

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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**DENVER BOTANIC GARDENS, INC.
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Denver Botanic Gardens, Inc.
Denver, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Denver Botanic Gardens, Inc. (the Gardens), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Denver Botanic Gardens, Inc. 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Denver Botanic Gardens, Inc. 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.

Emphasis of Matter – Audit of Prior Year Financial Statements

In 2022, Denver Botanic Gardens, Inc. was not subject to a single audit under the Uniform Guidance as total federal expenditures were below the threshold that requires a single audit. Accordingly, the audit of the 2022 financial statements was performed in accordance with auditing standards generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Denver Botanic Gardens, Inc.'s ability to continue as a going concern for one year after the date the consolidated 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 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Denver Botanic Gardens, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Denver Botanic Gardens, 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.

Board of Trustees
Denver Botanic Gardens, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, on our consideration of Denver Botanic Gardens, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Denver Botanic Gardens, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Denver Botanic Gardens, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Denver, Colorado
May 17, 2024

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
Cash and Cash Equivalents	\$ 7,556,287	\$ 9,688,948
Restricted Cash - Supplemental Lease Payment Fund	977,584	964,539
Short-Term Investments	13,323,796	7,940,207
Long-Term Investments	47,180,290	42,435,741
Receivables:		
Scientific and Cultural Facilities District	1,641,282	1,642,080
Employee Retention Credit Receivable	-	3,081,876
Other Accounts Receivable	582,539	825,822
Contributions Receivable, Net	5,001,846	1,438,772
Inventory	405,710	411,988
Prepaid Expenses and Other	369,916	341,087
Operating Right-of-Use Asset	322,035	-
Financing Right-of-Use Asset	161,079	-
Property and Equipment, Net	1,172,406	868,944
Total Assets	\$ 78,694,770	\$ 69,640,004
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 2,739,378	\$ 2,668,432
Deferred Revenue	4,705,794	5,537,038
Current Lease Liability - Operating	36,696	-
Current Lease Liability - Financing	41,967	-
Long-Term Lease Liability - Operating	285,339	-
Long-Term Lease Liability - Financing	119,112	-
Annuity Payable	25,765	34,891
Total Liabilities	7,954,051	8,240,361
NET ASSETS		
Without Donor Restrictions:		
Undesignated	4,375,324	4,366,026
Board Designated	29,479,134	27,468,249
Total Net Assets Without Donor Restrictions	33,854,458	31,834,275
With Donor Restrictions	36,886,261	29,565,368
Total Net Assets	70,740,719	61,399,643
Total Liabilities and Net Assets	\$ 78,694,770	\$ 69,640,004

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Membership Dues	\$ 4,494,290	\$ -	\$ 4,494,290
Special Events and Facility Rentals	8,245,770	-	8,245,770
Admissions	3,943,849	-	3,943,849
Scientific and Cultural Facilities District	6,640,198	-	6,640,198
City and County of Denver, Colorado Support	1,145,078	-	1,145,078
Contributions of Financial Assets and Grants	2,873,248	1,898,892	4,772,140
Contributions of Nonfinancial Assets	329,800	-	329,800
Endowment Distribution	333,197	1,126,794	1,459,991
Other	1,193,789	-	1,193,789
Chatfield Farms	2,913,989	-	2,913,989
Education/Public Programs	1,370,464	-	1,370,464
Gift Shop	1,172,144	-	1,172,144
Federal Grant Revenue	878,990	-	878,990
Net Assets Released from Restrictions	2,438,914	(2,438,914)	-
Total Revenue, Gains, and Other Support	37,973,720	586,772	38,560,492
EXPENSES			
Program Services:			
Horticulture, Science, and Conservation	5,923,828	-	5,923,828
Education and Outreach	6,449,384	-	6,449,384
Chatfield Farms	4,066,359	-	4,066,359
Visitor Experience	8,786,999	-	8,786,999
Operations and Maintenance	7,061,271	-	7,061,271
Total Program Services	32,287,841	-	32,287,841
Support Services:			
General and Administrative	2,891,803	-	2,891,803
Development	1,928,153	-	1,928,153
Total Support Services	4,819,956	-	4,819,956
Total Expenses	37,107,797	-	37,107,797
CHANGE IN NET ASSETS BEFORE NONOPERATING INCOME (LOSS) AND NET ASSETS	865,923	586,772	1,452,695
NONOPERATING INCOME (LOSS)			
Endowment and Capital Campaign Contributions	592,989	4,910,815	5,503,804
Capital Projects	(5,511,691)	-	(5,511,691)
Release of Net Assets - Designated for Nonoperating Activities	719,805	(719,805)	-
Investment Return - Non-Endowment	317,189	-	317,189
Investment Return on Endowment - Net, After Distribution	2,093,635	2,543,111	4,636,746
Bond Proceeds	2,942,333	-	2,942,333
Total Nonoperating Income	1,154,260	6,734,121	7,888,381
CHANGE IN NET ASSETS	2,020,183	7,320,893	9,341,076
Net Assets - Beginning of Year	31,834,275	29,565,368	61,399,643
NET ASSETS - END OF YEAR	\$ 33,854,458	\$ 36,886,261	\$ 70,740,719

