



**WEST MICHIGAN  
HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER  
GARDENS & SCULPTURE PARK**

**FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

**West Michigan Horticultural Society, Inc.  
d.b.a. Frederik Meijer Gardens & Sculpture Park**

### Opinion

We have audited the accompanying financial statements of West Michigan Horticultural Society, Inc. d.b.a. Frederik Meijer Gardens & Sculpture Park (Meijer Gardens), which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Meijer Gardens as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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



Grand Rapids, Michigan  
February 12, 2024

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**FINANCIAL STATEMENTS**

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**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

	2023	2022
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13,960,232	\$ 10,003,661
Short term investments	20,293,561	18,683,737
Accounts receivable	270,962	273,880
Pledges receivable, current	897,176	699,233
Inventory	415,170	465,308
Prepaid taxes	94,000	-
Prepaid expenses	54,013	110,358
Other accounts receivable	-	2,062,657
<b>TOTAL CURRENT ASSETS</b>	<b>35,985,114</b>	<b>32,298,834</b>
Replacement reserve / Investments for property and equipment	8,846,050	9,256,224
Cash restricted for investment in collections, property and equipment and endowment	3,204,665	7,899,905
Other investments	227,829	1,032,723
Pledges receivable	1,602,391	1,437,775
Beneficial interest in net assets of The Frederik Meijer Gardens & Sculpture Foundation (Foundation)	163,250,169	143,354,220
Collections	58,298,260	57,644,349
Property and equipment	117,225,873	119,424,224
<b>TOTAL ASSETS</b>	<b>\$ 388,640,351</b>	<b>\$ 372,348,254</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,338,584	\$ 1,566,541
Other accrued payables	1,388,488	418,100
Accrued taxes	-	65,539
Deferred revenue	4,131,228	3,076,075
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,858,300</b>	<b>5,126,255</b>
Due to The Frederik Meijer Gardens & Sculpture Foundation	120,000	200,000
Other liabilities	227,830	1,115,457
<b>TOTAL LIABILITIES</b>	<b>7,206,130</b>	<b>6,441,712</b>
<b>Net Assets</b>		
Without donor restriction	214,850,604	214,822,971
With donor restriction	166,583,617	151,083,571
<b>TOTAL NET ASSETS</b>	<b>381,434,221</b>	<b>365,906,542</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 388,640,351</b>	<b>\$ 372,348,254</b>

See accompanying notes

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2023

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Revenues and Other Support</b>			
Contributions	\$ 9,810,004	\$ 1,221,774	\$ 11,031,778
Admission and memberships	7,649,856	-	7,649,856
Gift Shop	1,644,463	-	1,644,463
Events	4,264,349	-	4,264,349
Educational programs	200,808	-	200,808
Culinary Arts & Events	6,551,917	-	6,551,917
Change in beneficial interest in net assets of the Foundation including transfers	(855,380)	15,019,197	14,163,817
Gain on disposal of property and equipment	18,160	-	18,160
Realized and unrealized gain on investments	478,704	-	478,704
Interest income	788,449	-	788,449
Miscellaneous	147,196	33,774	180,970
Net assets released from restrictions	774,699	(774,699)	-
<b>Total Revenues and Other Support</b>	<b>31,473,225</b>	<b>15,500,046</b>	<b>46,973,271</b>
<b>Expenses</b>			
Program services			
Education	1,892,064	-	1,892,064
Gift Shop	1,354,467	-	1,354,467
Culinary Arts & Events	6,294,908	-	6,294,908
Collections and exhibitions	16,118,390	-	16,118,390
Membership development	840,925	-	840,925
Supporting services			
Management and general	3,487,345	-	3,487,345
Fund development	1,457,493	-	1,457,493
<b>Total Expenses</b>	<b>31,445,592</b>	<b>-</b>	<b>31,445,592</b>
<b>Change in Net Assets</b>	<b>27,633</b>	<b>15,500,046</b>	<b>15,527,679</b>
<b>Net Assets - Beginning of Year</b>	<b>214,822,971</b>	<b>151,083,571</b>	<b>365,906,542</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 214,850,604</b>	<b>\$ 166,583,617</b>	<b>\$ 381,434,221</b>

