

**Olbrich Botanical Society, Inc. and Olbrich  
Botanical Society Foundation, Inc.**

Consolidated Financial Statements  
and Consolidating Information

December 31, 2023 and 2022

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

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December 31, 2023 and 2022

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## **Independent Auditors' Report**

To the Board of Directors of  
Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

### **Opinion**

We have audited the consolidated financial statements of Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc. (collectively, the Society), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society as of December 31, 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 (GAAP).

### **Basis for Opinion**

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

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Society'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society'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.

### **Consolidating Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 23 through 28 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
April 16, 2024

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

Consolidated Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,924,609	\$ 858,665
Restricted cash and cash equivalents	670,796	1,237,710
Pledges receivable	939,276	941,565
Grants receivable	62,902	146,318
Due from City of Madison	60,442	42,494
Inventories	42,596	54,153
Prepaid expenses	13,282	8,092
Beneficial interest in assets held by Madison Community Foundation	49,770	47,504
Beneficial interest in lead trust held by others	407,951	491,282
Investments	<u>9,250,261</u>	<u>7,817,201</u>
Total assets	<u>\$ 13,421,885</u>	<u>\$ 11,644,984</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 158,717	\$ 154,145
Deferred revenue	<u>28,932</u>	<u>26,910</u>
Total liabilities	<u>187,649</u>	<u>181,055</u>
<b>Net Assets</b>		
Without donor restrictions	9,341,402	7,672,973
With donor restrictions	<u>3,892,834</u>	<u>3,790,956</u>
Total net assets	<u>13,234,236</u>	<u>11,463,929</u>
Total liabilities and net assets	<u>\$ 13,421,885</u>	<u>\$ 11,644,984</u>

See notes to consolidated financial statements

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidated Statements of Activities  
Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	Without Donor Restrictions	With Donor Restrictions	2022 Total
<b>Support and Revenue</b>						
Gift shop sales	\$ 759,223	\$ -	\$ 759,223	\$ 719,410	\$ -	\$ 719,410
Gift shop expenses	(540,717)	-	(540,717)	(501,169)	-	(501,169)
Gift shops sales, net	218,506	-	218,506	218,241	-	218,241
Contributions	755,815	219,644	975,459	658,813	128,638	787,451
Contributed goods and services	123,753	-	123,753	157,609	-	157,609
Membership	524,347	-	524,347	515,090	-	515,090
Education	125,497	-	125,497	127,157	-	127,157
Programs and exhibitions	868,050	-	868,050	856,987	-	856,987
Investment return, net	1,357,170	46,145	1,403,315	(1,309,225)	(18,320)	(1,327,545)
Miscellaneous	92,536	-	92,536	105,380	-	105,380
Net assets released from restrictions	163,911	(163,911)	-	408,350	(408,350)	-
Total support and revenue	4,229,585	101,878	4,331,463	1,738,402	(298,032)	1,440,370
<b>Expenses</b>						
Program services:						
Education	387,644	-	387,644	392,821	-	392,821
Garden / conservatory maintenance	483,055	-	483,055	2,624,332	-	2,624,332
Programs and exhibitions	563,243	-	563,243	499,663	-	499,663
Public relations	363,098	-	363,098	322,244	-	322,244
Supporting services:						
Management and general	367,798	-	367,798	452,359	-	452,359
Fundraising and development	396,318	-	396,318	347,046	-	347,046
Total expenses	2,561,156	-	2,561,156	4,638,465	-	4,638,465
Change in net assets before nonoperating item	1,668,429	101,878	1,770,307	(2,900,063)	(298,032)	(3,198,095)
<b>Nonoperating Item</b>						
Loss on beneficial interest in assets held by Madison Community Foundation	-	-	-	(124,107)	-	(124,107)
Change in net assets	1,668,429	101,878	1,770,307	(3,024,170)	(298,032)	(3,322,202)
<b>Net Assets, Beginning</b>	7,672,973	3,790,956	11,463,929	10,697,143	4,088,988	14,786,131
<b>Net Assets, Ending</b>	\$ 9,341,402	\$ 3,892,834	\$ 13,234,236	\$ 7,672,973	\$ 3,790,956	\$ 11,463,929

See notes to consolidated financial statements

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Gift Shop	Education	Garden/ Conservatory Maintenance	Programs and Exhibitions	Public Relations	Total Program	Management and General	Fundraising and Development	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 41,349	\$ 41,349	\$ -	\$ -	\$ 41,349
Credit card fees	-	-	-	-	-	-	18,680	-	18,680
Dues / registrations	-	558	-	-	1,620	2,178	-	3,170	5,348
Information technology	1,959	-	-	-	36,866	38,825	645	14,493	53,963
Printing	-	8,850	-	-	99,572	108,422	395	45,144	153,961
Insurance	27,204	42,293	27,950	32,229	24,205	153,881	12,977	31,984	198,842
Professional services	-	-	-	-	-	-	113,849	-	113,849
Salaries	154,180	285,727	328,516	230,830	123,067	1,122,320	84,569	236,055	1,442,944
Employee benefits	12,728	19,859	64,503	15,505	8,857	121,452	28,864	18,960	169,276
Programming and donor appreciation	-	20,233	17,659	4,294	7,539	49,725	-	26,134	75,859
Events	-	-	-	261,593	-	261,593	-	9,740	271,333
Gift shop cost of goods sold	328,611	-	-	-	-	328,611	-	-	328,611
Garden	-	-	27,009	-	-	27,009	-	-	27,009
Contributed goods and services	-	9,190	-	18,379	9,190	36,759	80,868	6,126	123,753
Other	16,035	934	17,418	413	10,833	45,633	26,951	4,512	77,096
Total expenses	<u>\$ 540,717</u>	<u>\$ 387,644</u>	<u>\$ 483,055</u>	<u>\$ 563,243</u>	<u>\$ 363,098</u>	<u>\$ 2,337,757</u>	<u>\$ 367,798</u>	<u>\$ 396,318</u>	<u>\$ 3,101,873</u>