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Membership Dues	\$ 3,968,200	\$ -	\$ 3,968,200
Special Events and Facility Rentals	7,472,178	-	7,472,178
Admissions	3,802,288	-	3,802,288
Scientific and Cultural Facilities District	6,544,008	-	6,544,008
City and County of Denver, Colorado Support	1,122,625	-	1,122,625
Contributions of Financial Assets and Grants	2,652,052	658,605	3,310,657
Contributions of Nonfinancial Assets	214,360	-	214,360
Endowment Distribution	293,771	1,020,792	1,314,563
Other	525,386	-	525,386
Chatfield Farms	2,693,477	-	2,693,477
Education/Public Programs	1,061,798	-	1,061,798
Gift Shop	1,049,482	-	1,049,482
Federal Grant Revenue	557,078	-	557,078
Net Assets Released from Restrictions	2,075,394	(2,075,394)	-
Total Revenue, Gains, and Other Support	34,032,097	(395,997)	33,636,100
EXPENSES			
Program Services:			
Horticulture, Science, and Conservation	5,329,905	-	5,329,905
Education and Outreach	5,799,305	-	5,799,305
Chatfield Farms	3,560,522	-	3,560,522
Visitor Experience	8,030,711	-	8,030,711
Operations and Maintenance	6,227,959	-	6,227,959
Total Program Services	28,948,402	-	28,948,402
Support Services:			
General and Administrative	2,378,370	-	2,378,370
Development	1,666,540	-	1,666,540
Total Support Services	4,044,910	-	4,044,910
Total Expenses	32,993,312	-	32,993,312
CHANGE IN NET ASSETS BEFORE NONOPERATING INCOME (LOSS) AND NET ASSETS	1,038,785	(395,997)	642,788
NONOPERATING INCOME (LOSS)			
Endowment and Capital Campaign Contributions	624,906	3,581,732	4,206,638
Capital Projects	(1,608,954)	-	(1,608,954)
Release of Net Assets - Designated for Nonoperating Activities	1,015,296	(1,015,296)	-
Investment Return - Non-Endowment	-	-	-
Investment Return on Endowment - Net, After Distribution	(1,889,474)	(4,571,514)	(6,460,988)
Bond Proceeds	57,667	-	57,667
Total Nonoperating Loss	(1,800,559)	(2,005,078)	(3,805,637)
CHANGE IN NET ASSETS	(761,774)	(2,401,075)	(3,162,849)
Net Assets - Beginning of Year	32,596,049	31,966,443	64,562,492
NET ASSETS - END OF YEAR	\$ 31,834,275	\$ 29,565,368	\$ 61,399,643

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Service					Support Services			2023 Total	
	Horticulture, Science, and Conservation	Education and Outreach	Chatfield Farms	Visitor Experience	Operations and Maintenance	Total	General and Administrative	Development		Total
Salaries	\$ 3,682,422	\$ 3,917,332	\$ 2,268,750	\$ 4,184,733	\$ 2,849,485	\$ 16,902,722	\$ 1,095,961	\$ 797,761	\$ 1,893,722	\$ 18,796,444
Fringe Benefits	1,077,342	1,172,811	608,439	1,118,715	852,415	4,829,722	407,822	240,809	648,631	5,478,353
Professional Services	302,068	566,090	469,023	712,164	298,301	2,347,646	475,515	22,259	497,774	2,845,420
Occupancy	-	9,600	29,565	1,595,453	847,547	2,482,165	88,495	88,495	176,990	2,659,155
Program Supplies	146,224	173,583	203,117	19,011	59,917	601,852	45,016	2,159	47,175	649,027
Advertising	-	3,462	8,471	2,470	-	14,403	290,311	-	290,311	304,714
Equipment, Furniture, and Fixtures	2,953	4,481	33,003	3,154	367,897	411,488	-	-	-	411,488
Exhibit Fees	-	79,888	-	-	-	79,888	-	-	-	79,888
Information Technology	7,361	25,367	-	7,968	521,581	562,277	66,891	13,824	80,715	642,992
Insurance	54,292	37,391	37,391	65,938	65,041	260,053	28,812	16,299	45,111	305,164
Miscellaneous	131,400	57,443	48,767	720,262	3,510	961,382	63,024	85,998	149,022	1,110,404
Office Supplies	109,929	108,961	83,202	109,980	111,955	524,027	128,357	198,629	326,986	851,013
Plants and Seeds	79,108	330	64,715	-	16,479	160,632	-	2,919	2,919	163,551
Postage and Shipping	5,596	54,537	121	61,301	51	121,606	1,054	34,259	35,313	156,919
Printing and Publications	6,208	79,754	2,458	9,595	-	98,015	-	141,774	141,774	239,789
Repairs and Maintenance	1,617	-	43,091	-	887,884	932,592	9,976	-	9,976	942,568
Contract Security	-	238	134,866	48,045	3,084	186,233	-	2,451	2,451	188,684
Trainings, Conferences, and Meetings	35,571	81,431	16,897	97,483	17,782	249,164	121,818	277,143	398,961	648,125
Travel	281,737	76,685	14,483	30,727	6,095	409,727	68,751	3,374	72,125	481,852
Depreciation	-	-	-	-	152,247	152,247	-	-	-	152,247
Total	\$ 5,923,828	\$ 6,449,384	\$ 4,066,359	\$ 8,786,999	\$ 7,061,271	\$ 32,287,841	\$ 2,891,803	\$ 1,928,153	\$ 4,819,956	\$ 37,107,797

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Service					Support Services			2022 Total	
	Horticulture, Science, and Conservation	Education and Outreach	Chatfield Farms	Visitor Experience	Operations and Maintenance	Total	General and Administrative	Development		Total
Salaries	\$ 3,397,580	\$ 3,533,931	\$ 1,941,963	\$ 3,740,935	\$ 2,458,585	\$ 15,072,994	\$ 933,904	\$ 695,648	\$ 1,629,552	\$ 16,702,546
Fringe Benefits	999,300	1,058,647	517,436	1,009,967	741,150	4,326,500	327,484	212,687	540,171	4,866,671
Professional Services	199,000	581,503	435,334	683,169	430,675	2,329,681	281,119	23,159	304,278	2,633,959
Occupancy	-	6,617	27,852	1,575,011	887,928	2,497,408	87,501	87,501	175,002	2,672,410
Program Supplies	137,733	96,009	166,253	21,353	33,540	454,888	438	632	1,070	455,958
Advertising	-	1,548	1,402	1,645	-	4,595	306,854	150	307,004	311,599
Equipment, Furniture, and Fixtures	1,751	5,909	65,045	1,146	46,161	120,012	17,992	123	18,115	138,127
Exhibit Fees	-	151,977	-	-	-	151,977	-	-	-	151,977
Information Technology	310	24,534	-	5,722	601,119	631,685	57,603	16,469	74,072	705,757
Insurance	51,589	34,181	34,583	62,489	63,592	246,434	19,590	14,727	34,317	280,751
Miscellaneous	122,990	40,442	40,686	608,415	2,569	815,102	38,567	71,457	110,024	925,126
Office Supplies	79,738	96,279	64,557	92,234	128,744	461,552	158,710	101,744	260,454	722,006
Plants and Seeds	78,276	-	53,764	-	114	132,154	-	377	377	132,531
Postage and Shipping	4,768	4,446	48	57,826	15	67,103	585	41,509	42,094	109,197
Printing and Publications	10,930	43,624	1,430	13,697	-	69,681	103	148,036	148,139	217,820
Repairs and Maintenance	12,667	-	58,269	-	673,356	744,292	-	-	-	744,292
Contract Security	-	-	128,352	38,809	3,774	170,935	-	1,467	1,467	172,402
Trainings, Conferences, and Meetings	41,021	68,737	12,498	107,724	17,138	247,118	88,611	248,214	336,825	583,943
Travel	192,252	50,921	11,050	10,569	4,257	269,049	59,309	2,640	61,949	330,998
Depreciation	-	-	-	-	135,242	135,242	-	-	-	135,242
Total	\$ 5,329,905	\$ 5,799,305	\$ 3,560,522	\$ 8,030,711	\$ 6,227,959	\$ 28,948,402	\$ 2,378,370	\$ 1,666,540	\$ 4,044,910	\$ 32,993,312