See accompanying notes

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended September 30, 2022

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Contributions	\$ 11,901,313	\$ 1,257,371	\$ 13,158,684
Admission and memberships	6,138,119	-	6,138,119
Gift Shop	1,576,636	-	1,576,636
Events	4,510,981	-	4,510,981
Educational programs	169,333	-	169,333
Culinary Arts & Events	5,202,355	-	5,202,355
Change in beneficial interest in net assets of the Foundation including transfers	-	(39,741,986)	(39,741,986)
Loss on disposal of property and equipment	(340)	-	(340)
Realized and unrealized loss on investments	(1,333,826)	-	(1,333,826)
Interest income	256,991	-	256,991
Miscellaneous	48,781	6,307	55,088
Net assets released from restrictions	18,786,513	(18,786,513)	-
<b>Total Revenues and Other Support</b>	<b>47,256,856</b>	<b>(57,264,821)</b>	<b>(10,007,965)</b>
<b>Expenses</b>			
Program services			
Education	1,772,297	-	1,772,297
Gift Shop	1,301,370	-	1,301,370
Culinary Arts & Events	5,549,021	-	5,549,021
Collections and exhibitions	15,928,668	-	15,928,668
Membership development	647,588	-	647,588
Supporting services:			
Management and general	3,063,547	-	3,063,547
Fund development	1,319,565	-	1,319,565
<b>Total Expenses</b>	<b>29,582,056</b>	<b>-</b>	<b>29,582,056</b>
<b>Change in Net Assets</b>	<b>17,674,800</b>	<b>(57,264,821)</b>	<b>(39,590,021)</b>
<b>Net Assets - Beginning of Year</b>	<b>197,148,171</b>	<b>208,348,392</b>	<b>405,496,563</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 214,822,971</b>	<b>\$ 151,083,571</b>	<b>\$ 365,906,542</b>

See accompanying notes



**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 15,527,679	\$ (39,590,021)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in discount on pledges receivable	4,009	(36,278)
Depreciation	6,174,300	6,723,931
(Gain) loss on disposal of property and equipment and collections	(18,160)	340
Change in value of other investments	234,989	(53,932)
Reinvested dividends and interest	(501,750)	(244,925)
Net realized and unrealized (gain) loss on investments	(478,704)	1,333,826
Change in beneficial interest in net assets of the Foundation, including contributions transferred	(14,163,817)	39,741,986
Change in deferred compensation liability	(317,722)	19,468
Donated property, equipment and collections included in support	(287,471)	-
Contributions restricted for investment in collections, property and equipment and endowment	(1,263,677)	(1,192,111)
Change in assets and liabilities		
Accounts receivable	2,065,575	(2,231,316)
Pledges receivable	(641,043)	(194,652)
Inventory	50,138	(156,244)
Prepaid taxes	(94,000)	189,106
Prepaid expenses	56,345	(87,423)
Accounts payable	(536,438)	(17,643)
Accrued payroll and withholding	970,388	76,545
Accrued taxes	(65,539)	65,539
Deferred revenue	1,055,153	727,811
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>7,770,255</b>	<b>5,074,007</b>

See accompanying notes

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended September 30, 2023 and 2022

	2023	2022
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	\$ (3,639,137)	\$ (1,879,300)
Purchase of investments	(1,969,196)	(12,930,588)
Proceeds from sale of investments	1,750,000	-
Cash transferred to the Foundation, increasing the beneficial interest	(5,732,132)	(11,000,000)
Purchase of collections	(376,611)	(6,007,674)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(9,967,076)</b>	<b>(31,817,562)</b>
<b>Cash Flows from Financing Activities</b>		
Payments on amount due to the Foundation	(80,000)	(4,969,841)
Proceeds from contributions restricted for investment in collections, property and equipment and endowment	1,538,152	17,970,224
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,458,152</b>	<b>13,000,383</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(738,669)</b>	<b>(13,743,172)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>17,903,566</b>	<b>31,646,738</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 17,164,897</b>	<b>\$ 17,903,566</b>
Cash and cash equivalents	\$ 13,960,232	\$ 10,003,661
Cash restricted for investment in collections, and property and equipment	3,204,665	7,899,905
	<b>\$ 17,164,897</b>	<b>\$ 17,903,566</b>
<b>Noncash Transactions</b>		
Property and equipment included in accounts payable	\$ 554,354	\$ 635,896
Transfer of investment in exchange for release of liability	569,905	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 1,124,259</b>	<b>\$ 635,896</b>

