

BARTLETT ARBORETUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

**AT JUNE 30, 2020
AND FOR THE YEAR THEN ENDED**

BARTLETT ARBORETUM ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Bartlett Arboretum Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bartlett Arboretum Association, Inc. as of June 30, 2020, 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.

Van Brunt, Dubiago & Company, LLC

Stamford, Connecticut
May 13, 2021

BARTLETT ARBORETUM ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2020

ASSETS	
CURRENT ASSETS	
Cash	\$ 806,980
Cash Restricted	36,269
Receivables	38,241
Investments	232,738
Inventory	597
Prepaid Expenses	<u>4,916</u>
TOTAL CURRENT ASSETS	<u>1,119,741</u>
PROPERTY AND EQUIPMENT	
Improvement – Grant	2,800,478
Improvement – Non-Grant	77,096
Land	150,000
Equipment and Vehicles	194,163
Building and Land Improvements	132,215
Assets Under Construction	<u>170,786</u>
Total	3,524,738
Less Accumulated Depreciation	<u>2,238,097</u>
PROPERTY AND EQUIPMENT – NET	<u>1,286,641</u>
TOTAL ASSETS	<u>\$ 2,406,382</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 41,797
Deferred Revenue - Other	38,033
PPP Loan Payable	<u>119,400</u>
TOTAL CURRENT LIABILITIES	199,230
LONG TERM LIABILITIES	
SBA Loan Payable	<u>150,000</u>
TOTAL LIABILITIES	<u>349,230</u>
NET ASSETS	
Without Donor Restrictions - Unrestricted	1,490,304
With Donor Restrictions – Time or Purpose Restricted	151,848
With Donor Restrictions - Perpetuity	<u>415,000</u>
TOTAL NET ASSETS	<u>2,057,152</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,406,382</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, 2020

	WITHOUT DONOR RESTRICTIONS	PURPOSE RESTRICTED	WITH DONOR RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS	TOTAL
	UNRESTRICTED	RESTRICTED	PERPETUITY	RESTRICTIONS	
REVENUE GAINS AND OTHER SUPPORT					
Corporate, Individual and Other Contributions	\$ 454,341	\$ 28,223	\$ -	\$ 28,223	\$ 482,564
Grants	50,000	-	250,000	250,000	300,000
Membership Dues	41,995	-	-	-	41,995
Education	77,303	-	-	-	77,303
Camp and School Programs	153,063	-	-	-	153,063
City of Stamford Subsidy	315,000	-	-	-	315,000
Rental and Gift Shop Income	7,394	-	-	-	7,394
Special Event Revenue	122,637	-	-	-	122,637
Less Special Event Expenses	(48,870)	-	-	-	(48,870)
Investment Return	5,392	-	-	-	5,392
Loss on Disposal of Asset	(5,750)	-	-	-	(5,750)
Net Assets Released From Restrictions					
Satisfaction of Program Restrictions	100,528	(100,528)	-	(100,528)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>1,273,033</u>	<u>(72,305)</u>	<u>250,000</u>	<u>177,695</u>	<u>1,450,728</u>
EXPENSES					
Program	829,420	-	-	-	829,420
Management and General	231,430	-	-	-	231,430
Development	97,497	-	-	-	97,497
TOTAL FUNCTIONAL EXPENSES	<u>1,158,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,158,347</u>
CHANGE IN NET ASSETS	114,686	(72,305)	250,000	177,695	292,381
TRANSFER	-	-	-	-	-
NET ASSETS AT BEGINNING OF YEAR	<u>1,375,618</u>	<u>224,153</u>	<u>165,000</u>	<u>389,153</u>	<u>1,764,771</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,490,304</u>	<u>\$ 151,848</u>	<u>\$ 415,000</u>	<u>\$ 566,848</u>	<u>\$ 2,057,152</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, 2020

	<u>PROGRAM</u>	<u>MANAGEMENT & GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Payroll and Related Expenses	\$ 460,423	\$ 71,132	\$ 48,199	\$ 579,754
Independent Contractors		-	30,060	30,060
Education	24,121	-	-	24,121
Facilities Maintenance	36,003	-	-	36,003
Utilities and IT Services	58,170	24,930	-	83,100
Grounds Maintenance	35,130	35,130	-	70,260
Insurance	21,389	9,167	-	30,556
Marketing, Development and Other Expenses	7,214	267	19,238	26,719
Office, Bank, Credit Card Fees and Other	-	23,294	-	23,294
Equipment Lease	1,813	5,440	-	7,253
Professional Fees	-	28,898	-	28,898
Meetings Expense	-	497	-	497
TOTAL EXPENSES BEFORE DEPRECIATION	644,263	198,755	97,497	940,515
Depreciation	185,157	32,675	-	217,832
TOTAL FUNCTIONAL EXPENSES	\$ 829,420	\$ 231,430	\$ 97,497	\$ 1,158,347