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,341,076	\$ (3,162,849)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	152,247	135,242
Noncash Lease Expense	5,921	-
Amortization of Right-of-Use Asset	46,779	-
Capital Projects Expensed	5,511,691	1,608,954
Cash Received Restricted for Endowment	(35,000)	(855,079)
Contribution Revenue Restricted for Capital Campaign	(5,468,804)	(3,351,559)
Bond Proceeds Revenue for Capital Projects	(2,942,333)	(57,667)
Net Realized and Unrealized (Gains) Losses on Investments	(4,691,669)	5,370,677
Bad Debt	16,628	617
Changes in Assets and Liabilities:		
Accounts Receivable - Scientific and Cultural Facilities District	798	(92,845)
Employee Retention Credit Receivable	3,081,876	1,589,869
Account Receivable - Other	243,283	(519,462)
Contributions Receivable	(3,579,702)	(426,088)
Prepaid Expenses and Other Assets	(28,829)	(92,663)
Inventory	6,278	(79,948)
Accounts Payable and Accrued Liabilities	70,946	837,964
Deferred Revenue	(831,244)	310,243
Lease Liability - Operating	(5,921)	-
Annuity Payable	(9,126)	(9,126)
Net Cash Provided by Operating Activities	884,895	1,206,280
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(15,028,798)	(17,390,543)
Proceeds from Sale of Investments	9,592,329	3,473,674
Payments for Purchases of Improvements and Equipment	(455,709)	(117,925)
Payments for Capital Projects	(5,511,691)	(1,608,954)
Bond Proceeds Revenue for Capital Projects	2,942,333	57,667
Cash Received from Bond Proceeds	-	1,732,333
Net Cash Used by Investing Activities	(8,461,536)	(13,853,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Received Restricted for Endowment	35,000	855,079
Proceeds from Contributions Restricted for Capital Campaign	5,468,804	3,351,559
Payments on Financing Leases	(46,779)	-
Net Cash Provided by Financing Activities	5,457,025	4,206,638
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,119,616)	(8,440,830)
Cash and Cash Equivalents - Beginning of Year	10,653,487	19,094,317
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,533,871	\$ 10,653,487
RECONCILIATION OF CASH		
Cash and Cash Equivalents	\$ 7,556,287	\$ 9,688,948
Restricted Cash - Supplemental Lease Payment Fund	977,584	964,539
Total Cash	\$ 8,533,871	\$ 10,653,487

See accompanying Notes to Consolidated Financial Statements.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Denver Botanic Gardens, Inc. (DBG) is a nonprofit corporation organized for the establishment and maintenance of botanical gardens and arboreta in cooperation with the City and County of Denver, Colorado (the City) for its Denver site (Denver Botanic Gardens) and the United States Army Corps of Engineers (the Army Corps) for its site in Jefferson County, Colorado (Denver Botanic Gardens at Chatfield Farms).

DBG entered into a cooperative agreement with the City that expires on December 31, 2073, whereby:

1. DBG will manage, control, and operate the facilities and all the buildings, grounds, plantings, collections, exhibits, programs, operations, and properties constituting Denver Botanic Gardens for the benefit of the public.
2. DBG will donate to the City, for the benefit of the people of the City, all its right, title, and interest in and to any fixtures or improvements to real property, including plantings and horticulture exhibits, that are located on or in any of the facilities that constitute Denver Botanic Gardens.
3. The City will provide or purchase water, utilities, and certain types of insurance and other services, as deemed necessary, to DBG. These costs are paid directly to or reimbursed by the City. During the years ended December 31, 2023 and 2022, the City appropriated to DBG \$1,145,078 and \$1,122,625, respectively, for operations and provided telephone and certain types of administrative services to DBG.

On April 28, 1975, the City entered into a similar agreement with the Army Corps on behalf of DBG for 700 acres of land near Chatfield State Park known as the Chatfield Farms site - DBG will manage, control, and operate the facilities and all the buildings, grounds, plantings, collections, exhibits, programs, operations, and properties constituting the Chatfield Farms site for the benefit of the public. Effective September 1, 2019, the City relinquished its agreement on behalf of DBG, and DBG signed a similar agreement directly with the Army Corps for Chatfield Farms. The Gardens is allowed to use the land and buildings at no charge from the Army Corps under an agreement that expires in 2044. The Gardens has developed and operates Chatfield Farms related to this property.

DBG occupies and manages the properties and infrastructure described above, however the allowed activities, hours of operation and fees charged are subject to the oversight of the City and the Army Corps. As such, the agreements between DBG, the City and the Army Corps are considered Service Concession Arrangements in accordance with Accounting Standards Codification (ASC) 853. The ASC defines a service concession arrangement as an arrangement between a grantor (the City and Army Corps) and an operating entity (DBG) for which the terms provide that the operating entity will operate the grantor's infrastructure for a specified period of time; the operating entity may also be responsible for maintaining the infrastructure under such arrangements. The ASC also states that the operator shall not recognize the infrastructure assets, and improvements thereto, used in the arrangements as property, plant and equipment. Accordingly, DBG has not recorded the value of the use of the botanical garden properties located at 909 and 1007 York Street and at Chatfield Farms in the accompanying consolidated financial statements.

**DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reporting Entity

The accompanying consolidated financial statements include the accounts of Denver Botanic Gardens, Inc. and Denver Botanic Gardens Endowment, Inc. (DBGE), a separate nonprofit organization established in 1991 with the transfer to DBGE of the majority of DBG's endowment funds. DBGE was formed for the purpose of, but not limited to, providing private financial support for DBG and its programs so long as DBG remains a tax-exempt entity and so long as its present contract with the City remains in effect.

The consolidated financial statements also include the accounts of an affiliated volunteer organization: the Denver Botanic Gardens Guild (the Guild). This affiliate works for the betterment of DBG by providing volunteer assistance and financial aid.

The above entities are referred herein collectively as the Gardens.

Basis of Presentation

The consolidated financial statements of the Gardens have been prepared on the basis of accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Classification of Net Assets

The Gardens is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – represent amounts without donor restrictions that are currently available at the discretion of the board of trustees (the board) for use in the Gardens' operations.

Net Assets With Donor Restrictions – represent amounts with donor restrictions that are either monies restricted by donors specifically for certain projects, programs, and time limitations or are assets that must be maintained in perpetuity by the Gardens, as required by the donor, but the Gardens is permitted to use or expend part or all of any income derived from those assets in accordance with donor specifications.

Contributions

Contributions are recorded as without donor restrictions or donor-restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when cash or ownership of donated assets is unconditionally promised to the Gardens. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return or release—are recorded when the conditions upon which they depend have been met. Until that time, they are reported on the statements of financial position as a refundable advance. For donor-restricted conditional contributions whose restrictions are met in the same period in which the corresponding revenue is recognized, the revenue is reported as support without donor restrictions.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Contributions (Continued)

All other contribution revenue that is originally restricted by the donor, including pledges, is reported as an increase in donor-restricted net assets, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Unconditional contributions receivable are recognized as revenue in the period the pledge is received. Contributions receivable are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. The Gardens uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Revenue Recognition for Contracts with Customers

To determine revenue recognition for the arrangements that the Gardens determines are within the scope of Topic 606, the Gardens performs the following five steps (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when (or as) the Gardens satisfies performance obligations.

Revenue from contracts with customers is composed of the following:

Membership Dues

The Gardens recognizes revenue from member dues over the membership period, which is one year from the date the membership is purchased. The performance obligations of the membership are simultaneously received and consumed by members; therefore, the revenue is recognized ratably over the course of the membership period using a straight-line method. Unearned dues are included in deferred revenue.

Admissions and Special Events

Fees paid for admission to the Gardens or to attend special events are paid in full upon purchase of the initial ticket and recognized as revenue once the guest has received admittance to the Gardens or event. Fees paid in advance are deferred and recognized at the point in time when admission to the Gardens is provided or on the date of the special event.

Facility Rentals

The Gardens enters into contracts to rent out portions of their facilities. Pricing and rental dates are set in a signed contract with the customer. Deposits and required prepayments are deferred and recognized over time during the designated facility rental, which typically occurs within a single day.

**DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition for Contracts with Customers (Continued)

Educational/Public Programs

The Gardens provides various educational programs. Fees charged for the educational programs are deferred until the classes are held. Revenue is recognized over time as classes occur.

Gift Shop

Income from sales of merchandise is recognized at the time of sale.

Chatfield Farms

The Chatfield Farms line item in the consolidated statement of activities and changes in net assets is composed of the admissions, special events, and facility rental revenue for the Chatfield Farms location. Those revenue streams are recognized on the same basis as disclosed above.

Other Information

Total revenue from contracts with customers was \$26,136,212 for the year ended December 31, 2023, of which \$1,750,991 was recognized at a point in time and \$20,968,362 was recognized over time.

Total revenue from contracts with customers was \$20,534,838 for the year ended December 31, 2022, of which \$1,479,230 was recognized at a point in time and \$18,997,941 was recognized over time.

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits presented as deferred revenue (contract liabilities) on the consolidated statements of financial position. Amounts are billed either as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g. monthly) or upon achievement of contractual milestones. Generally, billing occurs upon revenue recognition, resulting in accounts receivable. However, the Gardens sometimes receives advances or deposits from its customers, before revenue is recognized, resulting in contract liabilities. These deposits are recognized as revenue when performance obligations are satisfied.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Accounts Receivable	\$ 582,539	\$ 825,822	\$ 381,242
Unbilled Receivables	\$ -	\$ -	\$ -
Deferred Revenue	\$ 4,705,794	\$ 5,537,038	\$ 3,494,462

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and Cash Equivalents

The Gardens considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable equity and fixed-income securities with readily determinable market values are recorded at fair value based on quoted prices in active markets. The market values for alternative investments represent DBGE's pro rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated periodically by management. Alternative investments are not publicly traded on national security market exchanges, are generally illiquid, and may be valued differently than if readily available markets existed for such investments. Because of inherent uncertainties of valuation of alternative investments, the reported market values of such investments may differ significantly from realizable values.

Investment income consists of DBGE's distributive share of any interest, dividends, capital gains, and losses generated from investments. Realized gains and losses attributable to investments are reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the consolidated statement of activities and changes in net assets.

Concentrations of Credit Risk

Financial instruments that potentially subject the Gardens to concentrations of credit risk consist of cash and short-term investments, investment securities, and contributions receivable. The Gardens places its cash and temporary investments with creditworthy, high-quality financial institutions. A portion of the Gardens' cash deposits is not insured by the Federal Deposit Insurance Corporation (FDIC).

DBGE has significant investments in equity and debt securities and, therefore, is subject to concentrations of credit risk. Investments are managed by investment advisors who are supervised by the DBGE board of directors (the directors). Though the market value of investments is subject to fluctuations on a year-to-year basis, the directors believe that the investment policy is prudent for the long-term welfare of the Gardens.

Credit risk, with respect to contributions receivable, is limited due to the number and creditworthiness of the corporations, foundations, and individuals who comprise the contributor base.