See notes to consolidated financial statements

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Gift Shop	Education	Garden/ Conservatory Maintenance	Programs and Exhibitions	Public Relations	Total Program	Management and General	Fundraising and Development	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 48,593	\$ 48,593	\$ -	\$ -	\$ 48,593
Capital assets donated to									
City of Madison	-	-	2,148,637	-	-	2,148,637	-	-	2,148,637
Credit card fees	-	-	-	-	-	-	61,876	-	61,876
Dues / registrations	-	852	-	-	1,478	2,330	-	1,608	3,938
Information technology	1,372	-	-	4,000	21,348	26,720	-	4,076	30,796
Printing	-	15,465	-	-	60,685	76,150	253	38,245	114,648
Insurance	19,616	31,763	23,585	25,454	20,636	121,054	10,549	24,551	156,154
Professional services	-	-	-	-	-	-	140,801	-	140,801
Salaries	126,899	275,144	287,988	200,270	114,636	1,004,937	83,491	219,517	1,307,945
Employee benefits	10,420	19,973	56,168	15,419	8,367	110,347	20,471	19,247	150,065
Programming and donor appreciation	-	38,595	67,371	5,848	30,896	142,710	79	27,672	170,461
Events	-	-	4,960	230,468	-	235,428	-	5,598	241,026
Gift shop cost of goods sold	325,693	-	-	-	-	325,693	-	-	325,693
Garden	-	-	32,187	-	-	32,187	-	-	32,187
Contributed goods and services	-	8,764	-	17,529	8,764	35,057	116,709	5,843	157,609
Other	17,169	2,265	3,436	675	6,841	30,386	18,130	689	49,205
Total expenses	<u>\$ 501,169</u>	<u>\$ 392,821</u>	<u>\$ 2,624,332</u>	<u>\$ 499,663</u>	<u>\$ 322,244</u>	<u>\$ 4,340,229</u>	<u>\$ 452,359</u>	<u>\$ 347,046</u>	<u>\$ 5,139,634</u>

See notes to consolidated financial statements



**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**Consolidated Statements of Cash Flows  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 1,770,307	\$ (3,322,202)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized (gain) loss on investments	(1,182,359)	1,483,565
Change in beneficial interests, including loss on beneficial interest in assets held by Madison Community Foundation	81,065	219,003
Contributions restricted for endowment	(8,000)	(46,577)
Changes in assets and liabilities:		
Due from City of Madison	(17,948)	9,820
Pledges receivable	2,289	(5,797)
Grants receivable	83,416	(146,318)
Inventories	11,557	(14,979)
Prepaid expenses	(5,190)	(6,662)
Accounts payable and accrued expenses	4,572	20,137
Deferred revenue	2,022	7,670
Net cash flows from operating activities	<u>741,731</u>	<u>(1,802,340)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(3,132,007)	(3,090,464)
Proceeds from investment sales	2,881,306	3,191,027
Net cash flows from investing activities	<u>(250,701)</u>	<u>100,563</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from contributions restricted for endowment	8,000	46,577
Net change in cash and cash equivalents and restricted cash and cash equivalents	499,030	(1,655,200)
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning</b>	<u>2,096,375</u>	<u>3,751,575</u>
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Ending</b>	<u>\$ 2,595,405</u>	<u>\$ 2,096,375</u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash and Cash Equivalents to the Consolidated Statements of Financial Position</b>		
Cash and cash equivalents	\$ 1,924,609	\$ 858,665
Restricted cash and cash equivalents	<u>670,796</u>	<u>1,237,710</u>
Total cash and cash equivalents and restricted cash and cash equivalents	<u>\$ 2,595,405</u>	<u>\$ 2,096,375</u>

See notes to consolidated financial statements

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

## 1. Summary of Significant Accounting Policies

### Nature of Activities

Olbrich Botanical Society, Inc. was incorporated as a not-for-profit organization, located in Madison, Wisconsin, to aid and support Olbrich Botanical Gardens, which is owned by the City of Madison (City), to help advance the science of horticulture, to help promote the art of gardening and to promote educational activities related to horticulture and gardening. Olbrich Botanical Society Foundation, Inc. (the Foundation) is a not-for-profit organization that manages assets for the purpose of supporting Olbrich Botanical Society, Inc. The organizations are primarily supported by contributions from the general public, programs and exhibitions, and investment return.

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows:

### Principles of Presentation

The consolidated financial statements include the accounts of Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc. (collectively, the Society). Olbrich Botanical Society, Inc. has a beneficial interest in the net assets of Olbrich Botanical Society Foundation, Inc. and has control over the Olbrich Botanical Society Foundation, Inc. through the direct ability to approve the Foundation's Board of Directors. All significant transactions and balances between the organizations have been eliminated.

### Basis of Presentation

The Society is required to report information regarding its financial position and activities according to the two classes of net assets as follows:

**Net Assets Without Donor Restrictions** - Net assets that are not restricted by donors.

Designations are voluntary board-approved segregations of net assets without donor restrictions for specific purposes, projects or investments. The Society's Board of Directors has the ability to designate net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time (Note 9).

**Net Assets With Donor Restrictions** - Net assets whose use has been limited by donor-imposed purpose restrictions or time restrictions, including net assets that have been restricted in perpetuity by donors.

### Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Society considers all highly liquid investments purchased with original maturities of three months or less, except for funds held at brokerage firms, to be cash equivalents.

### Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are restricted or designated for long-term purposes. At December 31, restricted cash and cash equivalents consisted for the following:

	2023	2022
Donor restricted funds	\$ 561,025	\$ 630,307
Reserves	-	399,378
Funds to be invested at the Foundation	109,771	208,025
	<u>\$ 670,796</u>	<u>\$ 1,237,710</u>

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

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## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### **Pledges Receivable**

Unconditional promises to give (pledges) are recognized as revenue in the period the promise to give is received. Unconditional promises to give due in greater than one year are reported at their present value, using appropriate risk-adjusted interest rates applicable to the years in which the promises were received. All amounts are considered to be fully collectible.

### **Grants Receivable**

Grants receivable represents the outstanding balance of grants due to the Society based upon costs incurred and other terms identified in the grant agreement. Management determines the need for an allowance for doubtful accounts based on a review of current grants receivable balances. Grants receivable written-off are charged against the allowance. Grants receivable are considered fully collectible; accordingly no allowance is considered necessary.

### **Inventories**

Inventories consist of merchandise held for resale and are valued at the lower of cost or net realizable value determined by the first-in, first-out (FIFO) method.

### **Beneficial Interest in Assets Held by Madison Community Foundation**

The Society established the Olbrich Botanical Society fund, which is an agency endowment fund, at the Madison Community Foundation (MCF). Accounting guidance allows an organization to recognize its rights to the assets held by a recipient organization as an asset if it transferred the assets to the recipient organization and named itself the beneficiary. The Society has recorded its estimated interest in the fund as a beneficial interest on the consolidated statements of financial position. When the Society transfers the funds to MCF, it recognizes the transfer as a decrease in cash and an increase in the asset called beneficial interest in assets held by MCF. The change in the beneficial interest is recorded in the consolidated statements of activities as revenue. The Society acknowledges that, by virtue of the governing instrument of MCF, the board of governors of MCF has the authority to modify any restrictions or condition on the distribution of assets from the fund (variance power), if, in the reasonable judgment of the board of governors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by MCF. The Society has the option to take an annual distribution up to 4.5% of the average value of the assets in the fund over the previous 20 quarters.

During the year ended December 31, 2022, the Society received notification from MCF that a portion of the agency endowment fund was contributed by third party donors. Historically, MCF has commingled the funds when reporting the balance of the agency endowment fund and incorrectly reported to the Society the portion that was contributed by third party donors. MCF conducted an inspection of the agency endowment funds and determined the amount from third party donors and related investment return from prior years to be \$124,107. MCF has transferred the amount to a sister fund to appropriately track and account for the funds in future periods. The Society is still the specified beneficiary of the sister fund. Accounting guidance prohibits these funds from being presented as a beneficial interest because the funds were contributed to MCF by third party donors and MCF has variance power. The derecognition of the beneficial interest is reflected as loss on beneficial interest in assets held by MCF on the consolidated statements of activities as a nonoperating item.

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

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## **Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

### **Beneficial Interest in Lead Trust Held by Others**

The Society is the beneficiary of a charitable lead annuity trust (CLAT), where the Society is not the trustee. The CLAT provides for annual payments of approximately \$96,000 to the Society for a period of ten years. The Society has recorded a beneficial interest in the CLAT at the present value of the future cash flows expected to be received based on an appropriate discount rate. The value of the beneficial interest in lead trust is included in net assets with donor restrictions. Adjustment to the beneficial interest recorded to reflect amortization of the discount or revaluations of the present value of the estimated future payments to the Society are recognized and presented as investment return in the consolidated statements of activities.

### **Investments**

Investments in marketable securities with readily determinable fair values are stated at their fair value based on quoted market prices in the consolidated statements of financial position. Realized and unrealized gains and losses, net of fees, are included in the accompanying consolidated statements of activities. Realized gains and losses on sales of investments are determined on the basis of specific identification of the security sold.

### **Deferred Revenue**

Deferred revenue consists of advance payments received for future education programs.

### **Estimates**

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

### **Income Taxes**

Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc. are exempt public charities under Section 501(c)(3) of the Internal Revenue Code and therefore are not subject to federal or state income tax.

The Society must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not the position will be sustained. The Society does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2023 and 2022, there were no interest or penalties recorded or included in the consolidated financial statements.

The Society is subject to income tax regulations in the United States federal jurisdiction and the State of Wisconsin. Tax regulations within each jurisdiction are subject to interpretation and require significant judgment to apply.

### **Gift Shop Sales**

Revenue derived from gift shop sales are recognized at the point of sale as goods are delivered to the buyer. Returns are accepted on gift shop sales within thirty days of purchase with the assumption that the product is in substantially new condition.

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

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## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### **Education Revenue**

Revenue derived from education classes is recognized when the class occurs. Cash received for classes is presented as deferred revenue on the consolidated statements of financial position until the class occurs. Refunds are made to participants if the class is cancelled. Participants may also donate their registration fees to the Society upon cancellation.

### **Contributions**

Unconditional contributions are recognized as revenue when received or pledged. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of the donated assets are reported as contributions with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions. Membership, programs and exhibitions provide members and attendees access to the Gardens and events at the Gardens. Membership, programs and exhibitions are considered nonexchange transactions due to the member or attendee receiving no substantial reciprocal benefits for the amount contributed to the Society.

Conditional contributions or grants, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Certain conditional grants received are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2023 and 2022 there was approximately \$0 and \$48,000 of conditional grants, respectively, which are expected to be recognized as revenue in subsequent years when the conditions are met.

### **Investments Return**

Investment return, net of fees, is recorded in the period earned.

### **Functional Allocation of Expenses**

The costs of the Society's programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The expenses that are allocated primarily include salaries, employee benefits and insurance, which are allocated based on time and effort spent on program and supporting activities.

### **Sales Tax**

The Society records sales tax on the net method. All applicable taxes are recorded as a liability when incurred.

### **Advertising Costs**

Advertising costs are charged to operations when incurred. Advertising expense was \$41,349 and \$48,593 for the years ended December 31, 2023 and 2022, respectively.

