

MYRIAD USA, INC.

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

DECEMBER 31, 2023 AND 2022

MYRIAD USA, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors
Myriad USA, Inc.
New York, New York**

Opinion

We have audited the accompanying financial statements of Myriad USA, Inc. (the **“Organization”**), f/k/a King Baudouin Foundation United States, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

**Board of Directors
Myriad USA, Inc.
New York, New York**

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

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP

**New York, New York
April 2, 2024**

MYRIAD USA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 And 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 6,757,175	\$16,602,298
Investments <i>(Note 2)</i>	41,776,729	28,759,252
Grants receivable <i>(Note 3)</i>	12,463,279	10,440,975
Prepaid expenses and other assets	566,489	888,366
Interest receivable	51,327	-
Donated artwork and other donated collection <i>(Note 4)</i>	7,432,100	6,714,000
Right-of-use asset <i>(Note 8)</i>	2,238,856	2,448,387
Office furniture, net of accumulated depreciation of \$16,362 and \$5,381 in 2023 and 2022, respectively	95,206	102,235
Security deposit	<u>62,500</u>	<u>62,500</u>
Total assets	<u>\$71,443,661</u>	<u>\$66,018,013</u>
LIABILITIES		
Accounts payable and other accrued expenses	\$ 217,259	\$ 123,381
Grants payable <i>(Note 5)</i>	13,220,577	8,239,434
Refundable advance	436,845	346,635
Operating lease liability <i>(Note 8)</i>	2,280,303	2,454,487
Deferred revenue	<u>65,000</u>	<u>65,000</u>
Total liabilities	<u>16,219,984</u>	<u>11,228,937</u>
NET ASSETS		
Without donor restrictions		
General operations	9,538,617	6,105,339
Advised gifts in process	648,980	3,992,258
American Friends Funds	24,032,042	21,967,130
Disaster response	15,154	54,341
Art Works	<u>7,432,100</u>	<u>6,714,000</u>
Total without donor restrictions	<u>41,666,893</u>	<u>38,833,068</u>
With donor restrictions <i>(Note 6)</i>	<u>13,556,784</u>	<u>15,956,008</u>
Total net assets	<u>55,223,677</u>	<u>54,789,076</u>
Total liabilities and net assets	<u>\$71,443,661</u>	<u>\$66,018,013</u>

MYRIAD USA, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023 With Summarized Information For 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>	<u>Total 2022</u>
REVENUE AND OTHER SUPPORT				
Contributions – General	\$ 91,663,920	\$ 21,050,534	\$ 112,714,454	\$ 101,345,583
Gifts In-kind	3,443,100	-	3,443,100	1,392,000
U.S. Government grants	1,514,657	-	1,514,657	1,896,769
Investment income	633,603	58,277	691,880	417,955
Management and investment fees	2,771,584	-	2,771,584	2,266,919
Net assets released from restrictions <i>(Note 6)</i>	<u>23,967,322</u>	<u>(23,967,322)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>123,994,186</u>	<u>(2,858,511)</u>	<u>121,135,675</u>	<u>107,319,226</u>
EXPENSES				
Grants and program expenses	121,258,885	-	121,258,885	98,812,948
Management and general expenses	<u>2,792,665</u>	<u>-</u>	<u>2,792,665</u>	<u>2,046,305</u>
Total expenses	<u>124,051,550</u>	<u>-</u>	<u>124,051,550</u>	<u>100,859,253</u>
Excess (deficit) of operating support and revenue over expenses	(57,364)	(2,858,511)	(2,915,875)	6,459,973
NON-OPERATING CHANGES				
Realized and unrealized gains (losses)	<u>2,891,189</u>	<u>459,287</u>	<u>3,350,476</u>	<u>(3,885,221)</u>
Change in net assets	2,833,825	(2,399,224)	434,601	2,574,752
NET ASSETS				
Beginning of year	<u>38,833,068</u>	<u>15,956,008</u>	<u>54,789,076</u>	<u>52,214,324</u>
End of year	<u>\$ 41,666,893</u>	<u>\$ 13,556,784</u>	<u>\$ 55,223,677</u>	<u>\$ 54,789,076</u>

