

BARTLETT ARBORETUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

**AT JUNE 30, 2023
AND FOR THE YEAR THEN ENDED**

BARTLETT ARBORETUM ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
BARTLETT ARBORETUM ASSOCIATION, INC.**

Opinion

We have audited the accompanying financial statements of Bartlett Arboretum Association, Inc., (a non-profit organization), which comprise the statement of financial position as of June 30, 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 Bartlett Arboretum Association, Inc. as of June 30, 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 Bartlett Arboretum Association, Inc. 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 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 Bartlett Arboretum Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Bartlett Arboretum Association, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bartlett Arboretum Association, Inc.'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.

Van Brunt, Dubois & Company, LLC

Stamford, Connecticut
January 5, 2024

BARTLETT ARBORETUM ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2023

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,517,627
Cash Restricted	15,148
Receivables	64,657
Investments	286,517
Prepaid Expenses	<u>12,707</u>
TOTAL CURRENT ASSETS	<u>1,896,656</u>
PROPERTY AND EQUIPMENT	
Building and Land Improvements	3,210,840
Land	150,000
Equipment and Vehicles	245,851
Assets Under Construction	<u>49,215</u>
Total	3,655,906
Less Accumulated Depreciation	<u>2,812,756</u>
PROPERTY AND EQUIPMENT – NET	<u>843,150</u>
TOTAL ASSETS	<u>\$ 2,739,806</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 56,479
Other Liabilities	15,085
Deferred Revenue – Other	<u>76,724</u>
TOTAL CURRENT LIABILITIES	148,288
LONG TERM LIABILITIES	
SBA Loan Payable	<u>150,000</u>
TOTAL LIABILITIES	<u>298,288</u>
NET ASSETS	
Without Donor Restrictions – Unrestricted	1,324,218
With Donor Restrictions – Time or Purpose Restricted	952,300
With Donor Restrictions – Perpetuity	<u>165,000</u>
TOTAL NET ASSETS	<u>2,441,518</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,739,806</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

BARTLETT ARBORETUM ASSOCIATION, INC

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS PURPOSE OR TIME RESTRICTED</u>	<u>PERPETUITY</u>	<u>TOTAL</u>
REVENUE GAINS AND OTHER SUPPORT				
Corporate, Individual and Other Contributions	\$ 318,860	\$ 186,560	\$ -	\$ 505,420
Grants	92,230	219,800	-	312,030
Membership Dues	39,738	-	-	39,738
Education	65,978	-	-	65,978
Camp and School Programs	81,943	-	-	81,943
City of Stamford Subsidy	334,000	-	-	334,000
Rental and Gift Shop Income	6,719	-	-	6,719
Special Event Revenue	179,973	-	-	179,973
Less Special Event Expenses	(75,195)	-	-	(75,195)
Investment Return, Net	84,432	-	-	84,432
Miscellaneous	30,089	-	-	30,089
Net Assets Released From Restrictions	13,015	(13,015)	-	-
Satisfaction of Program Restrictions	-	-	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>1,171,782</u>	<u>393,345</u>	<u>-</u>	<u>1,565,127</u>
EXPENSES				
Program	1,094,911	-	-	1,094,911
Supporting Services	258,136	-	-	258,136
TOTAL FUNCTIONAL EXPENSES	<u>1,353,047</u>	<u>-</u>	<u>-</u>	<u>1,353,047</u>
CHANGE IN NET ASSETS	(181,265)	393,345	-	212,080
NET ASSETS AT BEGINNING OF YEAR	1,505,483	308,955	415,000	2,229,438
RECLASSIFICATION OF NET ASSETS	-	250,000	(250,000)	-
NET ASSETS AT END OF YEAR	<u>\$ 1,324,218</u>	<u>\$ 952,300</u>	<u>\$ 165,000</u>	<u>\$ 2,441,518</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