### **Nonoperating Item**

The Society's change in net assets before the nonoperating item includes all support, revenue and expenses that are an integral part of its programs and supporting activities. The measure of operations excludes the loss on beneficial interest in assets held by Madison Community Foundation.

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

## **Related Parties**

Board members typically make contributions to the Society. Board members may be employees of firms with which the Society has business relationships. Board members are required to disclose those interests.

## **Reclassifications**

Certain reclassifications were made to the 2022 consolidated financial statements to conform with the current year presentation. The reclassifications have no effect on reported amounts of net assets or change in net assets.

## **2. Relationship Between the Society and the City of Madison**

### **Relationship**

The Society and the City of Madison Parks Division work together for the benefit of Olbrich Botanical Gardens (Gardens), which is owned by the City of Madison (City). The City provides free use of space in the Olbrich Botanical Gardens building for the Society (Note 6). The Society had a net receivable from the City in the amount of \$60,442 and \$42,494 at December 31, 2023 and 2022, respectively, for memberships and donations the City collected on its behalf.

### **Capital Campaign**

The Society donates funds to the City to make capital asset purchases for the Gardens or, if purchased directly by Society, donates all capital assets it purchases to the City. In 2014, the Society began the Rooted and Growing capital campaign to add a dedicated learning center to the Gardens and to build new greenhouses. The Society began the capital campaign with an initial goal of raising \$5 million which was subsequently increased to \$6 million. The capital campaign formally ended in December 2019. Due to the COVID-19 pandemic, the City's closure of the construction project was delayed until 2022. During the year ended December 31, 2022, the City requested and the Society transferred remaining funds to the City to complete the Society's capital campaign contribution. The payment to the City is reflected as capital assets donated to the City of Madison in the consolidated statement of functional expenses for the year ended December 31, 2022. There were no capital asset donations made to the City in 2023. There were no donor restricted net assets or net assets designated by the Board of Directors for the capital campaign at December 31, 2023 and 2022.

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 3. Investments

Investments consist of the following for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 5,322,393	\$ 4,199,156
Common stocks	3,505,544	2,952,031
Money market funds	422,324	666,014
Investments	<u>\$ 9,250,261</u>	<u>\$ 7,817,201</u>

Net investment return consisted of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 251,467	\$ 194,116
Unrealized and realized gain (loss)	1,182,359	(1,483,565)
MCF income (loss), operating	2,266	(13,599)
Loss on beneficial interest in assets held by MCF, nonoperating	-	(124,107)
Change in value of CLAT	12,282	14,315
Investment advisory fees	(45,059)	(38,812)
Investment return, net	<u>\$ 1,403,315</u>	<u>\$ (1,451,652)</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect investment balances and amounts reported in the consolidated statements of activities.

### 4. Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between participants on the measurement date. When determining fair value, the Society considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The framework for measuring fair value provides a fair value hierarchy that requires the Society to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization in the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy establishes three levels of inputs that may be used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than level one that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

**Equity and Fixed Income Mutual Funds** - Valued at quoted prices in an active market.

**Common Stocks** - Valued at the closing price reported on the active market on which the individual securities are traded.

**Beneficial Interest in Assets Held by MCF** - Valued based on information received from the community foundation. The fair value is based on significant unobservable inputs and is classified within level 3 of the fair value hierarchy.

**Beneficial Interest in Lead Trust Held by Others** - Based on the present value of the future cash flows expected to be received based on an appropriate discount rate. The fair value is based on significant unobservable inputs and is classified within level 3 of the fair value hierarchy.

**Money Market Funds** - Valued at cost and therefore excluded from the fair value hierarchy.

<b>2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds	\$ 2,324,725	\$ -	\$ -	\$ 2,324,725
Fixed income mutual funds	2,997,668	-	-	2,997,668
Common stocks	3,505,544	-	-	3,505,544
Beneficial interest in assets held by MCF	-	-	49,770	49,770
Beneficial interest in lead trust held by others	-	-	407,951	407,951
Assets measured at fair value	<u>\$ 8,827,937</u>	<u>\$ -</u>	<u>\$ 457,721</u>	9,285,658
Money market funds				<u>422,324</u>
Total				<u>\$ 9,707,982</u>

<b>2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds	\$ 1,940,826	\$ -	\$ -	\$ 1,940,826
Fixed income mutual funds	2,258,330	-	-	2,258,330
Common stocks	2,952,031	-	-	2,952,031
Beneficial interest in assets held by MCF	-	-	47,504	47,504
Beneficial interest in trust held by others	-	-	491,282	491,282
Assets measured at fair value	<u>\$ 7,151,187</u>	<u>\$ -</u>	<u>\$ 538,786</u>	7,689,973
Money market funds				<u>666,014</u>
Total				<u>\$ 8,355,987</u>



**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Society 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 following table presents the Society's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31:

	<b>Beneficial Interest in Assets Held by MCF</b>	<b>Beneficial Interest in Lead Trust Held by Others</b>
<b>Balance at December 31, 2021</b>	\$ 185,209	\$ 572,580
Contributions	10,000	-
Distributions	(5,189)	(95,613)
Loss on beneficial interest in assets held by MCF, nonoperating	(124,107)	-
Change in value	(18,409)	14,315
<b>Balance at December 31, 2022</b>	47,504	491,282
Distributions	(2,002)	(95,613)
Change in value	4,268	12,282
<b>Balance at December 31, 2023</b>	<u>\$ 49,770</u>	<u>\$ 407,951</u>

**5. Pledges Receivable**

Pledges receivable are expected to be collected as follows for year ended December 31:

	<b>2023</b>	<b>2022</b>
Less than one year	\$ 27,500	\$ 21,250
One to five years	146,250	122,500
Greater than five years	900,000	950,000
Contributions receivable	1,073,750	1,093,750
Less unamortized discount	(134,474)	(152,185)
Net contributions receivable	<u>\$ 939,276</u>	<u>\$ 941,565</u>

The Society applies a discount rate on long-term pledges receivable, which is based on the treasury yield rate at the date of the gift. A discount rate of 1.82% on outstanding pledges receivable was used by the Society at December 31, 2023 and 2022.