See accompanying notes

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS

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September 30, 2023 and 2021

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The West Michigan Horticultural Society, Inc. d.b.a. Frederik Meijer Gardens & Sculpture Park (Meijer Gardens) promotes the enjoyment, understanding, and appreciation of gardens, sculpture, the natural environment, and the arts. Revenues of Meijer Gardens are from admission fees, membership fees, gift shop sales, events, culinary arts and event services, educational programs, contributions, grants and sponsorships by individuals, corporations, and foundations.

**Financial Statement Presentation**

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Meijer Gardens reports information regarding its financial position and activities as without donor restriction and with donor restriction depending on the existence and nature of any donor-imposed restrictions on contributions received as follows:

**Net assets without donor restriction** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restriction** – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue with donor restrictions and are released from restrictions when the assets are placed in service. Meijer Gardens reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the same reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor-restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**Cash and Cash Equivalents**

Meijer Gardens considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are held primarily at two financial institutions. Meijer Gardens' cash balances exceed federally insured limits.

**Accounts Receivable**

Accounts receivable mainly represents amounts billed or billable to customers for culinary arts and event services, which are stated at the amount management expects to collect from balances outstanding at year-end. Management has reviewed the balances that comprise accounts receivable and determined such balances to be fully collectible. Accordingly, no provision for uncollectible accounts is included in the financial statements. If amounts become uncollectible, a provision for the potential loss will be charged to operations when that determination is made. All amounts are expected to be collected within one year. Accounts receivable at October 1, 2021 were \$105,221.

**Pledges Receivable**

Unconditional pledges receivable are recognized as revenue in the period the pledge is received. Unconditional pledges that are expected to be collected in periods in excess of one year are recognized at the present value of the estimated future cash flows at the time the pledge is received using discount rates based upon U.S. Treasury Securities. The change in the present value due to the passage of time is recognized as contribution revenue. Management annually reviews these assets to determine the net realizable value of the pledges. Conditional pledges are recognized when the conditions upon which they depend are substantially met.

Pledges are stated at the amount management expects to collect from outstanding balances, discounted to present value. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. Meijer Gardens considers pledges receivable to be fully collectible; accordingly, no allowance for doubtful pledges receivable has been recorded. If amounts become uncollectible, a provision for the potential loss will be charged to operations when that determination is made.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**Inventory**

Inventory consists of gift shop items as well as food and beverage items and is stated at the lower of cost or net realizable value, principally determined by the first-in, first-out method.

**Replacement Reserve**

Meijer Gardens has investments set aside as a replacement reserve for unforeseen and future replacement of investments in property and equipment.

**Collections**

The collections, which include sculptures, bonsai plants, art objects, and documentaries, have been capitalized since inception. If purchased, items are capitalized at cost, and if donated, they are capitalized at their appraised or fair value on the date received. Installation costs incurred to place collection pieces are included in the capitalized value of the item. If Meijer Gardens should cease operations or lose its tax-exempt status, the majority of the sculpture collections will be conveyed to the Meijer Foundation.

**Property and Equipment**

Meijer Gardens follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Donations of property and equipment are recorded at estimated fair value. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, specifically to acquire property and equipment, are reported as support with donor restriction. Absent donor stipulations regarding how long donated assets must be maintained, Meijer Gardens reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Meijer Gardens reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2023 or 2022.

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**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**Fair Value Measurements**

U.S. generally accepted accounting principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements where there is no ability to liquidate or redeem the investments (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1      Unadjusted quoted prices in active markets for identical assets or liabilities.
  
