball in advance of the event are also recorded as deferred revenues.

Collections

In accordance with professional standards, Cheekwood has elected that certain objects acquired through purchases and contributions since Cheekwood's inception not be valued in the accompanying statements of financial position. The cost of such objects purchased are reflected as program expenses and treated as decreases in net assets without donor restrictions in the year in which the items are acquired or as decreases in net assets with donor restrictions if the assets used to purchase the items are restricted by donors. The value of collection items contributed by donors is not recorded in the financial statements but is disclosed at estimated fair value as a non-cash activity in the statements of cash flows. Proceeds from the sale of any deaccessioned items are classified as net assets with donor restrictions, to be applied toward future acquisitions of new collection items or the direct care of the collection. Direct care of the collection expenditures include those that enhances the life, usefulness or quality of the collection. To qualify as direct care, an expenditure must: be a strategic investment consistent with responsible fiscal planning and adequate planning for collections; be an expense not normally considered part of the regular operating budget; make a physical or immediate impact on the object(s) that increases or restores its cultural or scientific value, thus prolonging its life and usefulness.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to Cheekwood's program services and fundraising activities; however, no amounts have been reflected in the accompanying financial statements for donated services by volunteers since there is no objective basis by which to measure the value of such services. Donated services that require specialized skills and would be purchased if not provided by the donor are recognized as support and expenses based on the estimated fair value of the services received.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to cash, with maturities of three months or less from the date of purchase. Cash and cash equivalents held in brokerage accounts are included in investments.

Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (0.46% in 2021 and 0.42% in 2020). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Cheekwood determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections.

Investments

Investments are carried at the quoted market value on the last business day of the reporting period. Net realized and unrealized gains and losses are reflected in the statements of activities.

Inventories

Inventories consist principally of catering supplies and gift shop items and are reported at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Land, land improvements, buildings and equipment and furnishings are stated at cost or, if donated, at estimated fair value at the date of donation. Cheekwood capitalizes assets with a cost over \$5,000 and an estimated useful life greater than one year. Depreciation of land improvements, buildings and equipment and furnishings is provided on a straight-line basis over estimated useful lives ranging from three to forty years. Costs of maintenance and repairs are charged to expense. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except trade-ins) or loss is included in operations for the period. Gains on trade-ins are applied to reduce the cost of the new acquisition.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense amounted to \$326,448 and \$505,178 for the years ended December 31, 2021 and 2020, respectively.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Cheekwood is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and files U.S. Federal Form 990 for organizations exempt from income tax. Cheekwood files U.S. Federal Form 990T, for organizations exempt from income tax with unrelated business income, as well as a State of Tennessee income tax return.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing Cheekwood's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

Fair Value Measurements

Cheekwood classifies its assets measured at fair value based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs). Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Investments - Money market funds, mutual funds and equity securities, including exchange traded funds, are valued at the closing price reported on the active market which they are traded and are classified within Level 1 of the valuation hierarchy.

There have been no changes in the methodologies used at December 31, 2021 and 2020.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Cheekwood's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Funds

Cheekwood has various endowment funds, which include both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by 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. Cheekwood's donor-restricted endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act ("SUPMIFA").

Interpretation of applicable law - The Board of Trustees has interpreted SUPMIFA 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, Cheekwood classified as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending policy - Cheekwood has a policy of appropriating for distribution each year a payout of 4.5% of the moving average, which is based on the rolling quarterly average of the portfolio value over the previous three years.

Investment return objective, risk parameters and strategies - Cheekwood has adopted investment and spending policies to establish asset allocation targets, investment objectives and guidelines and the degree of investment risk the Board deems acceptable.

The primary investment objective of the endowment is to provide long-term growth of capital sufficient to meet Cheekwood's current and future spending obligations and to protect the endowment from long-term effects of inflation. To achieve its investment objectives, Cheekwood acknowledges that risk tolerance and diversification are overriding guiding principles of its investment policy and that the primary objectives of diversification across uncorrelated asset classes are to enhance long-term total return and reducing portfolio volatility.

Cheekwood recognizes that higher returns require an acceptance of higher risk and the potential for higher volatility. Cheekwood is willing to accept a moderate level of volatility, based on the target allocation of the assets, in order to optimize total return within an acceptable risk tolerance. In order to reduce volatility, the assets will be diversified fully across a range of approved asset classes. These include small, medium and large capitalization domestic equities, international equities from emerging and developed markets, fixed income securities, and other real estate and commodities funds.