MYRIAD USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023 With Summarized Information For 2022

	<u>Program</u>	<u>Management And General</u>	<u>2023</u>	<u>2022</u>
Grants and educational programs	\$121,258,885	\$ -	\$121,258,885	\$ 98,812,948
Salaries, taxes, & benefits	-	1,420,931	1,420,931	1,110,288
Travel, conferences, and meals	-	204,309	204,309	135,009
Professional services	-	361,744	361,744	232,009
Occupancy	-	306,435	306,435	121,631
Office supplies and postage	-	35,168	35,168	49,318
Website and publications	-	81,228	81,228	109,623
Events and related expenses	-	189,542	189,542	90,794
Information technology	-	98,395	98,395	101,223
Insurance	-	27,638	27,638	24,515
Dues and memberships	-	34,465	34,465	46,171
Bank charges	-	21,829	21,829	20,343
Depreciation	-	10,981	10,981	5,381
Total expenses – 2023	<u>\$121,258,885</u>	<u>\$2,792,665</u>	<u>\$124,051,550</u>	
Total expenses – 2022	<u>\$ 98,812,948</u>	<u>\$2,046,305</u>		<u>\$100,859,253</u>

MYRIAD USA, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 And 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 434,601	\$ 2,574,752
<i>Adjustments to reconcile the net change in net assets to net cash provided by (used for) operating activities</i>		
Unrealized (gain) loss on investments	(3,118,378)	3,906,771
Gain on sale of investments	(232,098)	(21,550)
Depreciation	10,981	5,381
Amortization of right-of-use asset	209,531	34,260
Interest on lease liability	93,432	16,234
Operating lease liability payments	(267,616)	(44,394)
(Increase) decrease in		
Prepaid expenses and other assets	321,878	(401,544)
Grants receivable	(2,022,304)	1,744,136
Interest receivable	(51,327)	-
Security deposit	-	(54,054)
Increase (decrease) in		
Accounts and grants payable	5,075,021	(10,206,620)
Refundable advance	<u>90,210</u>	<u>(118,493)</u>
Net cash provided by (used for) operating activities	<u>543,931</u>	<u>(2,565,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(31,794,884)	(18,696,289)
Proceeds from sales of investments	22,127,882	10,428,467
Purchase of office furniture	(3,952)	(107,616)
Donated artwork, net	<u>(718,100)</u>	<u>(1,221,000)</u>
Net cash used for investment activities	<u>(10,389,054)</u>	<u>(9,596,438)</u>
Net decrease in cash	(9,845,123)	(12,161,559)
CASH		
Beginning of year	<u>16,602,298</u>	<u>28,763,857</u>
End of year	<u>\$ 6,757,175</u>	<u>\$ 16,602,298</u>
SUPPLEMENTAL INFORMATION		
Right-of-use asset in exchange for new financing liability	<u>\$ -</u>	<u>\$ 2,482,648</u>

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 And 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Myriad USA, Inc. (the “**Organization**”), f/k/a King Baudouin Foundation United States, Inc. (“**KBFUS**”) is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Its objective is to facilitate thoughtful, effective giving across borders. The Organization enables United States donors to support non-profit initiatives overseas, and provides foreign nonprofit organizations with cost effective solutions to raise funds in the United States.

The Organization was originally formed in 1997 as the King Baudouin Foundation United States, and historically focused its charitable work on Europe, Africa, and Latin America. In November 2023, KBFUS signed a restructuring and collaboration agreement with its longtime partner Give2Asia, a United States non-profit organization serving donors with interests in Asia, the Pacific, and the Middle East.

Under the terms of that agreement, KBFUS changed its corporate name to Myriad USA in December 2023, and Give2Asia transferred its programs and activities related to countries and regions, other than China, to Myriad USA.

Since January 2024, Myriad USA provides donors with a simple and efficient platform to support nonprofit initiatives overseas, anywhere across the globe. Myriad USA brings together the expertise and networks of KBFUS and Give2Asia, and builds on their shared history, their shared belief that local knowledge counts, and their shared objective of improving the lives of people around the world.

Myriad USA is a member of Myriad - the Alliance for borderless giving, a network of like-minded organizations who encourage, stimulate, and facilitate cross-border giving, each in the country or region where they are based.