- Level 2      Quoted prices in markets that are not considered active or financial instruments for which significant inputs include quoted prices of similar assets or liabilities, interest rates, credit risks, etc.
  
- Level 3      Investments held by others where Meijer Gardens has no ability to liquidate or redeem the investments.

The fair value measurement level of an investment within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs.

**Contributions**

Contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence and/or nature of any such restrictions.

Donor restricted contributions are reported as support with donor restriction and are then reclassified to net assets without donor restriction upon expiration of the donor restriction. Contributions are reported as revenue at the time the contribution is promised. Meijer Gardens recognizes as support without donor restrictions certain donor-restricted contributions when such restrictions are met in the same reporting period.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

**Revenue Recognition**

Meijer Gardens recognizes revenue other than philanthropy through four primary revenue streams including membership, admissions, gift shop sales, and culinary arts and event services. Membership fees are collected prior to the start of the applicable service period. Revenue is recognized evenly over the service period. Deferred membership income (contract liability) on the statement of financial position represents payments received from members for which the service period has not yet occurred. Certain categories of membership may include an element of philanthropy. In this event, an estimate of that philanthropy is recognized in accordance with the standards applicable to contribution revenue. Admissions and gift shop revenue is recognized at the point in time when the sale has occurred. Security deposits from culinary arts and event services of Meijer Gardens' facilities is included in deferred revenue (contract liability). Meijer Gardens makes its facilities available to the general public for special gatherings and events. The revenue resulting from these events is recognized as earned when the event takes place. Sponsorships relating to exhibitions and events to be held in future fiscal years are included as deferred revenue (contract liability). As the events are held, the deferred revenue is recorded as revenue.

The following table summarizes Meijer Gardens' disaggregated revenue based on timing of revenue recognition:

	<b>2023</b>	2022
<b>Revenue recognized over time</b>		
Membership	<b>\$ 3,496,433</b>	\$ 2,713,001
<b>Total revenue recognized over time</b>	<b>3,496,433</b>	2,713,001
<b>Revenue recognized at a point in time</b>		
Admissions	<b>4,153,423</b>	3,425,118
Gift shop sales	<b>1,644,463</b>	1,576,636
Events	<b>4,264,349</b>	4,510,981
Educational programs	<b>200,808</b>	169,333
Culinary arts and events	<b>6,551,917</b>	5,202,355
<b>Total revenue recognized at a point in time</b>	<b>16,814,960</b>	14,884,423
<b>Revenue from contracts with customers</b>	<b>\$ 20,311,393</b>	\$ 17,597,424

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**Donated Services and Materials**

Donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would be typically purchased if not provided by donation are recorded at fair value in the period received. Meijer Gardens recorded donated services that met this criteria valued at \$6,452 and \$13,674 for the years ended September 30, 2023 and 2022, respectively.

In addition, many people have contributed significant amounts of time to Meijer Gardens without compensation. These services are not recognized as contributions in the financial statements.

Contributions of donated materials and supplies are also recorded at fair value when received. These donations valued at \$241,026 and \$189,832 for the years ended September 30, 2023 and 2022, respectively, have been recorded as contribution revenue and various expenses in the statements of activities. Additional amounts of \$287,471 and \$0 have been recognized as contributions on the statements of activities and capitalized in property and equipment, collections and investments on the statements of financial position for 2023 and 2022, respectively.

**Employee Retention Credits**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, Meijer Gardens was eligible for a refundable employee retention credit (“ERC”) subject to certain criteria. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through the expiration date of September 30, 2021. Based on these additional provisions, the tax credit is equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter.

Meijer Gardens recognized \$2,062,657 of ERC during the year ended September 30, 2022. This amount was included in the statement of activities in contributions. The balance was received in full during fiscal year 2023.

The accounting policy used for the ERC was the contribution model.

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**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of Meijer Gardens have been summarized on a functional basis. Note 3 presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Wages and benefits are allocated based on direct effort. Utilities, some contracted services, and general insurance are allocated based on square footage of the building and space utilized. All other expenses are allocated by direct benefit to the department.