As of December 31, 2021, the asset allocation ranges were 35% to 45% large-cap equity, 0% to 10% mid cap and small cap equity, 10% to 20% international equity, 0% to 10% emerging market equity, 15% to 25% fixed income and 5% to 15% non-traditional. Cheekwood engages an outside investment management firm to manage the portfolio within the stated guidelines and objectives.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - expenses related to providing a premiere cultural resource for Tennessee residents and visitors to Middle Tennessee. Cheekwood provides arts, gardens and history to students of all ages through a significant commitment to educational programming. Cheekwood programs are blended through two distinctive areas:

Exhibitions and Programs - Cheekwood provides a wide variety of activities inspired by its extensive indoor and outdoor collections. The Historic Mansion and Museum features selections of the Cheek family residence as it looked in the 1930's as well as gallery rooms to display art exhibitions. The Mansion is named on the National Register of Historic Places, and the Museum is accredited by the American Association of Museums. Cheekwood offers a spectrum of American art, decorative arts, and outdoor sculpture through its permanent collection, traveling exhibitions and a woodland sculpture trail. Cheekwood's estate and gardens encompass 55 acres of woodland, pastoral and landscaped gardens which have been designated as a level IV Arboretum by the Tennessee Urban Forestry Council and accredited by ArbNet. The historic gardens, designed by Bryant Fleming in 1930, mingle harmoniously with specialized gardens featuring outstanding collections of plants, including boxwoods, dogwoods, hydrangeas and other plants native to the Southeastern United States. These offerings are complemented by classes, school programs and fieldtrips, lectures, family days, cultural celebrations and seasonal festivals. Also, at Cheekwood is the Frist Learning Center, which features the Cheek family horse stable as well as art studios and meeting rooms for educational programming.

Restaurant, Rentals and Gift Shops - Cheekwood offers visitor amenities through Café 29 and two gift shops. Visitors are able to enjoy food and beverages, including in-restaurant dining and picnic options, and take away a souvenir of their day's experience. Cheekwood also provides rental and catering facilities to further open Cheekwood to the public through the hosting of meetings and events on the grounds.

Supporting Services

Administrative - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the organization.

Fundraising - includes costs of activities directed toward appeals for financial support, including Swan Ball and other special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include personnel, which is allocated based on time and effort, and utilities, insurance and depreciation, which are allocated primarily based on a location or square footage basis.

Sales Taxes Collected

Sales taxes collected and remitted to governmental authorities are excluded from sales and costs and presented on a net basis in the financial statements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Authoritative Accounting Guidance

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities in the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The FASB has issued several subsequent ASUs to make improvements to the original standard for specific issues, provide an optional transition method and provide exemption to certain interim disclosures.

A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. Cheekwood expects to adopt the guidance effective January 1, 2022, and management is currently evaluating the impact of the pending adoption of the new standard on the financial statements. The new standard provides a number of practical expedients. Upon adoption, Cheekwood expects to elect all the practical expedients available.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance (Continued)

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure Requirements by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires that contributed nonfinancial assets be presented as a separate line item in the statements of activities, apart from contributions of cash and other financial assets. Additionally, the ASU adds certain disclosure requirements for contributed nonfinancial assets including a disaggregation of the amount within the statement of activities, qualitative information about whether the contributed nonfinancial assets were monetized, the organization's policy for monetizing such assets, a description of any donor-imposed restrictions, and information about valuation techniques and inputs used to arrive at the fair value measure. The ASU is effective for Cheekwood in 2022, and management is currently evaluating the impact on presentation and disclosure.

Events Occurring After Reporting Date

Cheekwood has evaluated events and transactions that occurred between December 31, 2021 and June 14, 2022, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - COVID-19 PANDEMIC AND 2020 OPERATIONS

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, COVID-19. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic and related orders of the Metropolitan Government of Nashville and Davidson County and Governor of Tennessee, Cheekwood closed the estate and gardens on March 17, 2020. The entire property remained closed through May 21, 2020. Upon reopening, significant safety measures were put in place, including limiting the number of visitors on-site. Cheekwood hosted the *Chihuly at Cheekwood* exhibition on a revised schedule, opening the exhibit on July 18, 2020. As a result of the pandemic, the Swan Ball and significant other events were cancelled in 2020. The Swan Ball was cancelled again for 2021; however, the Swan Ball volunteers have continued their fundraising efforts.

During April 2020, Cheekwood received an \$871,100 loan through the Paycheck Protection Program ("PPP") as set forth in Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act, commonly known as the CARES Act. The loan proceeds were spent entirely on payroll costs. Accordingly, during December 2020, Cheekwood received forgiveness of the full loan amount as specified in the PPP regulations. The forgiven PPP amount is included in government grants and programs in the accompanying 2020 statement of activities.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 3 - AVAILABILITY AND LIQUIDITY

Financial assets available for expenditure within one year of the statement of financial position date, consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Assets available for general expenditure:		
Cash and cash equivalents	\$ 7,924,667	\$ 4,093,503
Promises to give and accounts receivable - operating	121,809	187,978
Assets limited as to use:		
Cash and cash equivalents	23,097	222,693
Promises to give	201,963	109,833
Endowment spending rate distributions	<u>642,400</u>	<u>488,949</u>
	<u>\$ 8,913,936</u>	<u>\$ 5,102,956</u>

Cheekwood has certain assets limited as to use which will be available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included above. Cheekwood's other donor-restricted assets limited as to use, which are principally for endowment, construction or other long-term purposes, are not available for general expenditure and are not included above.