BASIS OF ACCOUNTING

The Organization prepares its financial statements on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when owed under the accrual basis.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

INCOME TAX STATUS

Management has reviewed the tax positions for each of the open tax years (2020 – 2022) or expected to be taken in the Organization’s 2023 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“ASC”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

INVESTMENTS

Investments are reported at their fair values with associated income and gains and losses recorded on the accompanying statement of activities. The fair value of investments traded on a securities exchange is determined based on quoted market prices. Contributions of marketable securities are recorded at their market values on the dates of donation.

PROPERTY AND EQUIPMENT

Purchased property and equipment are recorded at acquisition cost. Donated property and equipment are recorded at their fair value. Property and equipment are depreciated over the estimated useful lives of the assets.

NET ASSETS

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the Organization.

General Operations – include the revenues and expenses associated with the principal mission of the Organization.

Advised Gifts in Process – included contributions received with the recommendations that the Organization use the gift to support a specific non-profit organization.

American Friends Funds – include contributions received from U.S. donors for various non-profit organizations established overseas.

Art Works – include the various works of art donated to the Organization.

Disaster Response Funds – include contributions received for trusted local nonprofits based in communities overseas affected by a disaster.

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts; pledges; and investment returns on “true” endowment funds. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization, including gifts wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily gifts for endowment) and that only the income be made available for operations or other purposes.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

REVENUE AND REVENUE RECOGNITION

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

A portion of the Organization’s revenue is derived from cost-reimbursable federal grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of \$436,845 and \$346,635 that have not been recognized at December 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred, with these amounts recognized in the statement of financial position as a refundable advance.

CONTRIBUTIONS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts-in-kind are recorded at fair value on the date of receipt.

Pledges (contributions receivable) are recorded as income in the periods in which they are received in writing.

PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the Organization’s various programs and supporting services has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

RECLASSIFICATIONS

Certain reclassifications were made to the 2022 financial statements to conform to the 2023 presentation.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

(2) INVESTMENTS

The components of marketable securities at December 31 are:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash equivalents	\$ 334,416	\$ 334,416	\$ 2,435,569	\$ 2,435,569
U.S. Treasury Bills	14,957,989	15,266,434	2,643,882	2,674,021
U.S. Treasury Notes	6,477,373	6,693,261	-	-
Corporate Time Deposits	-	-	3,611,067	3,611,067
Mutual Funds				
Bond	444,974	431,284	4,114,884	3,936,340
Equity	<u>16,032,324</u>	<u>19,051,334</u>	<u>15,542,575</u>	<u>16,102,255</u>
	<u>\$38,247,076</u>	<u>\$41,776,729</u>	<u>\$28,347,977</u>	<u>\$28,759,252</u>

As of December 31, 2023 and 2022, net unrealized gains consisted of \$3,529,653 and \$411,275, respectively.

The following summarizes the investment return for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividend income, net of investment expenses of \$26,940 and \$26,860, respectively	\$ 691,880	\$ 417,955
Realized gain on sale of investments	232,098	21,550
Unrealized gain (loss) on investments	<u>3,118,378</u>	<u>(3,906,771)</u>
Total investment income	<u>\$ 4,042,356</u>	<u>\$ (3,467,266)</u>

The Organization utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instruments on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Organization's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

The summary of inputs used to value the Organization’s investments as of December 31, 2023 and 2022 are as follows:

	2023			
	Total	Level 1	Level 2	Level 3
Cash Equivalents	\$ 334,416	\$ 334,416	\$ -	\$ -
U.S. Treasury Bills	15,266,434	-	15,266,434	-
U.S. Treasury Notes	6,693,261	-	6,693,261	-
Mutual Funds				
Bond	431,284	431,284	-	-
Equity	<u>19,051,334</u>	<u>19,051,334</u>	<u>-</u>	<u>-</u>
	<u>\$41,776,729</u>	<u>\$19,817,034</u>	<u>\$21,959,695</u>	<u>\$ -</u>
	2022			
	Total	Level 1	Level 2	Level 3
Cash Equivalents	\$ 2,435,569	\$ 2,435,569	\$ -	\$ -
U.S. Treasury Bills	2,674,021	-	2,674,021	-
Corporate Time Deposits	3,611,067	3,611,067	-	-
Mutual Funds				
Bond	3,936,340	3,936,340	-	-
Equity	<u>16,102,255</u>	<u>16,102,255</u>	<u>-</u>	<u>-</u>
	<u>\$28,759,252</u>	<u>\$26,085,231</u>	<u>\$2,674,021</u>	<u>\$ -</u>