Inventory

Inventory consists of gift shop items and is stated at the lower of cost or net realizable value, using the first-in, first-out method.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and Equipment

As previously mentioned, and in accordance with ASC 853, DBG does not record property, plant, and equipment related to the York Street Gardens and Chatfield Farms Site properties, and improvements thereto, as they are considered infrastructure assets in service concession arrangements. ASC 853 states that costs to construct infrastructure assets should be expenses as incurred. As such, the Gardens has a policy that any land or building improvements on those properties are expensed as incurred.

ASC 853 states that assets acquired by an operator (DBG) to provide services under service concession arrangements that are not a part of the infrastructure assets that the operator may dispose of or replace at its discretion should be capitalized as property, plant, and equipment. Accordingly, the Gardens capitalizes vehicles, furniture, fixtures, and other equipment with an acquisition value greater than \$15,000 and a useful life greater than one year. Donated property and equipment are recorded at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. Total historical cost of property and equipment at December 31, 2023 and 2022 is \$2,295,246 and \$2,147,855, respectively, with total related accumulated depreciation at December 31, 2023 and 2022 of \$1,122,840 and \$1,278,911, respectively.

Collections

The Gardens' collections, which were acquired through purchases and contributions since the Gardens' inception, are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired. Contributed collection items are not reflected on the consolidated financial statements. Proceeds from deaccessions or insurance recoveries may be used for new collections or the direct care of other collections and are reflected as increases in the appropriate net asset classes.

Charitable Gift Annuity

The Gardens was the recipient of a charitable gift annuity with a total contribution of approximately \$152,000. The gift annuity assets are included in investments (see Note 4). The Gardens has a related annuity payment liability of \$25,765 and \$34,891 as of December 31, 2023 and 2022, respectively, which represents the present value of the future distributions due to the benefactor.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Leases

The Gardens leases certain storage space and equipment. The Gardens determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in financing right-of-use (ROU) assets and financing lease liabilities on the consolidated statement of financial position.

ROU assets represent the Gardens' right to use an underlying asset for the lease term and lease liabilities represent the Gardens' obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Gardens' uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The initial measurement of the ROU assets also includes any lease payments already made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Gardens will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Gardens has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The Gardens has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Certain lease agreements include payments based on a pro-rata share of the landlord's actual annual operating expenses incurred in connection with maintaining the rented premises, which is estimated at the beginning of each year, and adjusted at the end of each year. These amounts are considered variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the related obligation was incurred.

The Gardens' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Gardens considers factors such as if the Gardens has obtained substantially all of the rights to the underlying asset through exclusivity, if the Gardens can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Gardens has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donated Goods and Services

Volunteers from the community and the Guild have donated a significant number of hours in assisting the Gardens in achieving the goals of its various service programs. The value of this contributed time is not reflected in the accompanying consolidated financial statements because it does not meet the recognition criteria under U.S. GAAP. The Gardens received approximately 65,000 and 58,000 volunteer hours in 2023 and 2022, respectively.

Donated goods and services are recorded as contribution revenue and corresponding expenses at their estimated fair values at the date of donation. Donated goods and services received during the years ended December 31, 2023 and 2022, include various advertising, plants, books, and supplies and totaled approximately \$330,000 and \$214,000, respectively. See Note 18 for additional information.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2023 and 2022 was approximately \$305,000 and \$312,000.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Costs have been allocated between the various programs and support services on several bases and estimates. Certain wages and benefits have been allocated based on time and effort estimates. Certain supplies, postage, shipping, and insurance expenses have been allocated based on usage. IT has been allocated based on headcount. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Nonoperating Income (Loss)

Nonoperating income (loss) includes endowment and capital campaign contributions, capital projects expenditures, bond proceeds, and investment return.

**DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Taxes

The Gardens is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualify for the charitable contribution deduction. However, income from activities not directly related to the Gardens' tax-exempt purpose is subject to taxation as unrelated business income. There was no significant unrelated taxable business income in 2023 and 2022.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Gardens' financial assets available for general expenditures within one year are as follows as of December 31:

	2023	2022
Cash and Cash Equivalents (Excluding Certain Board-Designated and Donor-Restricted Amounts)	\$ 7,148,417	\$ 1,795,890
Receivables from Scientific and Cultural Facilities District (SCFD)	1,641,282	1,642,080
Employee Retention Credit Receivable	-	3,081,876
Other Receivables	582,539	825,822
Grants Receivable	158,165	-
Contributions Receivable for Operations Due Next Year	317,923	342,786
Board-Designated Endowment Assets		
Appropriated for Next Year	980,019	936,482
Total	\$ 10,828,345	\$ 8,624,936

Endowment funds held by DBGE consist of donor-restricted endowments and funds designated by the board to function as endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the annual endowment distribution is set at 4% of the endowment's average market value over the prior 12 quarters as of June 30 of the prior year.

To manage liquidity, the Gardens structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of unanticipated liquidity needs, the Gardens has committed a line of credit in the amount of \$2,500,000 that they could draw upon. The line of credit is more fully described in Note 14.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

Additionally, the investments include board-designated endowments totaling \$18,963,932 and \$16,722,600, respectively, as of December 31, 2023 and 2022. Although the Gardens does not intend to spend from the board-designated endowments other than amounts appropriated for general expenditure as part of their annual budget approval and appropriation process, amounts from this endowment could be made available if necessary. However, both the board-designated endowments and donor-restricted endowments contain investments with lockup provisions that would reduce the total investments that could be made available (see Note 5). None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

NOTE 3 CITY AND COUNTY OF DENVER, COLORADO COOPERATIVE AGREEMENT ON PARKING

In a third amendment to the cooperative agreement between the City and DBG (see Note 1), the City entered into a lease purchase agreement on October 1, 2008 in the amount of \$17.7 million to finance the construction of a parking facility located on the grounds of DBG. The City has agreed to a schedule of payments for the parking facility, and DBG has agreed to reimburse the City semiannually through its maturity in 2028. In February 2017, the City refinanced the parking facility agreement to reduce both the interest rate to 2.5% and the future payment schedule. As a result, interest-only payments were due through November 2018, with interest and principal payments beginning in December 2018 until maturity in 2028. For the years ended December 31, 2023 and 2022, DBG made total payments of approximately \$1,770,000 and \$1,750,000, respectively. As stated in Note 1, and in accordance with ASC 853, as the parking facility is considered a part of the infrastructure assets included in the service concession arrangement between the City and DBG, it is not considered a lease nor property and is therefore not recorded as such in the consolidated financial statements. Additionally, in accordance with the ASC, parking facility payments are expensed as incurred.