Cheekwood's liquidity management includes structuring its financial assets to be available as its general expenditures and obligations come due. As part of the liquidity management plan, cash in excess of daily requirements is invested in a money market account. Additionally, Cheekwood maintains a \$4,000,000 line of credit, as described in Note 9. The line of credit is used primarily for cash flow purposes during seasonal periods and to pay for construction and other projects in advance of receipt of related contributions. As of December 31, 2021, there was no amount outstanding on the line of credit; and therefore, the entire credit limit is available to meet liquidity needs in the upcoming period if needed.

As of December 31, 2021 and 2020, management has reserved \$4,125,000 and \$2,165,000, respectively, from cash and cash equivalents available for general expenditures to be held for future capital and operating needs.

Cheekwood also has \$2,940,139 in a Board-designated endowment at December 31, 2021 (\$2,519,225 at December 31, 2020). Although Cheekwood does not intend to spend from the Board-designated endowment, other than amounts appropriated for general expenditure as part of its annual spending-rate distribution, amounts from the Board-designated endowment could be made available for general expenditure, if needed and approved by the Board.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 4 - FAIR VALUE MEASUREMENTS

The following table sets forth Cheekwood's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31:

	2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Money market fund	\$ 134,806	\$ -	\$ -	\$ 134,806
Mutual funds:				
Equities:				
Large cap	8,624,640	-	-	8,624,640
Mid cap	1,401,979	-	-	1,401,979
Small cap	229,607	-	-	229,607
International	2,624,716	-	-	2,624,716
Emerging markets	450,145	-	-	450,145
Fixed income:				
Intermediate term bond	3,254,519	-	-	3,254,519
Non-traditional:				
Event driven fund	517,420	-	-	517,420
Long/short fund	548,646	-	-	548,646
Real estate	662,121	-	-	662,121
Commodities	532,504	-	-	532,504
Exchange traded funds:				
Equities:				
Large cap	849,413	-	-	849,413
Mid cap	407,244	-	-	407,244
Small cap	834,879	-	-	834,879
Fixed income:				
High yield bond	271,123	-	-	271,123
Non-traditional:				
Real estate	386,746	-	-	386,746
	<u>\$ 21,730,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,730,508</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Money market fund	\$ 186,020	\$ -	\$ -	\$ 186,020
Mutual funds:				
Equities:				
Large cap	5,481,746	-	-	5,481,746
Mid cap	555,617	-	-	555,617
Small cap	840,771	-	-	840,771
International	2,565,724	-	-	2,565,724
Emerging markets	417,836	-	-	417,836
Real estate	400,677	-	-	400,677
Fixed income:				
Intermediate term bond	2,490,148	-	-	2,490,148
Non-traditional:				
Event driven fund	240,468	-	-	240,468
Long/short fund	243,377	-	-	243,377
Exchange traded funds:				
Equities:				
Large cap	1,181,272	-	-	1,181,272
Mid cap	277,058	-	-	277,058
Emerging markets	418,026	-	-	418,026
Fixed income:				
High yield bond	483,904	-	-	483,904
Intermediate term bond	379,664	-	-	379,664
Non-traditional:				
Gold fund	411,732	-	-	411,732
	<u>\$ 16,574,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,574,040</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 5 - INVESTMENTS

Investments consisted of the following as of December 31:

	2021		
	Cost	Unrealized Gain, Net	Fair Value
Investments:			
Money market funds	\$ 134,806	\$ -	\$ 134,806
Equity securities	2,450,136	299,269	2,749,405
Mutual funds	<u>17,208,654</u>	<u>1,637,643</u>	<u>18,846,297</u>
	<u>\$ 19,793,596</u>	<u>\$ 1,936,912</u>	<u>\$ 21,730,508</u>
	2020		
	Cost	Unrealized Gain, Net	Fair Value
Investments:			
Money market funds	\$ 186,020	\$ -	\$ 186,020
Equity securities	3,063,893	87,763	3,151,656
Mutual funds	<u>11,631,194</u>	<u>1,605,170</u>	<u>13,236,364</u>
	<u>\$ 14,881,107</u>	<u>\$ 1,692,933</u>	<u>\$ 16,574,040</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 6 - PROMISES TO GIVE AND ACCOUNTS RECEIVABLE

Promises to give and accounts receivable consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Promises to give - operating	\$ 366,530	\$ 224,784
Other receivables:		
Rental and catering clients	23,912	-
Grants	-	100,477
Other	<u>36,330</u>	<u>39,217</u>
Total promises to give and accounts receivables - operating	<u>\$ 426,772</u>	<u>\$ 364,478</u>
Promises to give:	<u>2021</u>	<u>2020</u>
Operating	\$ 366,530	\$ 224,784
Endowment	66,721	1,680,296
Other long-term purposes	<u>462,902</u>	<u>506,298</u>
Total promises to give, net	<u>\$ 896,153</u>	<u>\$ 2,411,378</u>

Total promises to give were due as follows at December 31:

	<u>2021</u>	<u>2020</u>
In less than one year	\$ 625,695	\$ 2,182,467
In one to five years	<u>330,458</u>	<u>334,911</u>
	956,153	2,517,378
Less: Allowance for doubtful accounts	(54,000)	(100,000)
Less: Discount to present value	<u>(6,000)</u>	<u>(6,000)</u>
	<u>\$ 896,153</u>	<u>\$ 2,411,378</u>

Cheekwood has been notified that a donor will recommend to the Community Foundation of Middle Tennessee, Inc. (the "Foundation"), that gifts totaling \$500,000 be made to Cheekwood over a five-year period from donor advised funds beginning in 2018. Cheekwood has received \$100,000 in each of the years 2018 through 2021. The Foundation has final authority over these donor recommendations, which are advisory only and, accordingly, the balance of these contributions will not be recognized until the period approved by the Foundation.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,570,000	\$ 1,570,000
Land improvements	14,127,818	13,581,013
Buildings	22,271,441	22,363,821
Equipment and furnishings	6,433,576	6,201,342
Construction in progress	<u>153,770</u>	<u>-</u>
	44,556,605	43,716,176
Less: accumulated depreciation	<u>18,796,032</u>	<u>17,144,682</u>
	<u>\$ 25,760,573</u>	<u>\$ 26,571,494</u>

Construction in progress as of December 31, 2021, was related to a renovation of the visitor services center at Botanic Hall, an expansion of the TRAINS! model train exhibit, and certain garden enhancements. These projects are expected to be completed in 2022, with an estimated cost to complete of approximately \$1,500,000.

NOTE 8 - COLLECTIONS

The collections at Cheekwood consist of a wide range of media from different periods and cultures, with special emphasis on American art from the 18th through the 20th centuries, American and English silver, Worcester porcelain, and contemporary outdoor sculpture. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sale to be used to acquire other items for collections or uses that directly support preservation of the collection. Sales totaled \$67,250 in 2020. There were no sales in 2021. During 2021 and 2020, Cheekwood spent \$490,788 and \$75,000, respectively, for the acquisition of artwork.

NOTE 9 - LINE OF CREDIT

Cheekwood has a \$4,000,000 line of credit agreement with a financial institution. The line of credit requires monthly interest payments on the outstanding principal balance at the rate of 2.0% above the LIBOR rate (an effective rate of 2.21% at December 31, 2021). The interest rate was updated to SOFR plus 1.75% effective May 1, 2022. All unpaid principal and interest are to be repaid on August 1, 2022. The line of credit is collateralized by Cheekwood's endowment investment assets held with the financial institution. There was no balance outstanding at December 31, 2021 or 2020.

Interest expense for the year ended December 31, 2020 was \$5,971. No interest expense was incurred for 2021.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 10 - SUPPORT AND REVENUES

Amounts reported as contributions in the accompanying statements of activities are comprised of a contribution element and an exchange transaction element based on value of benefits provided under arrangements with donors. Contributions and net revenues from special events contain both contribution and exchange transaction elements for the Swan Ball. The following table provides information on the contribution and exchange transaction elements for the years ended December 31, 2021 and 2020:

	<u>Net Assets Without Donor Restrictions</u>		
	<u>2021</u>		
	Exchange		
	Transaction		
	<u>Contributions</u>	<u>Revenue</u>	<u>Total</u>
Contributions	\$ 1,958,253	\$ 238,915	\$ 2,197,168
Contributions and net revenues from special events	<u>966,135</u>	<u>503,204</u>	<u>1,469,339</u>
	<u>\$ 2,924,388</u>	<u>\$ 742,119</u>	<u>\$ 3,666,507</u>
	<u>2020</u>		
	Exchange		
	Transaction		
	<u>Contributions</u>	<u>Revenue</u>	<u>Total</u>
Contributions	\$ 1,566,591	\$ 480,178	\$ 2,046,769
Contributions and net revenues from special events	<u>1,133,933</u>	<u>24,891</u>	<u>1,158,824</u>
	<u>\$ 2,700,524</u>	<u>\$ 505,069</u>	<u>\$ 3,205,593</u>

Deferred revenues at December 31, 2021 and 2020, are related to the following:

	<u>2021</u>	<u>2020</u>
Memberships	\$ 1,197,534	\$ 1,037,454
Admission fees	144,624	268,527
Rental events	508,156	332,045
Benefits provided to donors	385,362	173,943
Government grants and programs	71,000	75,315
Swan Ball	<u>268,160</u>	<u>137,952</u>
	<u>\$ 2,574,836</u>	<u>\$ 2,025,236</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 11 - NET ASSETS

Net assets without donor restrictions consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions - undesignated:		
Accumulated earnings from operations	\$ 3,332,137	\$ 389,220
Amounts invested in property and equipment	<u>25,760,573</u>	<u>26,571,494</u>
	29,092,710	26,960,714
Board-designated:		
Amounts functioning as endowment	2,940,139	2,519,225
Amounts designated for future operations	1,236,125	-
Amounts designated as Swan Ball	<u>159,477</u>	<u>916,423</u>
	<u>\$ 33,428,451</u>	<u>\$ 30,396,362</u>