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

## **Notes to Consolidated Financial Statements**

December 31, 2023 and 2022

### **6. Contributed Goods and Services**

The City provides certain services to the Society at no charge. Contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on the employee's salary and benefits pro-rated for estimated time spent on the Society. The total amount of those services was \$61,264 and \$58,429 in 2023 and 2022, respectively.

The Society receives contributed goods which are used for various programmatic and fundraising purposes. Contributed goods are valued and reported at the estimated fair value based on the price if the Society were to purchase them. The total amount of those materials was \$1,300 and \$41,290 in 2023 and 2022, respectively. The Society utilizes the contributed services and goods for programmatic and support purposes, except for contributed goods received for fundraising which are monetized. There were no donor imposed restrictions on contributed goods and services during the years ending December 31, 2023 and 2022.

The City provides free use of space in the Olbrich Botanical Gardens building for the Society. Management's policy is to utilize the contributed building for Society programs and support services. There are no donor restrictions associated with the contributed use of space. In valuing the contributed use of space, which is located in the City, the Society estimated the fair value based on the average price per square foot for commercial space in the City. The fair value of the use of space is estimated to be \$61,189 and \$57,890 for the years ending December 31, 2023 and 2022, respectively.

Contributed goods and services are recognized as contributed goods and services on the consolidated statements of activities and contributed goods and services allocated between program and supporting services on the consolidated statements of functional expenses.

Additionally, the Society received 21,158 and 21,828 hours of volunteer time, provided by 460 and 495 individuals and groups during 2023 and 2022, respectively, who gave their time to the Society's programs and fundraising campaigns. No amounts have been recorded in the consolidated financial statements because the recognition criteria under accounting principles generally accepted in the United States of America were not met.

### **7. Retirement Plan**

All employees are eligible to participate in the Society's 401(k) retirement plan after six months of employment and upon attaining the age of 21. The Society may make matching contributions at its discretion. Participants are fully vested in their contributions to the plan. Participants become vested in the Society's matching contributions over a five-year graduated scale. The Society's contributions to the plan were \$46,280 and \$38,644 in 2023 and 2022, respectively.

### **8. Concentrations and Contingencies**

#### **Concentration of Credit Risk**

The Society's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and pledges and grants receivable.

The Society places its cash and temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Society has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Two donors account for all of the Society's outstanding pledges receivable as of December 31, 2023 and 2022. Two grantors account for all of the Society's outstanding grants receivable as of December 31, 2023 and 2022.

# **Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

## **Contributions and Pledges Concentrations**

In 2023 one gift made up approximately 15% of contribution revenue. In 2022, no gifts made up more than 10% of contributions revenue. 100% of pledges receivable were from two donors as of December 31, 2023 and 2022.

## **Contingencies**

During 2020 and 2021, the Society received funds under the Paycheck Protection Program (PPP) which were forgiven. The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the The Coronavirus Aid, Relief and Economic Security (CARES) Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request. The Society does not believe the results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

## **9. Net Assets**

The Society's Board of Directors has chosen to place certain designations on net assets without donor restrictions. The following summarizes designated and undesignated net assets without donor restrictions for the year ended December 31:

	<b>2023</b>	<b>2022</b>
<b>Olbrich Botanical Society Foundation, Inc.</b>		
Designated for education	\$ 54,483	\$ 46,422
Designated for orchid fund (conservatory)	56,431	48,082
Designated for general stewardship fund	1,347,115	1,147,811
Board designated endowment	4,522,220	3,490,653
Total	<u>5,980,249</u>	<u>4,732,968</u>
<b>Olbrich Botanical Society, Inc.</b>		
Designated for agency endowment at MCF	49,770	47,504
Undesignated	<u>3,311,383</u>	<u>2,892,501</u>
Total	<u>3,361,153</u>	<u>2,940,005</u>
Total net assets without donor restrictions	<u>\$ 9,341,402</u>	<u>\$ 7,672,973</u>

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Net assets with donor restrictions are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
<b>Olbrich Botanical Society Foundation, Inc.</b>		
Purpose restricted:		
Stewardship fund garden for the future	\$ 359,055	\$ 359,055
Stewardship fund land bank	201,173	201,173
Vera Lee orchidist	1,100,000	1,100,000
Rose garden intern	111,454	111,454
Accumulated earnings (losses) on endowment	<u>1,228</u>	<u>(32,635)</u>
Total purpose restricted	<u>1,772,910</u>	<u>1,739,047</u>
Perpetual in nature:		
General endowment fund	30,650	30,650
Ursula Schmitt speakers fund	72,179	72,179
Shirley Homburg gift shop fund	11,500	11,500
Dusso conservatory fund	221,453	221,453
Music and arts endowment fund	<u>211,000</u>	<u>203,000</u>
Total perpetual in nature	<u>546,782</u>	<u>538,782</u>
Total	<u>2,319,692</u>	<u>2,277,829</u>
<b>Olbrich Botanical Society, Inc.</b>		
Purpose restricted:		
Horticulture	108,865	8,310
Conservatory	29,485	5,618
Education	37,720	28,378
Other	<u>49,845</u>	<u>37,974</u>
Total purpose restricted	<u>225,915</u>	<u>80,280</u>
Time restricted:		
Beneficial interest in trust held by others	407,951	491,282
Pledges receivable	<u>939,276</u>	<u>941,565</u>
Total time restricted	<u>1,347,227</u>	<u>1,432,847</u>
Total	<u>1,573,142</u>	<u>1,513,127</u>
Total net assets with donor restrictions	<u><u>\$ 3,892,834</u></u>	<u><u>\$ 3,790,956</u></u>