Future minimum annual commitments under the parking facility agreement are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 1,730,588
2025	1,744,962
2026	1,770,136
2027	1,785,324
2028	1,791,278
Total	<u>\$ 8,822,288</u>

Additionally, DBG is required to maintain a supplemental payment fund equal to 55% of the following year's payment to be funded out of incremental revenue. The balance in this fund at December 31, 2023 and 2022, was approximately \$978,000 and \$965,000, respectively, which meets the 55% of the debt service requirement for the next annual payment to the City under the lease terms as of December 31, 2023.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 INVESTMENTS

Investment assets, which include private and publicly held investments, are dedicated to providing the financial resources needed to meet the Gardens' charitable objectives. The investments are held in various investment structures. DBGE has adopted an investment policy that is approved annually by DBGE's governing board, whereby the investment portfolio is invested in a manner that is intended to produce maximum yield results while assuming a moderate level of investment risk. The investment portfolio is reviewed by the governing board and its investment advisors on a quarterly basis.

Marketable and private alternative investments are exposed to various risks that may cause the reported value of the investment assets to fluctuate from period to period and result in a material change to the net assets of DBGE. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, business and industry market conditions, and the general economic environment.

The values of fixed-income securities fluctuate in response to changing interest rates, creditworthiness of issuers, and overall economic policies that impact market conditions. Some investment managers are permitted to use various investment strategies and techniques that are designed to achieve higher investment returns with lower volatility and low correlations to major market indices and other asset classes.

Strategies and techniques, such as the use of leverage, futures and forward contracts, option agreements, and other derivative instruments, create special risks and could increase the impact of adverse security price movements on the investment portfolio.

The details of the Gardens' investments at fair value are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Marketable Securities:		
Treasury Bills	\$ 13,323,796	\$ 7,940,207
Total Short-Term Investments	<u>\$ 13,323,796</u>	<u>\$ 7,940,207</u>
Marketable Securities:		
Money Market Funds	\$ 158,677	\$ 79,042
Fixed-Income Mutual Funds	9,025,279	5,860,825
Equity Mutual Funds	26,759,014	24,324,975
Alternative Investments:		
Private Equity Funds	3,941,244	3,308,169
Hedge Funds	-	2,830,951
Limited Partnership Equity Funds	5,058,767	4,461,032
Alternative Credit	2,237,309	1,570,747
Total Long-Term Investments	<u>\$ 47,180,290</u>	<u>\$ 42,435,741</u>

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 INVESTMENTS (CONTINUED)

Investment return, net of distribution, is summarized as follows for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and Dividend Income	\$ 2,316,494	\$ 449,511
Net Realized and Unrealized Gains (Losses)	4,889,256	(5,370,677)
Less: Investment Management Fees	(197,587)	(129,621)
Less: Endowment Distribution	(1,459,991)	(1,314,563)
Total	<u>\$ 5,548,172</u>	<u>\$ (6,365,350)</u>

NOTE 5 FAIR VALUE MEASUREMENTS

The Gardens follows accounting standards that establish a framework for measuring fair value and require enhanced disclosures about fair value measurements. The guidance establishes a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring financial assets at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments are categorized within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Gardens can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Gardens develops inputs using the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value:

Marketable Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Private Equity Funds, Hedge Funds, Limited Partnership Equity Funds, and Alternative Credit Funds: Value based on net asset value per share of the investments.

There were no changes in valuation methodology during the years ended December 31, 2023 and 2022.

In accordance with U.S. GAAP, certain investments that are measured at fair value using net asset value practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position. The following table presents information about the Gardens' assets measured at fair value on a recurring basis at December 31, 2023 and 2022, and the valuation techniques used by the Gardens to determine those fair values.

Fair values of assets measured on a recurring basis are as follows at December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Treasury Bills	\$ 13,323,796	\$ -	\$ -	\$ 13,323,796
Total Short-Term Investments	<u>\$ 13,323,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,323,796</u>
Marketable Securities	\$ 35,942,970	\$ -	\$ -	\$ 35,942,970
Investments Measured at NAV	-	-	-	11,237,320
Total Long-Term Investments	<u>\$ 35,942,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,180,290</u>
	2022			
	Level 1	Level 2	Level 3	Total
Treasury Bills	\$ 7,940,207	\$ -	\$ -	\$ 7,940,207
Total Short-Term Investments	<u>\$ 7,940,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,940,207</u>
Marketable Securities	\$ 30,264,842	\$ -	\$ -	\$ 30,264,842
Investments Measured at NAV	-	-	-	12,170,899
Total Long-Term Investments	<u>\$ 30,264,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,435,741</u>

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the significant information required by ASU No. 2009-12 as of December 31:

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Private Equity Funds (a)	\$ 3,941,244	\$ 5,309,387	Illiquid Monthly,	None
Hedge Funds (b)	-	-	Semiannually	45-95 Days
Limited Partnership Equity Funds (c)	5,058,767	-	Quarterly	90 Days
Alternative Credit (d)	2,237,309	1,715,381	Illiquid	None
Total	<u>\$ 11,237,320</u>	<u>\$ 7,024,768</u>		
	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Private Equity Funds (a)	\$ 3,308,169	\$ 4,972,903	Illiquid Monthly,	None
Hedge Funds (b)	2,830,951	-	Semiannually	45-95 Days
Limited Partnership Equity Funds (c)	4,461,032	-	Quarterly	90 Days
Alternative Credit (d)	1,570,747	2,427,964	Illiquid	None
Total	<u>\$ 12,170,899</u>	<u>\$ 7,400,867</u>		