**Advertising**

Meijer Gardens expenses advertising costs as incurred. Advertising expense totaled \$581,512 and \$584,230 for the years ended September 30, 2023 and 2022, respectively.

**Income Taxes**

Meijer Gardens is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Meijer Gardens' tax-exempt purpose is subject to taxation as unrelated business income.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

**Subsequent Events**

Management has evaluated significant events or transactions occurring subsequent to September 30, 2023 for potential recognition or disclosure in these financial statements. The evaluation was performed through February 12, 2024 the date the financial statements were available for issuance.

**Use of Estimates**

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

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**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

**Recently Issued Accounting Pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326). The main provisions of this pronouncement include requiring financial assets to be presented at the net amount expected to be collected utilizing an allowance for credit losses. The ASU is effective for annual periods beginning after December 15, 2022. Management does not expect the adoption of this standard to have a material effect on the financial statements.

**NOTE 2 - LIQUIDITY**

The following reflects the financial assets of Meijer Gardens included in the accompanying statements of financial position as of September 30, 2023 and 2022. This amount has been reduced by those assets not available for general use or amounts with donor restrictions.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 13,960,232	\$ 10,003,661
Short term investments	20,293,561	18,683,737
Accounts receivable	270,962	273,880
Pledges receivable	897,176	699,233
Replacement reserve	8,846,050	9,256,224
	<u>\$ 44,267,981</u>	<u>\$ 38,916,735</u>

In addition to the available funds stated above, Meijer Gardens operations are also funded by admissions, memberships, culinary arts and events, concerts and on-site gift shop and café. Meijer Gardens also receives annual contributions, investment earnings and annual distributions from The Frederik Meijer Garden & Sculpture Foundation (FMGSF). These annual distributions range from 4% to 5% of the invested fund. The value of the FMGSF is stated on the face of the statement of financial position.

**NOTE 3 - FUNCTIONAL EXPENSES**

The tables below present the expenses by both their nature and their function for the years ended September 30, 2023 and 2022.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

	Program Services					Supporting Services		2023 Total Expenses	
	Education	Gift Shop	Culinary Arts & Events	Collections & Exhibitions	Membership Development	Total Program Services	Management & General		Fund Development
Wages and benefits	\$ 1,184,353	\$ 405,961	\$ 2,923,618	\$ 4,537,687	\$ 298,960	\$ 9,350,579	\$ 1,825,707	\$ 501,974	\$ 11,678,260
Cost of merchandise sold	-	777,235	1,237,496	-	-	2,014,731	-	-	2,014,731
Exhibitions and displays	5,679	-	-	984,152	-	989,831	-	3,446	993,277
Communications	-	-	-	774,372	128,960	903,332	2,166	4,863	910,361
Contracted services	52,140	11,239	296,756	1,100,646	84,267	1,545,048	361,966	97,216	2,004,230
Facility maintenance	33,878	11,031	169,334	351,229	107,262	672,734	391,438	26,103	1,090,275
Leases & Rents	13	1,631	11,905	100,796	3,263	117,608	12,273	391	130,272
Utilities	56,424	14,410	147,379	443,245	5,400	666,858	127,090	4,175	798,123
Insurance	37,286	9,162	99,918	420,282	3,746	570,394	100,150	3,972	674,516
Acquisitions/cataloging	6,837	22	1,708	62,577	580	71,724	17,210	17,974	106,908
Events	8,970	-	-	2,965,873	41,369	3,016,212	-	175,739	3,191,951
Postage	72	2,002	70	61,048	72,354	135,546	1,922	8,813	146,281
Supplies	137,578	2,872	63,453	85,225	1,814	290,942	23,975	341	315,258
Conferences and development	11,804	3,962	17,071	191,165	10,973	234,975	68,493	354,202	657,670
Depreciation	344,525	63,719	1,074,527	3,935,767	1,364	5,419,902	529,406	224,992	6,174,300
Miscellaneous	12,505	51,221	251,673	104,326	80,613	500,338	25,549	33,292	559,179
<b>Total Functional Expenses</b>	<b>\$ 1,892,064</b>	<b>\$ 1,354,467</b>	<b>\$ 6,294,908</b>	<b>\$ 16,118,390</b>	<b>\$ 840,925</b>	<b>\$ 26,500,754</b>	<b>\$ 3,487,345</b>	<b>\$ 1,457,493</b>	<b>\$ 31,445,592</b>