#### **10. Other Madison Community Foundation Funds**

The Society has received notification that it is a beneficiary of two funds at MCF: the Bolz Family Endowment Fund for Olbrich Botanical Gardens and the Olbrich Botanical Society (A) (the Funds). In 2006, the Bolz Family Foundation established the Bolz Family Endowment Fund for Olbrich Botanical Gardens. The Olbrich Botanical Society (A) fund is a sister fund established by contributions from various donors. The Funds are not presented as a beneficial interest because the Funds were contributed by third party donors and MCF has variance power. The fair value of the Funds at MCF was \$434,762 and \$403,572 at December 31, 2023 and 2022, respectively. The Society has the option to receive an annual distribution that represents 4.5% of the average value of the assets over a rolling 20-quarter period. The Society received distributions from the Funds of \$11,628 and \$11,427 during 2023 and 2022, respectively. These amounts are included in contributions on the consolidated statements of activities.

#### **11. Endowment and Other Restrictions on Net Assets**

The Society's endowments consist of several funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that does not have donor restrictions to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence described by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Society and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- The investment policies of the Society

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The following table shows the composition of endowment net assets by restriction for those endowments under the control of the society for year ended December 31:

<b>2023</b>					
<b>With Donor Restrictions</b>					
	<b>Without Donor Restrictions</b>	<b>Net Earnings on Endowment</b>	<b>Held in Perpetuity</b>	<b>Total</b>	<b>Total Endowment</b>
Donor restricted	\$ -	\$ 1,228	\$ 546,782	\$ 548,010	\$ 548,010
Board designated	4,522,220	-	-	-	4,522,220
Total funds	<u>\$ 4,522,220</u>	<u>\$ 1,228</u>	<u>\$ 546,782</u>	<u>\$ 548,010</u>	<u>\$ 5,070,230</u>
<b>2022</b>					
<b>With Donor Restrictions</b>					
	<b>Without Donor Restrictions</b>	<b>Net Earnings on Endowment</b>	<b>Held in Perpetuity</b>	<b>Total</b>	<b>Total Endowment</b>
Donor restricted	\$ -	\$ (32,635)	\$ 538,782	\$ 506,147	\$ 506,147
Board designated	3,490,653	-	-	-	3,490,653
Total funds	<u>\$ 3,490,653</u>	<u>\$ (32,635)</u>	<u>\$ 538,782</u>	<u>\$ 506,147</u>	<u>\$ 3,996,800</u>

Endowment activities were as followed:

<b>2023</b>					
<b>With Donor Restrictions</b>					
	<b>Without Donor Restrictions</b>	<b>Net Earnings on Endowment</b>	<b>Held in Perpetuity</b>	<b>Total</b>	<b>Total Endowment</b>
Beginning balance	\$ 3,490,653	\$ (32,635)	\$ 538,782	\$ 506,147	\$ 3,996,800
Additions	377,554	-	8,000	8,000	385,554
Investment return	979,663	33,863	-	33,863	1,013,526
Amounts appropriated for expenditure	(325,650)	-	-	-	(325,650)
Ending balance	<u>\$ 4,522,220</u>	<u>\$ 1,228</u>	<u>\$ 546,782</u>	<u>\$ 548,010</u>	<u>\$ 5,070,230</u>

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	2022				
	With Donor Restrictions				
	Without Donor Restrictions	Net Earnings on Endowment	Held in Perpetuity	Total	Total Endowment
Beginning balance	\$ 4,758,292	\$ -	\$ 492,205	\$ 492,205	\$ 5,250,497
Additions	10,000	-	46,577	46,577	56,577
Investment return	(965,555)	(32,635)	-	(32,635)	(998,190)
Amounts appropriated for expenditure	(312,084)	-	-	-	(312,084)
Ending balance	<u>\$ 3,490,653</u>	<u>\$ (32,635)</u>	<u>\$ 538,782</u>	<u>\$ 506,147</u>	<u>\$ 3,996,800</u>

The Society has excluded within its endowment any pledges receivable restricted to be held in perpetuity. 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 UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with current accounting guidance, deficiencies of this nature that are reported in net assets with donor restrictions were \$0 and \$32,635 as of December 31, 2023 and 2022, respectively. There were no funds with deficiencies as of December 31, 2023. There were two funds with deficiencies as of December 31, 2022 with total gifts to be held in perpetuity of \$233,650. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new endowment contributions. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions.

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Society must hold in perpetuity as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a diversified equity - related benchmark while assuming a moderate level of investment risk. The Society expects its endowment funds, over time, to provide an average rate of return that outpaces spending, inflation and expenses annually. Actual returns in any given year will vary.

To satisfy its long-term rate-of-return objectives, the Society 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 Society targets a diversified asset allocation that places a high emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Each fiscal year, the Olbrich Botanical Society Foundation, Inc. may distribute a portion of its net assets to the Olbrich Botanical Society, Inc. The distribution amount for any given year shall be determined by the Board. The Board approved an appropriation of \$325,650 and \$312,084 for 2023 and 2022, respectively, which consists of 4.5% of the average of the investment balance for the preceding 12 quarters with the last quarter being September 2023 and 2022, respectively. Donor restricted net earnings on endowment whose restrictions are met within the same year as earned are included in investment return, net without donor restrictions in the consolidated statements of activities.

## Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 12. Liquidity and Availability of Financial Assets

The Society's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,595,405	\$ 2,096,375
Pledges receivable	939,276	941,565
Grants receivable	62,902	146,318
Due from City of Madison	60,442	42,494
Beneficial interest in Madison Community Foundation	49,770	47,504
Beneficial interest in lead trust held by others	407,951	491,282
Investments	<u>9,250,261</u>	<u>7,817,201</u>
Total financial assets available within one year	<u>13,366,007</u>	<u>11,582,739</u>
Less amounts unavailable for general expenditures within one year to:		
Donor restricted for purpose or time	(3,344,824)	(3,284,809)
Board designated for other purposes	(1,507,799)	(1,289,819)
Donor restricted endowment fund	(548,010)	(506,147)
Board designated endowment fund	<u>(4,522,220)</u>	<u>(3,490,653)</u>
Total financial assets available for general expenditures within one year	<u>\$ 3,443,154</u>	<u>\$ 3,011,311</u>

As part of the Society's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of its liquidity management, the Society invests cash in excess of cash flow requirements in various investments including mutual funds, common stocks and money market funds. To the extent they are not restricted by donors or designated by the Board of Directors, certain investments can be liquidated at any time on the open market without significant penalty to meet cash needs if necessary. The Olbrich Botanical Society Foundation, Inc. makes an annual distribution of its net assets to support general operations of the Society (Note 11).

To help manage unanticipated liquidity needs, the Society also has board designated endowment funds (see Notes 9 and 11). Although the Society does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment funds could be made available, if necessary, with the approval of both the Olbrich Botanical Society, Inc. and Foundation Board of Directors.

### 13. Subsequent Events

Management has evaluated subsequent events through April 16, 2024, the date which the consolidated financial statements were available to be issued.



# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidating Statement of Financial Position  
December 31, 2023

	Total Society	Foundation	Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 1,924,609	\$ -	\$ -	\$ 1,924,609
Restricted cash and cash equivalents	670,796	-	-	670,796
Pledges receivable	939,276	-	-	939,276
Grants receivable	62,902	-	-	62,902
Due from Foundation	23,198	-	(23,198)	-
Due from City of Madison	60,442	-	-	60,442
Inventories	42,596	-	-	42,596
Prepaid expenses	13,282	-	-	13,282
Beneficial interest in assets held by Madison Community				
Foundation	49,770	-	-	49,770
Beneficial interest in lead trust held by others	407,951	-	-	407,951
Investments	927,122	8,323,139	-	9,250,261
Total assets	<u>\$ 5,121,944</u>	<u>\$ 8,323,139</u>	<u>\$ (23,198)</u>	<u>\$ 13,421,885</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 158,717	\$ -	\$ -	\$ 158,717
Due to Society	-	23,198	(23,198)	-
Deferred revenue	28,932	-	-	28,932
Total liabilities	<u>187,649</u>	<u>23,198</u>	<u>(23,198)</u>	<u>187,649</u>
<b>Net Assets</b>				
Without donor restrictions	3,361,153	5,980,249	-	9,341,402
With donor restrictions	1,573,142	2,319,692	-	3,892,834
Total net assets	<u>4,934,295</u>	<u>8,299,941</u>	<u>-</u>	<u>13,234,236</u>
Total liabilities and net assets	<u>\$ 5,121,944</u>	<u>\$ 8,323,139</u>	<u>\$ (23,198)</u>	<u>\$ 13,421,885</u>

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidating Statement of Financial Position  
December 31, 2022

	<b>Society Operations</b>	<b>Capital Campaign</b>	<b>Total Society</b>	<b>Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 858,665	\$ -	\$ 858,665	\$ -	\$ -	\$ 858,665
Restricted cash and cash equivalents	1,237,710	-	1,237,710	-	-	1,237,710
Pledges receivable	941,565	-	941,565	-	-	941,565
Grants receivable	146,318	-	146,318	-	-	146,318
Due from Society	-	-	-	3,000	(3,000)	-
Due from City of Madison	42,494	-	42,494	-	-	42,494
Inventories	54,153	-	54,153	-	-	54,153
Prepaid expenses	8,092	-	8,092	-	-	8,092
Beneficial interest in assets held by Madison Community Foundation	47,504	-	47,504	-	-	47,504
Beneficial interest in lead trust held by others	491,282	-	491,282	-	-	491,282
Investments	809,404	-	809,404	7,007,797	-	7,817,201
<b>Total assets</b>	<b>\$ 4,637,187</b>	<b>\$ -</b>	<b>\$ 4,637,187</b>	<b>\$ 7,010,797</b>	<b>\$ (3,000)</b>	<b>\$ 11,644,984</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 157,145	\$ -	\$ 157,145	\$ -	\$ (3,000)	\$ 154,145
Deferred revenue	26,910	-	26,910	-	-	26,910
<b>Total liabilities</b>	<b>184,055</b>	<b>-</b>	<b>184,055</b>	<b>-</b>	<b>(3,000)</b>	<b>181,055</b>
<b>Net Assets</b>						
Without donor restrictions	2,940,005	-	2,940,005	4,732,968	-	7,672,973
With donor restrictions	1,513,127	-	1,513,127	2,277,829	-	3,790,956
<b>Total net assets</b>	<b>4,453,132</b>	<b>-</b>	<b>4,453,132</b>	<b>7,010,797</b>	<b>-</b>	<b>11,463,929</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,637,187</b>	<b>\$ -</b>	<b>\$ 4,637,187</b>	<b>\$ 7,010,797</b>	<b>\$ (3,000)</b>	<b>\$ 11,644,984</b>

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidating Statement of Activities