BARTLETT ARBORETUM ASSOCIATION, INC

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>	
<u>EXPENSES</u>	<u>PROGRAM</u>	<u>MANAGEMENT & GENERAL</u>	<u>DEVELOPMENT</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Payroll and Related Expenses	\$ 558,707	\$ 50,250	\$ 50,250	\$ 100,500	\$ 659,207
Independent Contractors	38,460	-	-	-	38,460
Education	29,066	-	-	-	29,066
Camp and School Programs	23,403	-	-	-	23,403
Facilities Maintenance	59,839	-	-	-	59,839
Utilities and IT Services	92,354	4,668	4,668	9,336	101,690
Grounds Maintenance	81,824	-	-	-	81,824
Insurance	38,318	2,289	2,289	4,578	42,896
Interest Expense	-	5,180	-	5,180	5,180
Marketing, Development and Other Expenses	18,692	-	5,010	5,010	23,702
Office, Bank and Credit Card Fees	11,050	12,025	12,025	24,050	35,100
Equipment Lease	6,967	872	872	1,744	8,711
Professional Fees	-	52,680	21,000	73,680	73,680
TOTAL EXPENSES BEFORE DEPRECIATION	958,680	127,964	96,114	224,078	1,182,758
Depreciation	136,231	34,058	-	34,058	170,289
TOTAL FUNCTIONAL EXPENSES	\$ 1,094,911	\$ 162,022	\$ 96,114	\$ 258,136	\$ 1,353,047

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

BARTLETT ARBORETUM ASSOCIATION, INC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 212,080
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	170,289
Unrealized Gain on Investments	(79,970)
(Increase) Decrease in:	
Receivables	(21,940)
Prepaid Expenses	(2,869)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	18,605
Other Liabilities	15,085
Deferred Revenue - Other	<u>23,487</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>334,767</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Assets	(99,217)
Proceeds From Sale of Investments	145,749
Purchase of Investments	<u>(83,803)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(37,271)</u>

NET INCREASE IN CASH 297,496

CASH AT BEGINNING OF YEAR 1,235,279

CASH AT END OF YEAR \$ 1,532,775

SUMMARY OF CASH

Cash	\$ 1,517,627
Cash Restricted	<u>15,148</u>
	<u>\$ 1,532,775</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash Paid for Interest	<u>\$ 5,180</u>
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BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

In 1913, Francis A. Bartlett, a well-known dendrologist and founder of the internationally known F.A. Bartlett Tree Experts Company, acquired 30 acres of North Stamford woodlands to use as his residence, training school and research laboratory for his successful tree-care company. Over the years, he assembled a large number of woody plant specimens on the property from all over the world in particular from North America, Europe and Asia.

In 2002, the title to the land was transferred to the City of Stamford with Bartlett Arboretum Association, Inc., (the "Association"), responsible for all managerial and operational oversight of the property. Nestled among the historic landscape of Southwestern New England, the Bartlett Arboretum and Gardens is a natural preserve like no other in the region. The property now features 93 acres of irreplaceable open space, highlighting the best of what Connecticut's native landscape has to offer: magnificent award-winning Champion trees, charming gardens, wildflower meadows, red maple wetlands and boardwalks, woodland walking trails, varied wildlife, and native habitats. A wonderful getaway from the hustle and bustle of daily life, the Arboretum serves as a leading recreational and educational resource for area residents and visitors of all ages. For weekend gardeners to budding young botanists, the Bartlett offers a place to relax, learn, and play.

Mission:

The mission of the Bartlett Arboretum and Gardens is to cultivate and develop a diverse collection of trees, gardens, and plants for all to explore, enjoy and study; and to provide through education and stewardship, a greener, healthier, more beautiful environment.

Vision:

To be a nationally recognized center of living collection expertise, education, stewardship, exhibition and horticulture best practices.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Bartlett Arboretum Association, Inc. is presented to assist in understanding the financial statements. These financial statements and notes are the representation of the management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. This method of accounting gives recognition to income when earned and expenses when incurred.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with generally accepted accounting principles which require reporting its financial position and activities according to the following asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the Association. The Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Contributions received as donor unrestricted or donor restricted, depends on the existence and/or nature of any restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as assets released from restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value in accordance with accounting standards. See Note 4 for a discussion of fair value measurements. Unrealized gains and losses are included in the change in the net assets.

Property and Equipment

Property and equipment are stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts with the resulting gain or loss included in the change in net assets.

Depreciation and amortization of property and equipment is calculated utilizing the straight-line method over the estimated useful lives of the respective assets which range from five to fifteen years.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association at the facilities, but these services do not meet the criteria for recognition as contributed services.

Use of Estimates

The preparation of financial statements in conformity with United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail on the statement of functional expenses. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Accordingly, other expenses have been allocated among the programs and supporting services benefited on the basis of estimates made by management.

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842) which supersedes the leasing guidance in ASC 840, Leases. Under ASU 2016-02 leases with terms longer than 12 months are required to recognize the rights and obligations of new and existing lease arrangements as assets and liabilities on the statement of financial position. Leases will be classified as either finance or operating, with classification determining the pattern of expense recognition on the statement of activities. Topic 842 was effective with the year beginning July 1, 2022. The Association evaluated the effect that adoption of this pronouncement had on its financial statements and related disclosures. The Association noted that the adoption of these standards was immaterial to the financial statements.