(3) GRANTS RECEIVABLE

Grants receivable are due as follows at December 31:

	2023	2022
Receivable in less than one year	\$ 8,114,090	\$ 6,783,673
Receivable in one to five years	<u>4,861,507</u>	<u>4,042,564</u>
Total grants receivable	12,975,597	10,826,237
Less: discount to present value at 4.82% to 5.26% in 2023 and 4.27% to 4.55% in 2022	<u>(512,318)</u>	<u>(385,262)</u>
Total grants receivable - net	<u>\$12,463,279</u>	<u>\$10,440,975</u>

(4) DONATED ARTWORK

In 2023, the Organization received artwork by Leon Frederic, valued at \$100,000. This artwork is currently on loan to the Royal Museums of Fine Arts of Belgium, in Brussels, Belgium. Also in 2023, the Organization received a collection of 121 photographs by Joel Sternfeld, valued at \$2,293,100. This collection is currently on loan to Albertina Museum, in Vienna, Austria. Also in 2023, the Organization received three artworks by Calvin Marcus, valued at \$450,000. This artwork is currently on loan to Museum Boijmans van Beuingen in Rotterdam, the Netherlands. Also in 2023, the Organization received artwork by Rembrandt van Rijn, valued at \$100,000. This artwork is currently on loan to Rijksmuseum, Amsterdam, the Netherlands. Also in 2023, the Organization received a sculpture by Lynda Benglis, valued at \$500,000. The sculpture is currently on loan to the Albertina Museum, Vienna, Austria.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

In 2022, the Organization received a collection of Asian textiles and garments of artistic and historical interest from Samuel Myers, valued at \$1,392,000. This collection is currently on loan to Guimet National Museum of Asian Arts, in Paris, France.

In 2021, the Organization received artwork by Samuel Meyers, valued at \$1,672,000. This artwork is currently on loan to the Guimet National Museum of Asian Arts, in Paris, France.

In 2020, the Organization received artwork by Alex Israel, valued at \$700,000. This artwork is currently on loan to the Museum Boijmans van Beuningen in Rotterdam, Netherlands. Also, in 2020, the Organization received artwork by Robert De Niro Sr., valued at \$225,000. This artwork is currently on loan to the Musee Fabre in Montpellier, France.

In 2019, the Organization received artwork by Hans Memling, valued at \$2,700,000. This artwork was donated to Musea Burgge in Belgium in fiscal year 2023 after approval of the Organization's Board. Also, in 2019, the Organization received artwork by Eduard Charlemont, valued at \$25,000. This artwork was donated to Osterreichische Galerie Belvedere in Austria in fiscal year 2023 after approval of the Organization's Board

In 2018, the Organization received artwork by Jean-Francois De Troy, valued at \$45,000. Also, in 2018, the Organization received artwork by Louis Le Sueur, valued at \$16,000. These works were donated to Petit Palais in France in fiscal year 2022 after approval of the Organization's Board

In 2017, the Organization received donated artwork, valued at \$110,000. After being on loan to Petit Palais in France, in fiscal year 2022, this artwork was donated to Petit Palais after approval of the Organization's Board.

(5) GRANTS PAYABLE

Unconditional grants are recorded as expense during the year of approval. Grants subject to certain conditions are recorded as expense during the year in which conditions are substantially met or the possibility that the conditions will not be met is remote, as determined by management.