- (a) The objectives of these funds are to provide capital appreciation-oriented investment strategies through illiquid vehicles. These strategies may include, but are not limited to, venture capital, operations-oriented buyouts, subordinated debt, restructuring and distressed debt and securities, special situations, and recapitalizations. The fair value of these investments has been estimated using net asset value per share of the investments. Investments in these funds cannot be redeemed because the investments have lockup periods of several years.
- (b) The objective of these funds is to produce equity-like returns with low volatility and low correlation to the equity and credit markets. The strategies include capitalizing on long-term market inefficiencies through investments in global equities, futures, forwards, credit opportunities, distressed securities, and various arbitrage-based approaches. The individual hedge funds have different redemption requirements, with the most restrictive requiring nine months' notice for a full withdrawal.
- (c) The objective of the partnership is to generate long-term growth in assets by investing primarily in equity and equity-related securities.
- (d) The objective of the Fund is to invest in an array of investment strategies and structures that capitalize on opportunities in the private credit market to maximize risk-adjusted returns and achieve low correlation to the overall-fixed income markets.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 CONTRIBUTIONS RECEIVABLE

Contributions receivable include several unconditional promises to give generated from a capital campaign and other operational contributions receivable. At December 31, they are included as follows:

	2023	2022
Contributions Receivable	\$ 5,164,946	\$ 1,511,289
Less: Allowance for Uncollectible Pledges	(25,000)	(10,000)
Less: Discount	(138,100)	(62,517)
Contributions Receivable, Net	\$ 5,001,846	\$ 1,438,772
	2023	2022
Contributions Receivable are Due as Follows:		
Less than One Year	\$ 3,685,279	\$ 956,289
One to Five Years	1,479,667	555,000
Total	\$ 5,164,946	\$ 1,511,289

Contributions receivable are from various entities, including foundations, corporations, and individuals. The discount factor utilized in the present value calculation is between 2.5% and 4.5%.

Pledges receivable from three donors at December 31, 2023, represented 76% of gross contributions receivable. Pledges receivable from four donors at December 31, 2022, represented 86% of gross contributions receivable.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 CONDITIONAL CONTRIBUTIONS

The Gardens receives grant funding from federal and state agencies. These grant funds are conditional based on the occurrence of future expenditures and activities. As of December 31, 2023 and 2022, conditional grant contributions outstanding totaled \$593,385 and \$974,098, respectively, which are composed of the following:

	2023		
	Grant Award	Grant Revenue Recognized	Conditional Grant Award Remaining
National Science Foundation - Bromecast - Utah State University	\$ 93,641	\$ 93,452	\$ 189
US Department of Agriculture Institute of Museum and Library Services - IDEA	504,527	370,042	134,485
National Science Foundation - Macrosystems and NEON Enabled Science	245,033	165,690	79,343
Institute of Museum and Library Services MFA LMS Acquisitions	173,853	119,657	54,196
Bureau of Land Management Plant Conservation and Restoration	249,649	159,895	89,754
Bureau of Land Management Threatened and Endangered Species	100,022	38,768	61,254
Denver Department of Public Health and Environment - Food System Resiliency	100,357	1,593	98,764
	87,049	11,649	75,400
Total	<u>\$ 1,554,131</u>	<u>\$ 960,746</u>	<u>\$ 593,385</u>
	2022		
	Grant Award	Grant Revenue Recognized	Conditional Grant Award Remaining
National Science Foundation - Bromecast - Utah State University	\$ 93,641	\$ 74,946	\$ 18,695
US Department of Agriculture Institute of Museum and Library Services - IDEA	504,527	180,724	323,803
US Bureau of Land Management	245,033	66,212	178,821
National Science Foundation - Macrosystems and NEON Enabled Science	549,301	251,159	298,142
Colorado Department of Public Health and Environment	173,853	42,196	131,657
	108,431	85,451	22,980
Total	<u>\$ 1,674,786</u>	<u>\$ 700,688</u>	<u>\$ 974,098</u>

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 COLLECTIONS

The Gardens' collections consist of living plants, herbarium, a library, and historical collections. The Gardens' living plant and herbarium collections are made up of over 18,000 taxa of living plants, 63,000 herbarium specimen sheets, and 18,000 preserved and documented native mushrooms. The Gardens has a library consisting of over 30,000 books; periodicals; and seed and nursery catalogs, slides, and pamphlets. The Gardens has over 1,400 two-dimensional works of art in an array of media, including photographs, lithography drawings, maps, and engravings, and 60 pieces of three-dimensional art in the form of bronze, glass, and stone sculptures. Additionally, the Gardens has historic buildings, tools, and farm implements at its Chatfield Farms location.

All of these collections are held for educational, research, scientific, and curatorial purposes. Each of these collection items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sales to be used to support the Gardens' collections. The Gardens defines direct care of collections as any activity that involves the protection and preservation of the collection; this includes the salary and benefits of our curating staff, consultant fees, and costs such as the purchase of protective storage materials and their maintenance. During 2023 and 2022, deaccessioned items, primarily traded or donated to other botanical gardens, were not significant.

NOTE 9 SCIENTIFIC AND CULTURAL FACILITIES DISTRICT

In November 1988, the voters of the Denver metropolitan area approved formation of a special tax district to support the scientific and cultural institutions within the district. Beginning in 1989, revenue for the special tax district was generated through a sales tax and distributed to various institutions, including the Gardens, in accordance with the provisions of the act. In 2016, the voters of the Denver metropolitan area extended the expiration date of the special tax district through June 30, 2030. During 2023 and 2022, the Gardens' share of the tax amounted to \$6,640,198 and \$6,544,008, respectively. As of December 31, 2023 and 2022, \$1,641,282 and \$1,642,080, respectively, is due from the Scientific and Cultural Facilities District.