Donor-restricted net assets are available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
<i>Temporary in nature - subject to expenditure for specified purpose:</i>		
Museum of art	\$ 450,474	\$ 389,128
Botanical garden	310,391	608,367
Sculpture trail	163,415	105,954
Art conservation	37,900	80,310
Future exhibits	44,250	171,291
Cheekwood Campaign	580,015	915,160
Historic room restoration and ongoing museum maintenance	396,504	102,522
Other	214,030	164,767
Less: discount and allowance for uncollectible promises to give	<u>(46,000)</u>	<u>(62,000)</u>
	<u>2,150,979</u>	<u>2,475,499</u>

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CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 11 - NET ASSETS (CONTINUED)

Donor-restricted net assets are available for the following purposes at December 31 (continued):

	<u>2021</u>	<u>2020</u>
<i>Temporary in nature - endowments - subject to appropriation:</i>		
Artist-in-residency program	\$ 582,995	\$ 424,202
Botanical garden	2,545,658	1,698,001
Cheekwood Campaign	2,891,671	2,169,919
Historic room restoration and ongoing museum maintenance	393,169	265,821
Other	<u>137,606</u>	<u>104,987</u>
	<u>6,551,099</u>	<u>4,662,930</u>
<i>Total net assets with donor restrictions - temporary in nature</i>	<u>8,702,078</u>	<u>7,138,429</u>
<i>Perpetual in nature - endowments:</i>		
General use	1,809,441	1,807,416
Artist-in-residency program	1,000,000	1,000,000
Botanical garden	7,814,285	6,166,460
Cheekwood Campaign	403,973	401,998
Historic room restoration and ongoing museum maintenance	976,721	954,954
Other	268,733	268,732
Unconditional promises to give, net	<u>66,721</u>	<u>1,680,296</u>
<i>Total net assets with donor restrictions - perpetual in nature</i>	<u>12,339,874</u>	<u>12,279,856</u>
<i>Total net assets with donor restrictions</i>	<u>\$ 21,041,952</u>	<u>\$ 19,418,285</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 12 - ENDOWMENT

The endowment net asset composition by type of fund was as follows, as of December 31:

	2021		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 18,824,252	\$ 18,824,252
Board-designated endowment funds	<u>2,940,139</u>	<u>-</u>	<u>2,940,139</u>
Total	<u>\$ 2,940,139</u>	<u>\$ 18,824,252</u>	<u>\$ 21,764,391</u>

	2020		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 15,262,490	\$ 15,262,490
Board-designated endowment funds	<u>2,519,225</u>	<u>-</u>	<u>2,519,225</u>
Total	<u>\$ 2,519,225</u>	<u>\$ 15,262,490</u>	<u>\$ 17,781,715</u>

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). Cheekwood has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. There were not any underwater endowments as of December 31, 2021 or 2020.

The majority of endowment funds are held in an investment account. The portion held in cash represents amounts received near year end and transferred to the investment account subsequent to year end.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 12 - ENDOWMENT (CONTINUED)

A summary of changes in endowments follows for the years ended December 31:

	2021		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 1, 2021	\$ 2,519,225	\$ 15,262,490	\$ 17,781,715
Interest and dividend income	70,812	231,136	301,948
Realized gain on investments	426,400	1,448,893	1,875,293
Unrealized gain on investments	77,112	166,867	243,979
Contributions and receipts	-	2,087,270	2,087,270
Bank fees	(16,860)	(53,451)	(70,311)
Appropriation of endowment assets for expenditure	<u>(136,550)</u>	<u>(318,953)</u>	<u>(455,503)</u>
Endowment net assets, December 31, 2021	<u>\$ 2,940,139</u>	<u>\$ 18,824,252</u>	<u>\$ 21,764,391</u>
	2020		
	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 1, 2020	\$ 1,971,099	\$ 11,242,018	\$ 13,213,117
Interest and dividend income	43,756	123,825	167,581
Realized gain on investments	381,804	1,141,516	1,523,320
Unrealized gain on investments	238,961	678,808	917,769
Contributions and receipts	25,000	2,356,064	2,381,064
Bank fees	(14,062)	(38,801)	(52,863)
Appropriation of endowment assets for expenditure	<u>(127,333)</u>	<u>(240,940)</u>	<u>(368,273)</u>
Endowment net assets, December 31, 2020	<u>\$ 2,519,225</u>	<u>\$ 15,262,490</u>	<u>\$ 17,781,715</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 13 - OPERATING LEASES

Cheekwood leases certain facilities, storage units and a portion of its office space and equipment under non-cancelable operating leases which expire at various times through December 2025 and require specified minimum rental payments.

A schedule of future minimum lease commitments under all noncancelable operating leases as of December 31, 2021, follows:

For the year ending December 31,

2022	\$ 130,465
2023	79,465
2024	71,495
2025	<u>11,748</u>
Total future minimum lease payments	<u>\$ 293,173</u>

Total rental expense incurred under all such agreements amounted to \$106,242 and \$96,023 for the years ended December 31, 2021 and 2020, respectively.