Year Ended December 31, 2023

	<u>Total Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Support and Revenue Without Donor Restrictions</b>				
Gift shop sales	\$ 759,223	\$ -	\$ -	\$ 759,223
Gift shop expenses	(540,717)	-	-	(540,717)
Gift shop sales, net	218,506	-	-	218,506
Contributions	1,069,466	377,554	(691,205)	755,815
Contributed goods and services	123,753	-	-	123,753
Membership	524,347	-	-	524,347
Education	125,497	-	-	125,497
Programs and exhibitions	868,050	-	-	868,050
Investment return, net	161,792	1,195,378	-	1,357,170
Miscellaneous	92,536	-	-	92,536
Total	3,183,947	1,572,932	(691,205)	4,065,674
Net assets released from restrictions	163,911	-	-	163,911
Total support and revenue without donor restrictions	3,347,858	1,572,932	(691,205)	4,229,585
<b>Expenses</b>				
Program services:				
Education	387,644	-	-	387,644
Garden / conservatory maintenance	483,055	325,651	(325,651)	483,055
Programs and exhibitions	563,243	-	-	563,243
Public relations	363,098	-	-	363,098
Supporting services:				
Management and general	367,798	-	-	367,798
Fundraising and development	761,872	-	(365,554)	396,318
Total expenses	2,926,710	325,651	(691,205)	2,561,156
Change in net assets without donor restrictions	421,148	1,247,281	-	1,668,429

**Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.**

Consolidating Statement of Activities

Year Ended December 31, 2023

	<u>Total Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Support and Revenue With Donor Restrictions</b>				
Contributions	\$ 211,644	\$ 8,000	\$ -	\$ 219,644
Investment return, net	12,282	33,863	-	46,145
Net assets released from restrictions	(163,911)	-	-	(163,911)
	<u>60,015</u>	<u>41,863</u>	<u>-</u>	<u>101,878</u>
Change in net assets with donor restrictions				
	481,163	1,289,144	-	1,770,307
Change in net assets				
	<u>4,453,132</u>	<u>7,010,797</u>	<u>-</u>	<u>11,463,929</u>
<b>Net Assets, Beginning</b>				
	<u>\$ 4,934,295</u>	<u>\$ 8,299,941</u>	<u>\$ -</u>	<u>\$ 13,234,236</u>
<b>Net Assets, Ending</b>				
	<u>\$ 4,934,295</u>	<u>\$ 8,299,941</u>	<u>\$ -</u>	<u>\$ 13,234,236</u>

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidating Statement of Activities

Year Ended December 31, 2022

	<u>Society Operations</u>	<u>Capital Campaign</u>	<u>Total Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Support and Revenue Without Donor Restrictions</b>						
Gift shop sales	\$ 719,410	\$ -	\$ 719,410	\$ -	\$ -	\$ 719,410
Gift shop expenses	(501,169)	-	(501,169)	-	-	(501,169)
Gift shop sales, net	218,241	-	218,241	-	-	218,241
Contributions	970,897	-	970,897	10,000	(322,084)	658,813
Contributed goods and services	157,609	-	157,609	-	-	157,609
Transfers from Society	-	848,350	848,350	-	(848,350)	-
Membership	515,090	-	515,090	-	-	515,090
Education	127,157	-	127,157	-	-	127,157
Programs and exhibitions	856,987	-	856,987	-	-	856,987
Investment return, net	(139,627)	5,545	(134,082)	(1,175,143)	-	(1,309,225)
Miscellaneous	105,380	-	105,380	-	-	105,380
Total	2,811,734	853,895	3,665,629	(1,165,143)	(1,170,434)	1,330,052
Net assets released from restrictions	358,543	96,384	454,927	-	(46,577)	408,350
Total support and revenue without donor restrictions	3,170,277	950,279	4,120,556	(1,165,143)	(1,217,011)	1,738,402
<b>Expenses</b>						
Program services:						
Education	392,821	-	392,821	-	-	392,821
Garden / conservatory maintenance	445,462	2,178,870	2,624,332	312,084	(312,084)	2,624,332
Programs and exhibitions	499,663	-	499,663	-	-	499,663
Public relations	322,244	-	322,244	-	-	322,244
Supporting services:						
Management and general	508,936	-	508,936	-	(56,577)	452,359
Fundraising and development	347,046	-	347,046	-	-	347,046
Transfers to Capital Campaign	848,350	-	848,350	-	(848,350)	-
Total expenses	3,364,522	2,178,870	5,543,392	312,084	(1,217,011)	4,638,465
Change in net assets without donor restrictions	(194,245)	(1,228,591)	(1,422,836)	(1,477,227)	-	(2,900,063)

# Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Consolidating Statement of Activities

Year Ended December 31, 2022

	<u>Society Operations</u>	<u>Capital Campaign</u>	<u>Total Society</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Support and Revenue With Donor Restrictions</b>						
Contributions	\$ 128,638	\$ -	\$ 128,638	\$ 46,577	\$ (46,577)	\$ 128,638
Investment return, net	14,315	-	14,315	(32,635)	-	(18,320)
Net assets released from restrictions	<u>(358,543)</u>	<u>(96,384)</u>	<u>(454,927)</u>	<u>-</u>	<u>46,577</u>	<u>(408,350)</u>
Change in net assets with donor restrictions	<u>(215,590)</u>	<u>(96,384)</u>	<u>(311,974)</u>	<u>13,942</u>	<u>-</u>	<u>(298,032)</u>
Change in net assets before nonoperating item	(409,835)	(1,324,975)	(1,734,810)	(1,463,285)	-	(3,198,095)
<b>Nonoperating item</b>						
Loss on Madison Community Foundation (MCF) funds	<u>(124,107)</u>	<u>-</u>	<u>(124,107)</u>	<u>-</u>	<u>-</u>	<u>(124,107)</u>
Change in net assets	(533,942)	(1,324,975)	(1,858,917)	(1,463,285)	-	(3,322,202)
<b>Net Assets, Beginning</b>	<u>4,987,074</u>	<u>1,324,975</u>	<u>6,312,049</u>	<u>8,474,082</u>	<u>-</u>	<u>14,786,131</u>
<b>Net Assets, Ending</b>	<u>\$ 4,453,132</u>	<u>\$ -</u>	<u>\$ 4,453,132</u>	<u>\$ 7,010,797</u>	<u>\$ -</u>	<u>\$ 11,463,929</u>