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

	Program Services					Supporting Services			2022 Total Expenses
	Education	Retail	Culinary Arts & Events	Collections & Exhibitions	Membership Development	Total Program Services	Management & General	Fund Development	
Wages and benefits	\$ 1,040,819	\$ 386,401	\$ 2,343,810	\$ 4,193,414	\$ 257,005	\$ 8,221,449	\$ 1,512,119	\$ 440,598	\$ 10,174,166
Cost of merchandise sold	-	771,501	1,042,224	-	-	1,813,725	-	-	1,813,725
Exhibitions and displays	3,437	-	-	645,456	-	648,893	-	114,485	763,378
Communications	1,214	-	-	712,167	109,078	822,459	12,928	2,153	837,540
Contracted services	66,203	12,625	261,535	1,172,922	17,365	1,530,650	275,628	2,626	1,808,904
Facility maintenance	25,931	12,383	109,018	316,531	88,185	552,048	420,472	15,662	988,182
Leases & Rents	7	1,076	8,036	46,817	3,239	59,175	9,174	503	68,852
Utilities	54,859	13,846	134,589	429,667	2,258	635,219	117,182	3,076	755,477
Insurance	29,997	7,459	75,500	380,263	1,595	494,814	73,538	2,563	570,915
Acquisitions/cataloging	8,378	32	886	61,218	580	71,094	12,913	11,404	95,411
Events	13,720	-	-	3,294,356	27,759	3,335,835	-	119,209	3,455,044
Postage	38	9,774	84	51,311	56,188	117,395	2,037	7,193	126,625
Supplies	105,841	2,232	115,903	31,894	2,884	258,754	7,196	556	266,506
Conferences and development	5,585	4,518	17,306	86,675	11,656	125,740	37,485	335,203	498,428
Depreciation	407,296	15,579	1,076,749	4,422,748	1,996	5,924,368	566,998	232,565	6,723,931
Miscellaneous	8,972	63,944	363,381	83,229	67,800	587,326	15,877	31,769	634,972
<b>Total Functional Expenses</b>	<b>\$ 1,772,297</b>	<b>\$ 1,301,370</b>	<b>\$ 5,549,021</b>	<b>\$ 15,928,668</b>	<b>\$ 647,588</b>	<b>\$ 25,198,944</b>	<b>\$ 3,063,547</b>	<b>\$ 1,319,565</b>	<b>\$ 29,582,056</b>

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

**NOTE 4 - INVESTMENTS**

The total investments reported on the statement of financial position are as follows at September 30:

	2023	2022
Investments at fair value	\$ 20,753,973	\$ 21,953,222
Certificates of deposit	8,613,467	6,462,060
Other investments not recorded at fair value	-	557,402
	\$ 29,367,440	\$ 28,972,684

The investments are reflected on the statement of financial position as follows:

	2023	2022
Short term investments	\$ 20,293,561	\$ 18,683,737
Replacement reserve / Investments for property and equipment	8,846,050	9,256,224
Other investments	227,829	1,032,723
	\$ 29,367,440	\$ 28,972,684

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

Meijer Gardens invests to maintain liquidity and achieve safety of principal by limiting credit and default risk. Current investments are held with two financial institutions; the majority of this being in municipal and corporate bonds which are backed by the institution's letter of credit and carry a short-term credit rating A2/P2, and certificates of deposit. Investments are reported at fair value. The levels within the fair value hierarchy at which Meijer Gardens' investments are valued at September 30, 2023 and 2022 are as follows:

	<b>2023</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 23,115	\$ -	\$ -	\$ 23,115
Brokered certificates of deposit	-	1,068,156	-	1,068,156
Mutual funds	227,830	-	-	227,830
Fixed income				
Municipal bonds	-	803,535	-	803,535
Asset backed securities	-	406,629	-	406,629
Commercial paper	-	8,687,741	-	8,687,741
Corporate bonds	-	9,536,967	-	9,536,967
Investments at Fair Value	<u>\$ 250,945</u>	<u>\$ 20,503,028</u>	<u>\$ -</u>	<u>\$ 20,753,973</u>
	<b>2022</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 51,501	\$ -	\$ -	\$ 51,501
Brokered certificates of deposit	-	1,312,492	-	1,312,492
Mutual funds	475,321	-	-	475,321
Fixed income				
Municipal bonds	-	1,308,544	-	1,308,544
Asset backed securities	-	464,193	-	464,193
Commercial paper	-	8,822,343	-	8,822,343
Corporate bonds	-	9,518,828	-	9,518,828
Investments at Fair Value	<u>\$ 526,822</u>	<u>\$ 21,426,400</u>	<u>\$ -</u>	<u>\$ 21,953,222</u>

For the valuation of certain money market and mutual funds, Meijer Gardens used quoted prices in active markets for identical assets as of the valuation date (Level 1). Certificates of deposit are recorded at cost, plus earned interest.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

For the valuation of municipal bonds, brokered certificates of deposit, asset backed securities, commercial paper and corporate bonds, Meijer Gardens' investment manager provides a periodic valuation using quoted prices for identical or similar assets in markets that are not active (Level 2).

**NOTE 5 - PLEDGES RECEIVABLE**

Unconditional promises to give are due to be received as follows at September 30:

	<b>2023</b>	2022
Receivable in less than one year	<b>\$ 1,173,926</b>	\$ 992,703
Receivable in one to five years	<b>1,202,345</b>	963,000
Receivable in greater than five years	<b>220,575</b>	274,575
Less discounting of future promises	<b>(97,279)</b>	(93,270)
	<b>1,325,641</b>	1,144,305
<b>Net Receivable Greater Than One Year</b>	<b>1,325,641</b>	1,144,305
<b>Net Unconditional Pledges Receivable</b>	<b>\$ 2,499,567</b>	\$ 2,137,008

Pledges receivable with donor-imposed restrictions that limit their use to long-term purposes are classified separately from assets available for current use. Pledges receivable in the statements of financial position include the following at September 30:

	<b>2023</b>	2022
Pledges receivable, current	<b>\$ 897,176</b>	\$ 699,233
Pledges receivable		
Restricted for investment in collections, property and equipment and endowment	<b>854,825</b>	1,131,825
Long-term portion	<b>844,845</b>	399,220
	<b>1,699,670</b>	1,531,045
Less discounting of future promises	<b>(97,279)</b>	(93,270)
	<b>1,602,391</b>	1,437,775
	<b>\$ 2,499,567</b>	\$ 2,137,008

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
D.B.A. FREDERIK MEIJER GARDENS & SCULPTURE PARK**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment are summarized as follows at September 30:

	<b>2023</b>	<b>2022</b>
Land	<b>\$ 19,131,793</b>	\$ 19,131,793
Land improvements	<b>42,651,951</b>	42,799,453
Building	<b>91,473,339</b>	91,290,877
Construction-in-progress	<b>3,541,957</b>	518,807
Plants	<b>2,858,301</b>	2,910,710
Furniture and fixtures	<b>8,841,319</b>	9,492,883
Technology	<b>3,437,827</b>	3,437,122
Equipment	<b>4,097,494</b>	4,045,491
	<b>176,033,981</b>	173,627,136
Accumulated depreciation	<b>(58,808,108)</b>	(54,202,912)
	<b>\$ 117,225,873</b>	\$ 119,424,224

Construction in progress consists primarily of costs related to the renovation of office space. This project was completed early in fiscal year 2024. Other projects include enhancements to the Michigan Farm Garden and various IT projects, with anticipated completion dates during 2024.

**NOTE 7 - BENEFICIAL INTEREST IN NET ASSETS OF THE FOUNDATION**

The Frederik Meijer Gardens & Sculpture Foundation (Foundation) was formed for charitable purposes to hold and manage the endowment and other funds for the benefit of Meijer Gardens. Accordingly, Meijer Gardens presents its beneficial interest in the net assets of the Foundation, adjusted annually for the change in those net assets. The changes in net assets are primarily due to contributions and changes in the market value of the Foundation's investment portfolios. The valuation is considered to be a Level 3 measurement in the fair value hierarchy. The unrealized gains or losses on revaluation are recorded in the statements of activities.