The fair value of grants payable as of December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Payable in one year	\$10,109,381	\$ 6,690,067
Payable in one to five years	<u>3,478,405</u>	<u>1,714,804</u>
Total grants payable	13,587,786	8,404,871
Less: discount to present value at 4.82% to 5.26% in 2023 and 4.55% in 2022	<u>(367,209)</u>	<u>(165,437)</u>
Total grants payable – net	<u>\$13,220,577</u>	<u>\$ 8,239,434</u>

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

(6) NET ASSETS

Net assets with donor restrictions are available for the following purposes at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for a special purpose:		
Purpose restricted grants	\$ <u>6,233,778</u>	\$ <u>8,640,274</u>
Perpetual in nature:		
General use – KBF Endowment	6,630,200	6,630,200
Program activities – Tony Julius Designated Fund	<u>464,903</u>	<u>464,903</u>
	<u>7,095,103</u>	<u>7,095,103</u>
Accumulated income on endowments:		
Accumulated Endowment Income – Tony Julius Designated Fund	<u>227,903</u>	<u>220,631</u>
	<u>\$13,556,784</u>	<u>\$15,956,008</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31:

	<u>2023</u>
Purpose restricted grants	<u>\$23,967,322</u>

ENDOWMENT FUNDS

The Organization's endowment fund consists of two donor-restricted endowment funds. As required by GAAP in the United States, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

The KBF Endowment Fund (the "**Fund**") was transferred to the Organization by the King Baudouin Foundation, Belgium ("**KBF Belgium**"). The agreement consists of a transfer of \$6,630,200 to the Organization. The Organization has full and unrestricted control and complete discretion over the use of any and all income from investment of the Fund, including, but not limited to, interest, dividends, and capital gains earned by the Fund, regardless of whether the Organization has taken any action expressly to appropriate such investment income for expenditure. Income can be either immediately allocated in agreement with the Organization's spending policy or accumulated for later allocation to the funding of current or future expenses associated with the Organization's general operations, educational programs or other exempt purposes, at the sole discretion of the Organization's Board of Directors. The initial agreement was signed November 24, 2011, for a six-year term, and automatically renews for additional six-year terms thereafter. The agreement can be terminated by either party with 90 days written notice of any six-year term. In the event of termination by either party, the Organization shall return to KBF Belgium, within 30 days of the effective date of the termination, the lesser of the original corpus donated of \$6,630,200, or the balance in the Fund on the effective date of the termination, as valued by the Organization. The accumulated earnings in excess of the true endowment fund are fully available to the Organization and are not subject to the spending rate. As such, in 2019, \$3,301,870 of accumulated earnings previously classified with donor restrictions, were released to net assets without donor restrictions.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

INTERPRETATION OF RELEVANT LAW

The Organization is incorporated in the state of Georgia, which has enacted the Uniform Prudent Management of Institutional Funds Act (“*UPMIFA*”). UPMIFA governs donor institutional funds for not-for-profit corporations, including endowment funds. The Organization has interpreted the applicable state standards and guidelines for the prudent management of an endowment fund as requiring a prudent appropriation of the endowment fund’s assets, taking into account any explicit donor stipulations or restrictions on the appropriation or expenditure of assets. As a result, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund (i.e. the accumulated realized and unrealized gains/losses) that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

RETURN OBJECTIVES AND RISK PARAMETERS

The total rate of return (net of fees) is expected to equal or exceed a passive investment in commonly quoted market indices (benchmarks) based on a long-term optimal asset allocation.

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

SPENDING POLICY

In 2012, the Organization adopted a spending policy whereby beginning in 2015, 4% of the endowment fund’s market value over the three previous years will be distributed to the Organization to be used for operational and program expenses. The donor-restricted portion of the endowment also includes \$464,903 for the Tony Julius Designated Fund at December 31, 2023 and 2022. These funds are subject to the 4% annual spending rate of the Organization and can be distributed to programmatic grants as outlined by the grant agreement, then subsequently approved by the Organization, as they become available. A distribution of \$93,324 was made during the year ended December 31, 2023. There was no distribution from the Tony Julius Designated Fund for the year ended December 31, 2022. Accumulated earnings on the Tony Julius Designated Fund were \$227,903 and \$220,631 at December 31, 2023 and 2022, respectively, and are included in net assets with donor restrictions.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or state standards require the Organization to retain as a fund of perpetual duration. At December 31, 2023 and 2022, no donor restricted endowment funds have fallen below the required.