3. INCOME TAXES

Bartlett Arboretum Association, Inc. is a "not-for-profit" organization as described in Section 509(a)(1) and 170(b)(1)(A) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Bartlett Arboretum Association, Inc. accounts for uncertainty in income tax positions in the financial statements by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken and has concluded that as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Bartlett Arboretum Association, Inc. is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; fiscal years ended June 30, 2020 – June 30, 2022 remain open.

4. INVESTMENTS

The Association's investments are reported at fair value in the accompanying statement of financial position. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its 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 fair value measurement at the reporting date.

The Association's investments at June 30, 2023 consist of the following:

Level 1 Investments	
Equities	\$ 239,949
Fixed Income	39,867
Mutual Funds	<u>6,701</u>
Total Level 1 Investments	<u>\$ 286,517</u>

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

4. INVESTMENTS (Cont'd)

The authoritative literature on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Association uses appropriate valuation techniques based on available inputs to measure fair value of its investments. The Association's investments are classified as defined below.

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices of identical assets in active markets that the Association has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following schedule summarizes the investment return for the year ended June 30, 2023:

Interest and Dividend Income	\$ 5,906
Realized Gain on Investments	1,341
Unrealized Gain on Investments	79,970
Investment Fees	<u>(2,785)</u>
	<u>\$ 84,432</u>

5. LOAN PAYABLE

The Association was granted an Economic Injury and Disaster Loan in the amount of \$150,000 through the Small Business Administration on June 16, 2020. The interest rate is fixed at 2.75% and the loan matures on June 15, 2050.

6. COMMITMENTS AND CONTINGENCIES

The Association leases office equipment. Lease expense for operating leases in effect was \$8,711 for the year ended June 30, 2023.

The Association also signed a lease with the City of Stamford who will lease the land to the Association for a period of 50 years at \$1 a year.

7. LINE OF CREDIT

At June 30, 2023, the Association had from First County Bank, an unsecured line of credit, due on demand, interest only at 8.5%. There was no outstanding balance at June 30, 2023.

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

8. SPECIAL EVENTS

Combined results of the special event revenue are presented in the statement of activities. The details of the individual events held during the year ended June 30, 2023 are as follows:

	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Gala	\$ 119,277	\$ 43,891	\$ 75,386
Plant Sale	25,292	14,378	10,914
Concerts	20,998	10,769	10,229
Other	<u>14,406</u>	<u>6,157</u>	<u>8,249</u>
	<u>\$ 179,973</u>	<u>\$ 75,195</u>	<u>\$ 104,778</u>

9. CONCENTRATION OF RISK

The Association maintains cash balances at three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, the Association had deposits which exceeded the federally insured limits by \$1,201,274.

The Association relies significantly on a subsidy from the City of Stamford. For the year ended June 30, 2023, subsidy revenue totaled \$334,000. The Association also relies on subsidies from the City of Stamford to support capital improvements to the leased property and facilities.

10. AVAILABILITY AND LIQUIDITY

The following represents the Association's financial assets at June 30, 2023 available to meet general expenditures.

Cash	\$ 1,532,775
Receivables	64,657
Investments	<u>286,517</u>
Total Financial Assets	1,883,949
Less amounts not available to be used within one year	
Net assets with donor restrictions	<u>1,117,300</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 766,649</u>

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions – time or purpose restricted

Greenhouse	\$ 611,144
Conifer Garden	25,250
Heisinger Garden	15,000
Art Fund	7,255
Education and Camp	290,151
Pavilion	<u>3,500</u>
	<u>\$ 952,300</u>

12. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Assets were released from donor restrictions during the year ended June 30, 2023 for the following purposes:

Heisinger Garden	\$ 2,565
Boardwalk Expansion	<u>10,450</u>
	<u>\$ 13,015</u>

13. RECLASSIFICATION OF NET ASSETS

Net Assets of \$250,000 which were permanently restricted by the Board of Directors for educational purposes were previously classified as part of the balance of Net assets with donor restrictions – perpetuity. Such amount has been reclassified to Net assets with donor restrictions – time or purpose restricted which management believes is a preferable presentation. The reclassification has no impact on total net assets.

14. SUBSEQUENT EVENTS

Management evaluated subsequent events through January 5, 2024, the date which the financial statements were available for issue.

Bartlett Arboretum Association, Inc. is currently engaged in a capital campaign collecting funds for the development of a new horticulture complex. Construction on the first phase of the project is scheduled to commence during the 2024 calendar year.