NOTE 14 - RETIREMENT PLAN

Cheekwood sponsors a Section 403(b) retirement plan for the benefit of eligible employees. Under the plan, employees may contribute a specified amount or percentage of their annual compensation, not to exceed statutory limits. Cheekwood offers a discretionary matching contribution for eligible employees starting one year after employment. During 2021 and 2020, the discretionary match was equal to 100% of the employees' contribution, limited to 5% of their annual compensation. Cheekwood's matching contributions for the years ended December 31, 2021 and 2020 totaled \$129,314 and \$125,481, respectively.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 15 - AFFILIATED ORGANIZATIONS AND SPECIAL EVENTS

The Horticulture Society of Middle Tennessee (“HSMT”), Garden Club of Nashville and the Antiques and Garden Show are affiliated but autonomously operating organizations with an objective of supporting Cheekwood. Accordingly, these organizations contribute significant portions of their net revenues to Cheekwood annually. Cheekwood is also beneficiary of activities of the Swan Ball, administered by an unincorporated volunteer group. Contributions and revenues from HSMT, Garden Club of Nashville and the Antiques and Garden Show are reported in volunteer fundraising contributions in the period received. No significant direct benefits to donors are applicable to these activities.

Following is a summary of contributions provided by these parties:

	<u>2021</u>	<u>2020</u>
Horticulture Society of Middle Tennessee	\$ 22,500	\$ 20,000
Garden Club of Nashville	44,435	86,500
Antiques and Garden Show	<u>103,920</u>	<u>45,465</u>
Contributions from affiliated parties	<u>\$ 170,855</u>	<u>\$ 151,965</u>

Following is a summary of the activity of the Swan Ball for the years ended December 31, which is reported as contributions and net revenues from special events:

	<u>2021</u>	<u>2020</u>
Contributions	\$ 966,135	\$ 1,133,933
Special event revenues	700,099	28,704
Direct benefits to donors	<u>(196,895)</u>	<u>(3,813)</u>
Contributions and net revenues from special events	1,469,339	1,158,824
Less fundraising expenses	<u>(265,815)</u>	<u>(295,489)</u>
	<u>\$ 1,203,524</u>	<u>\$ 863,335</u>

The timing of cash transfers from the Swan Ball to Cheekwood may differ on an annual basis. During 2021 and 2020, as described in Note 2, the Swan Ball and certain of its related events were cancelled due to the COVID-19 pandemic. The Swan Ball volunteers continued fundraising efforts, resulting in contributions for both 2021 and 2020.

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

NOTE 16 - CONCENTRATIONS OF CREDIT RISK

Cheekwood maintains cash at a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. As of December 31, 2021, Cheekwood's depositor accounts exceeded the FDIC insurance limits by approximately \$9,000,000.

At December 31, 2021, the investments were held under custodial care by one brokerage and investment company. These investments are not insured by the FDIC or any other government agency and are subject to investment risk, including loss of principal. The investments are insured by the Securities Investor Protection Corporation ("SIPC"), which insures investor losses attributable to bankruptcy or fraudulent practices of brokerage firms up to \$500,000 (including \$250,000 in cash).

At December 31, 2021, promises to give from two sources represented 36% of total promises to give. At December 31, 2020, promises to give from one source represented 60% of total promises to give.

NOTE 17 - DONOR-DESIGNATED ENDOWMENT FUNDS IN TRUST

Two donors have established donor-designated endowment funds with the Community Foundation of Middle Tennessee for the benefit of the Cheekwood. The Community Foundation of Middle Tennessee has the ultimate authority and control over these funds and, therefore, these investments are not included in the financial statements of Cheekwood. Income distributions from these funds are recognized by Cheekwood in the year received. Such distributions amounted to \$13,900 during the year ended December 31, 2021 (\$14,000 during 2020). Total assets held in these funds amounted to \$323,284 at December 31, 2021 (\$308,978 at December 31, 2020).

NOTE 18 - OTHER MATTERS

Cheekwood occasionally contracts with businesses controlled by or affiliated with members of its Board of Trustees, or their family members, for outside services in the ordinary course of business. In management's opinion, the effect of these relationships on the nature and terms of the business arrangements entered into with the providers of these services was not significant.

Cheekwood has contracted with companies affiliated with certain members of its Board of Trustees for design, engineering and construction relating to certain capital projects as well as for other goods and professional services. Amounts incurred under these contracts totaled \$207,578 during 2021 (\$2,078,675 during 2020).

Effective in 2022, the local market president of Truist Bank joined Cheekwood's Board as a Trustee. Truist is Cheekwood's financial institution and holds all cash and cash equivalents described in Note 16, investments described in Note 5, and the line-of-credit described in Note 9.

ADDITIONAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

The Board of Trustees
Cheekwood Botanical Garden
and Museum of Art
Nashville, Tennessee

We have audited the financial statements of Cheekwood Botanical Garden and Museum of Art ("Cheekwood") as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon, dated June 14, 2022, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying additional information is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

KraftCPAs PLLC

Nashville, Tennessee
June 14, 2022

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

COMBINING SCHEDULE OF CHEEKWOOD AND SWAN BALL FINANCIAL POSITION

DECEMBER 31, 2021

	<u>CHEEKWOOD</u>	<u>SWAN BALL</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,115,344	\$ 390,222	\$ 8,505,566
Promises to give and accounts receivable - operating	426,772	-	426,772
Inventories	102,683	1,310	103,993
Prepaid expenses	155,960	52,458	208,418
Restricted cash:			
Endowment	33,883	-	33,883
Other long-term purposes	1,016,770	-	1,016,770
Promises to give, net:			
Endowment	66,721	-	66,721
Other long-term purposes	462,902	-	462,902
Investments - endowment	21,730,508	-	21,730,508
Property and equipment, net	25,760,573	-	25,760,573
Collections - Notes 1 and 8	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 57,872,116</u>	<u>\$ 443,990</u>	<u>\$ 58,316,106</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 1,237,761	\$ 16,353	\$ 1,254,114
Deferred revenues	2,306,676	268,160	2,574,836
Other	16,753	-	16,753
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>3,561,190</u>	<u>284,513</u>	<u>3,845,703</u>
<u>NET ASSETS</u>			
Without donor restrictions:			
Undesignated	29,092,710	-	29,092,710
Board-designated endowment	2,940,139	-	2,940,139
Board-designated future operations	1,236,125	-	1,236,125
Board-designated Swan Ball	-	159,477	159,477
	<u> </u>	<u> </u>	<u> </u>
Total without donor restrictions	33,268,974	159,477	33,428,451
With donor restrictions	21,041,952	-	21,041,952
	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>54,310,926</u>	<u>159,477</u>	<u>54,470,403</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,872,116</u>	<u>\$ 443,990</u>	<u>\$ 58,316,106</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

COMBINING SCHEDULE OF CHEEKWOOD AND SWAN BALL ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Cheekwood			Swan Ball		Total		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
SUPPORT AND REVENUES								
Contributions	\$ 2,197,168	\$ 1,732,719	\$ 3,929,887	\$ -	\$ 2,197,168	\$ 1,732,719	\$ 3,929,887	
Volunteer fundraising contributions	126,420	44,435	170,855	-	126,420	44,435	170,855	
Government grants and programs	201,575	-	201,575	-	201,575	-	201,575	
Contributions and net revenues from special events	-	-	-	1,469,339	1,469,339	-	1,469,339	
In-kind contributions	95,211	-	95,211	-	95,211	-	95,211	
Admission fees	5,867,005	-	5,867,005	-	5,867,005	-	5,867,005	
Membership dues	2,009,966	-	2,009,966	-	2,009,966	-	2,009,966	
Educational programs	211,587	-	211,587	-	211,587	-	211,587	
Restaurant, catering and gift shop	1,467,322	-	1,467,322	-	1,467,322	-	1,467,322	
Rental event income	1,086,748	-	1,086,748	-	1,086,748	-	1,086,748	
Investment income, net	557,464	1,793,445	2,350,909	-	557,464	1,793,445	2,350,909	
Loss on disposal of property and equipment	(30,172)	-	(30,172)	-	(30,172)	-	(30,172)	
Miscellaneous income	14,950	-	14,950	-	14,950	-	14,950	
Net assets released resulting from satisfaction of donor restrictions	1,946,932	(1,946,932)	-	-	1,946,932	(1,946,932)	-	
TOTAL SUPPORT AND REVENUES	15,752,176	1,623,667	17,375,843	1,469,339	17,221,515	1,623,667	18,845,182	
FUNCTIONAL EXPENSES								
Program services	11,908,733	-	11,908,733	-	11,908,733	-	11,908,733	
Administrative	1,224,988	-	1,224,988	-	1,224,988	-	1,224,988	
Fundraising	789,890	-	789,890	265,815	1,055,705	-	1,055,705	
TOTAL FUNCTIONAL EXPENSES	13,923,611	-	13,923,611	265,815	14,189,426	-	14,189,426	
EXCESS OF SUPPORT AND REVENUES OVER EXPENSES	1,828,565	1,623,667	3,452,232	1,203,524	3,032,089	1,623,667	4,655,756	
CONTRIBUTION TO CHEEKWOOD FROM SWAN BALL	1,960,470	-	1,960,470	(1,960,470)	-	-	-	
CHANGE IN NET ASSETS	3,789,035	1,623,667	5,412,702	(756,946)	3,032,089	1,623,667	4,655,756	
NET ASSETS - BEGINNING OF YEAR	29,479,939	19,418,285	48,898,224	916,423	30,396,362	19,418,285	49,814,647	
NET ASSETS - END OF YEAR	<u>\$ 33,268,974</u>	<u>\$ 21,041,952</u>	<u>\$ 54,310,926</u>	<u>\$ 159,477</u>	<u>\$ 33,428,451</u>	<u>\$ 21,041,952</u>	<u>\$ 54,470,403</u>	