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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 292,381
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	217,832
Loss on Disposal of Asset	5,750
Unrealized Gain on Investments	(14,524)
(Increase) Decrease in:	
Receivables	87,386
Prepaid Expenses	2,547
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	(972)
Deferred Revenue	83
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>590,483</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Assets	(103,155)
Proceeds From/Purchase of Investments-Net	<u>(218,214)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(321,369)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Loans	<u>269,400</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>269,400</u>
NET INCREASE IN CASH	538,514
CASH AT BEGINNING OF YEAR	<u>304,735</u>
CASH AT END OF YEAR	<u>\$ 843,249</u>
SUMMARY OF CASH	
Cash	\$ 806,980
Cash Restricted	<u>36,269</u>
	<u>\$ 843,249</u>

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

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 inspire generations to care about and conserve Earth's resources.

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.

Method 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 extended 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 twenty 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 cost of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail in the statement of functional expenses. Certain costs have been allocated among program, management and general and development services. Such allocations are determined by management on an equitable basis. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association. Management and general expenses have been allocated on the basis of estimates made by management.

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BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO 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, 2020, 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.

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, 2020 consist of the following:

Level 1 Investments

Equities	\$ 180,854
Fixed Income	49,374
Commodities	<u>2,510</u>
Total Level 1 Investments	<u>\$ 232,738</u>

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.

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

4. INVESTMENTS (Cont'd)

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, 2020:

Interest and Dividend Income	\$ 1,781
Realized Loss on Investments	(10,913)
Unrealized Gain on Investments	<u>14,524</u>
	<u>\$ 5,392</u>

5. COMMITMENTS AND CONTINGENCIES

The Association leases office equipment. Lease expense for operating leases in effect was \$7,253 for the year ended June 30 2020.

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.

6. LINE OF CREDIT

At June 30, 2020, the Association had from First County Bank, an unsecured line of credit, due on demand, interest only at 5.5%. There was no outstanding balance at June 30, 2020.

7. CONCENTRATION OF RISK

The Association maintains cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020, the Association had deposits which exceeded the federally insured limits by \$590,541.

The Association relies significantly on a subsidy from the City of Stamford. For the year ended June 30, 2020, subsidy revenue totaled \$315,000.

8. PPP LOAN PAYABLE

The Association received loan proceeds in the amount of \$119,400 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides loans to qualifying businesses in amounts up to 2.5 times the organization's average monthly payroll expenses. The loans and accrued interest are forgivable after a covered period (8 or 24 weeks) as long as the loan proceeds are used for eligible purposes, including payroll, benefits, rent and utilities, and the borrower maintains its payroll levels. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with deferral of payments for 10 months after the end of the covered period. As of June 30, 2020, the Association recorded a loan payable and will record forgiveness upon being legally released from the loan obligation by the Small Business Administration. Subsequent to year end, the Association applied for forgiveness and estimates the entire loan amount will be forgiven (refer to Note 12).

Continued . . .

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

9. AVAILABILITY AND LIQUIDITY

The following represents the Association's financial assets at June 30, 2020 available to meet general expenditures.

Cash	\$ 806,980
Receivables	<u>38,241</u>
Total Financial Assets	845,221
Less amounts not available to be used within one year	
Net assets with donor restrictions	<u>566,848</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 278,373</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions – time or purpose restricted

Truck	\$ 2,000
Conifer Garden	25,250
Heisinger Garden	10,000
Boardwalk Expansion	18,000
Grounds	500
Art Fund	7,255
Summer Concert Series	500
Challenge Ropes Course Project	1,630
Centennial Trees	2,000
Education and Camp	64,809
Sensory Garden	11,268
Tree	5,000
Pavilion	3,500
Professional Development	136
	<u>\$ 151,848</u>

11. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Assets were released from donor restrictions during the year ended June 30, 2020 for the following purposes:

Heisinger Garden	\$ 2,700
Education and Camp	<u>97,828</u>
	<u>\$ 100,528</u>

Continued . . .

BARTLETT ARBORETUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

12. SUBSEQUENT EVENTS

Management evaluated subsequent events through May 13, 2021, the date which the financial statements were available for issue.

In November 2020, Bartlett Arboretum Association, Inc. was notified by the Small Business Administration that their PPP Loan of \$119,400 was completely forgiven.

On January 30, 2020, the World Health Organization (WHO) declared that the recent coronavirus disease (COVID-19) outbreak was a global health emergency. On March 11, 2020, WHO raised the COVID-19 outbreak to pandemic status. In addition, as of March 23, 2020, Connecticut Governor Lamont ordered the closure of the physical location of every non-essential business and have employees work from home. Re-opening began in stages beginning May 20, 2020; however, business disruption effects of the pandemic are still in place within the state. While the disruptions from the current pandemic are expected to be temporary, there is considerable uncertainty around the duration. It is not possible as of the date of financial statement issuance to estimate the final consequences or impact on the Association's operations and volunteers.