The fair value of the beneficial interest in net assets of the Foundation is based upon the fair value of the underlying investments in the Foundation. The underlying Foundation assets cannot be liquidated or redeemed by Meijer Gardens. As such, no quoted prices or active markets are available for this asset (Level 3). Management reviews the values provided by the Foundation.



**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

Following is a reconciliation of activity for the years ended September 30, 2023 and 2022 for Level 3 assets measured at fair value:

<b>Balance at September 30, 2021</b>	<b>\$ 172,096,206</b>
Transfer of Cash to the Foundation from Meijer Gardens	11,000,000
Change in beneficial interest	<u>(39,741,986)</u>
<b>Balance at September 30, 2022</b>	<b>143,354,220</b>
Transfer of Cash to the Foundation from Meijer Gardens	5,732,132
Change in beneficial interest	<u>14,163,817</u>
<b>Balance at September 30, 2023</b>	<b><u>\$ 163,250,169</u></b>

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restriction consist of cash, investments, pledges receivable, and other assets restricted by donors for the following purposes as of September 30:

	<b>2023</b>	<b>2022</b>
With donor restriction		
Collections	<b>\$ 3,103,914</b>	\$ 2,446,403
Welcoming the World: Honoring a Legacy of Love	-	5,145,068
Unappropriated earnings on beneficial interest	<b>29,784,094</b>	15,620,277
Other	<b>229,534</b>	137,880
Frederik Meijer Gardens & Sculpture Foundation	<b><u>133,466,075</u></b>	<u>127,733,943</u>
<b>Total With Donor Restriction</b>	<b><u>\$ 166,583,617</u></b>	<b><u>\$ 151,083,571</u></b>

During 2023, Meijer Gardens released donor restricted net assets of \$276,642 relating to Welcoming the World projects, \$487,332 in Collections placed into service, and \$10,725 of other donor restrictions satisfied. During 2022, Meijer Gardens released donor restricted net assets of \$16,836,981 relating to Welcoming the World projects and \$1,949,532 in Collections placed into service.

**WEST MICHIGAN HORTICULTURAL SOCIETY, INC.  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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September 30, 2023 and 2022

**NOTE 9 - RELATED PARTY TRANSACTIONS**

Approximately 60% of Meijer Gardens' aggregate contributions in each of the years ended September 30, 2023 and 2022 were provided by related party donors.

**NOTE 10 - RETIREMENT AND COMPENSATION PLANS**

Substantially all Meijer Gardens' employees are eligible to participate in the Frederik Meijer Gardens & Sculpture Park 403(b) Plan. Employee contributions to the Plan are voluntary, while management provides for a discretionary matching contribution to the Plan to be made on behalf of participating employees.

Meijer Gardens established the Frederik Meijer Gardens & Sculpture Park Executive Deferred Compensation Plan for the benefit of select members of executive management. The Plan is qualified under IRC Section 457(b). Members of executive management are selected for participation in the Plan at the discretion of the board of directors. Contributions may be made to the Plan in the form of employee elective deferrals, as well as employer discretionary contributions, subject to deferred compensation limitations.

Total discretionary matching and discretionary contribution expense related to these plans during 2023 and 2022 was \$322,269 and \$291,100, respectively.

**NOTE 11 - UNRELATED BUSINESS INCOME TAX**

Provisions of \$91,000 and \$255,000 were recorded for federal and state unrelated business income taxes in 2023 and 2022. Cash paid for income taxes was \$211,500 and \$0 for the years ended September 30, 2023 and 2022.

**NOTE 12 - RISKS AND UNCERTAINTIES**

Meijer Gardens holds a beneficial interest in the investment securities held by the Foundation as well as its own investment portfolio described in Note 4. Such investments are exposed to various risks such as fluctuation in interest rates, the securities market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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