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

COMBINING SCHEDULE OF CHEEKWOOD AND SWAN BALL FINANCIAL POSITION

DECEMBER 31, 2020

	<u>CHEEKWOOD</u>	<u>SWAN BALL</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,877,140	\$ 986,015	\$ 4,863,155
Promises to give and accounts receivable - operating	364,478	-	364,478
Inventories	117,700	1,310	119,010
Prepaid expenses	236,690	78,197	314,887
Restricted cash:			
Endowment	1,207,675	-	1,207,675
Other long-term purposes	1,058,508	-	1,058,508
Promises to give, net:			
Endowment	1,680,296	-	1,680,296
Other long-term purposes	506,298	-	506,298
Investments - endowment	16,574,040	-	16,574,040
Property and equipment, net	26,571,494	-	26,571,494
Collections - Notes 1 and 8	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 52,194,319</u>	<u>\$ 1,065,522</u>	<u>\$ 53,259,841</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 1,379,491	\$ 11,147	\$ 1,390,638
Deferred revenues	1,887,284	137,952	2,025,236
Other	29,320	-	29,320
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>3,296,095</u>	<u>149,099</u>	<u>3,445,194</u>
<u>NET ASSETS</u>			
Without donor restrictions:			
Undesignated	26,960,714	-	26,960,714
Board-designated endowment	2,519,225	-	2,519,225
Board-designated Swan Ball	-	916,423	916,423
	<u> </u>	<u> </u>	<u> </u>
Total without donor restrictions	29,479,939	916,423	30,396,362
With donor restrictions	19,418,285	-	19,418,285
	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>48,898,224</u>	<u>916,423</u>	<u>49,814,647</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 52,194,319</u>	<u>\$ 1,065,522</u>	<u>\$ 53,259,841</u>

CHEEKWOOD BOTANICAL GARDEN AND MUSEUM OF ART

COMBINING SCHEDULE OF CHEEKWOOD AND SWAN BALL ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Cheekwood			Swan Ball		Total		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
SUPPORT AND REVENUES								
Contributions	\$ 2,046,769	\$ 2,077,902	\$ 4,124,671	\$ -	\$ 2,046,769	\$ 2,077,902	\$ 4,124,671	
Volunteer fundraising contributions	49,300	102,665	151,965	-	49,300	102,665	151,965	
Government grants and programs	1,401,476	-	1,401,476	-	1,401,476	-	1,401,476	
Contributions and net revenues from special events	-	-	-	1,158,824	1,158,824	-	1,158,824	
In-kind contributions	208,207	-	208,207	-	208,207	-	208,207	
Admission fees	4,682,236	-	4,682,236	-	4,682,236	-	4,682,236	
Membership dues	1,329,837	-	1,329,837	-	1,329,837	-	1,329,837	
Educational programs	101,496	-	101,496	-	101,496	-	101,496	
Restaurant, catering and gift shop	1,068,155	-	1,068,155	-	1,068,155	-	1,068,155	
Rental event income	201,041	-	201,041	-	201,041	-	201,041	
Investment income, net	650,459	1,905,348	2,555,807	-	650,459	1,905,348	2,555,807	
Loss on disposal of property and equipment	(29,017)	-	(29,017)	-	(29,017)	-	(29,017)	
Miscellaneous income	128,266	67,250	195,516	-	128,266	67,250	195,516	
Net assets released resulting from satisfaction of donor restrictions	3,152,139	(3,152,139)	-	-	3,152,139	(3,152,139)	-	
TOTAL SUPPORT AND REVENUES	14,990,364	1,001,026	15,991,390	1,158,824	16,149,188	1,001,026	17,150,214	
FUNCTIONAL EXPENSES								
Program services	10,589,071	-	10,589,071	-	10,589,071	-	10,589,071	
Administrative	1,181,135	-	1,181,135	-	1,181,135	-	1,181,135	
Fundraising	712,565	-	712,565	295,489	1,008,054	-	1,008,054	
TOTAL FUNCTIONAL EXPENSES	12,482,771	-	12,482,771	295,489	12,778,260	-	12,778,260	
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUES OVER (UNDER) EXPENSES	2,507,593	1,001,026	3,508,619	863,335	3,370,928	1,001,026	4,371,954	
CONTRIBUTION TO CHEEKWOOD FROM SWAN BALL	127,796	-	127,796	(127,796)	-	-	-	
CHANGE IN NET ASSETS	2,635,389	1,001,026	3,636,415	735,539	3,370,928	1,001,026	4,371,954	
NET ASSETS - BEGINNING OF YEAR	26,844,550	18,417,259	45,261,809	180,884	27,025,434	18,417,259	45,442,693	
NET ASSETS - END OF YEAR	\$ 29,479,939	\$ 19,418,285	\$ 48,898,224	\$ 916,423	\$ 30,396,362	\$ 19,418,285	\$ 49,814,647	