Endowment net asset composition by type of fund as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>		
	<u>Accumulated Income</u>	<u>Corpus</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$227,903</u>	<u>\$7,095,103</u>	<u>\$7,323,006</u>

	<u>2022</u>		
	<u>Accumulated Income</u>	<u>Corpus</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$220,631</u>	<u>\$7,095,103</u>	<u>\$7,315,734</u>

The Organization classifies the original value of gifts received with donor stipulations that require them to be held in perpetuity as net assets with donor restrictions. Income earned on such gifts is classified as net assets with donor restrictions until it is expended in accordance with the Uniform Prudent Management of Institutional Funds Act as enacted by the State of Georgia.

Changes in endowment net assets for the year ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>		
	<u>Accumulated Income</u>	<u>Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 220,631	\$ 7,095,103	\$ 7,315,734
Investment return	100,596	-	100,596
Amount appropriated for operations	<u>(93,324)</u>	<u>-</u>	<u>(93,324)</u>
	<u>\$ 227,903</u>	<u>\$ 7,095,103</u>	<u>\$ 7,323,006</u>

	<u>2022</u>		
	<u>Accumulated Income</u>	<u>Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 357,528	\$ 7,095,103	\$ 7,452,631
Investment return	<u>(136,897)</u>	<u>-</u>	<u>(136,897)</u>
	<u>\$ 220,631</u>	<u>\$ 7,095,103</u>	<u>\$ 7,315,734</u>

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

(7) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Organization strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual and/or donor restriction or internal board designations.

Financial Assets	<u>2023</u>	<u>2022</u>
Cash	\$ 6,757,175	\$ 16,602,298
Investments	41,776,729	28,759,252
Grants receivable	<u>12,463,279</u>	<u>10,440,975</u>
Total financial assets	60,997,183	55,802,525
Less:		
Grants receivable due in more than a year, net	(4,349,189)	(3,657,302)
Net assets with donor restrictions	(13,556,784)	(15,956,008)
Board-designated net assets	<u>(24,696,176)</u>	<u>(26,013,729)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 18,395,034</u>	<u>\$ 10,175,486</u>

Amounts not available include certain board-designated net assets received with recommendations for various non-profit organizations established overseas. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

(8) LEASES

The Organization leases office space in New York under a lease agreement with an initial term greater than 12 months. The Organization determines whether an agreement is or contains a lease at lease inception. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease, measured at an amount equal to the present value of the minimum lease payments over the remaining expected term of the lease. Amortization expense and interest expense related to the Organization's operating leases are included in occupancy and office expense on the statement of functional expenses.

In determination of the lease term, the Organization considers the likelihood of lease renewal options and lease termination provisions.

The discount rate for a lease is derived from the rate implicit in the lease whenever readily determinable or the Organization's incremental borrowing rate.

MYRIAD USA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

The following quantitative data related to the Organization's operating leases for the year ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Operating Lease Amounts:		
Right-of-use assets	\$ 2,238,856	\$ 2,448,387
Lease liabilities	2,280,303	2,454,487
Other Information:		
Operating outgoing cash flows for operating leases	\$ 267,616	\$ 44,394
Weighted-average remaining lease term	8.83 years	9.83 years
Weighted average discount rate	3.97%	3.97%

Lease cost information for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	<u>\$302,963</u>	<u>\$50,494</u>

Future lease payments at December 31, 2023 are as follows:

<u>Fiscal Year</u>	<u>Total</u>
2024	\$ 275,153
2025	282,917
2026	290,914
2027	299,150
2028	307,634
2029 and thereafter	<u>1,261,852</u>
Total undiscounted cash flows	2,717,620
Less: present value adjustment	<u>(437,317)</u>
Lease liability	<u>\$ 2,280,303</u>

(9) PENSION PLAN

Substantially all employees of the Organization are enrolled in a defined contribution pension plan. Contributions to this plan are based upon earnings for all eligible employees after completing one year of service. The Organization will match employee deferrals up to 8% of eligible compensation. Pension expense for the years ended December 31, 2023 and 2022 was \$65,148 and \$44,832, respectively.

(10) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available, April 2, 2024, have been evaluated in the preparation of the financial statements.