As part of the reauthorization in 2016, the SCFD partnered with a community foundation to establish a fund (the Fund) that will provide merit-based grants to Tier III organizations. As part of this agreement, all Tier 1 organizations will financially support the Fund directly for a period of 12 years. As a result, the Gardens entered into a memorandum of understanding whereby the Gardens will contribute \$150,000 of its annual SCFD funds from 2018 through 2029 to the Fund. The 2023 contribution has been netted against the gross proceeds from the SCFD in the consolidated statement of activities and changes in net assets.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 NET ASSETS

Net assets without donor restrictions consist of the following as of December 31:

	2023		
	DBG and Affiliates	DBGE	Total
Board-Designated Net Assets:			
Designated for Controlled Maintenance and Capital Improvements	\$ 7,944,935	\$ 10,207,071	\$ 18,152,006
Designated for Gardens Programs	2,570,267	8,756,861	11,327,128
Total Board-Designated Net Assets	10,515,202	18,963,932	29,479,134
Undesignated Net Assets	4,551,555	-	4,551,555
Total	\$ 15,066,757	\$ 18,963,932	\$ 34,030,689
	2022		
	DBG and Affiliates	DBGE	Total
Board-Designated Net Assets:			
Designated for Controlled Maintenance and Capital Improvements	\$ 7,872,243	\$ 9,080,578	\$ 16,952,821
Designated for Gardens Programs	2,873,406	7,642,022	10,515,428
Total Board-Designated Net Assets	10,745,649	16,722,600	27,468,249
Undesignated Net Assets	4,366,026	-	4,366,026
Total	\$ 15,111,675	\$ 16,722,600	\$ 31,834,275

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 NET ASSETS (CONTINUED)

Net assets with donor restrictions are available for the following purposes as of December 31:

	2023		
	DBG and Affiliates	DBGE	Total
Subject to Expenditures for a Specified Time or Purpose:			
Capital Improvements	\$ 6,002,583	\$ -	\$ 6,002,583
Education and Outreach	258,595	-	258,595
Horticulture, Science, and Conservation	1,328,860	-	1,328,860
Chatfield Farms	246,099	-	246,099
Time	860,000	-	860,000
Earnings on Endowments (Note 11)	-	18,197,421	18,197,421
Endowment Funds Held in Perpetuity (Note 11)	-	9,992,703	9,992,703
Total	<u>\$ 8,696,137</u>	<u>\$ 28,190,124</u>	<u>\$ 36,886,261</u>
	2022		
	DBG and Affiliates	DBGE	Total
Subject to Expenditures for a Specified Time or Purpose:			
Capital Improvements	\$ 1,846,574	\$ -	\$ 1,846,574
Education and Outreach	309,368	-	309,368
Horticulture, Science, and Conservation	1,535,688	-	1,535,688
Chatfield Farms	196,449	-	196,449
Earnings on Endowments (Note 11)	-	16,125,292	16,125,292
Endowment Funds Held in Perpetuity (Note 11)	-	9,551,997	9,551,997
Total	<u>\$ 3,888,079</u>	<u>\$ 25,677,289</u>	<u>\$ 29,565,368</u>

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS

The endowment consists of 40 individual funds established for a variety of purposes. DBGE’s endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

DBGE is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of DBGE has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor- restricted endowment funds, DBGE considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. DBGE has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, DBGE 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 DBGE 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 DBGE
- The investment policies of DBGE

	2023		
	Without Donor Restriction	Donor Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 28,190,124	\$ 28,190,124
Board-Designated Endowment Funds	18,963,932	-	18,963,932
Total	\$ 18,963,932	\$ 28,190,124	\$ 47,154,056
	2022		
	Without Donor Restriction	Donor Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 25,677,289	\$ 25,677,289
Board-Designated Endowment Funds	16,722,600	-	16,722,600
Total	\$ 16,722,600	\$ 25,677,289	\$ 42,399,889

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

	2023		
	Without Donor Restriction	Donor Restricted	Total
Endowment Net Assets -			
Beginning of Year	\$ 16,722,600	\$ 25,677,289	\$ 42,399,889
Investment Income	2,426,832	3,669,905	6,096,737
Contributions	118,463	35,000	153,463
Appropriation of Endowment Assets for DBG Programs	(333,197)	(1,126,794)	(1,459,991)
Appropriation of Endowment Assets - Other	29,234	(65,276)	(36,042)
Endowment Net Assets - End of Year	<u>\$ 18,963,932</u>	<u>\$ 28,190,124</u>	<u>\$ 47,154,056</u>
	2022		
	Without Donor Restriction	Donor Restricted	Total
Endowment Net Assets -			
Beginning of Year	\$ 12,692,604	\$ 29,020,867	\$ 41,713,471
Investment Loss	(1,595,703)	(3,550,722)	(5,146,425)
Contributions	919,470	1,255,079	2,174,549
Transfer to Board-Designated Endowment	5,000,000	-	5,000,000
Appropriation of Endowment Assets for DBG Programs	(293,771)	(1,020,792)	(1,314,563)
Appropriation of Endowment Assets - Other	-	(27,143)	(27,143)
Endowment Net Assets - End of Year	<u>\$ 16,722,600</u>	<u>\$ 25,677,289</u>	<u>\$ 42,399,889</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Gardens to retain as a fund of perpetual duration. There were no funds with deficiencies as of December 31, 2023 and 2022.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

Endowment assets include donor-restricted funds that must be held in perpetuity, as well as board-designated funds. The board has adopted investment and spending policies for endowment assets that attempt to provide a reasonable, predictable, stable, and sustainable level of distribution to the DBG that supports current needs and provides for growth in assets and income over time. Under this policy, as approved by the board, the endowment assets are invested in a manner that is intended to produce an average long-term rate of return of Consumer Price Index plus spending, net of all fees. The rate of return has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the investment portfolio. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Related to Spending Policy

DBGE has a board-approved spending policy for appropriating funds to DBG for expenditure each year. The annual endowment distribution is set at 4% of the endowment's average market value over the prior 12 quarters as of June 30 of the prior year. In establishing this policy, long-term expected return on its endowment was considered. Accordingly, over the long term, DBGE expects the current spending policy to allow its endowment to grow at an average of approximately 3% annually. This is consistent with DBGE's objective to maintain the purchasing power of endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

In determining the annual grant to DBG, the board may make an exception to the distribution policy.

NOTE 12 EMPLOYEE BENEFIT PLAN

The Gardens has a tax-sheltered annuity plan (the Plan) under section 403(b) of the IRC. The Plan covers substantially all full-time employees and regular part-time employees working more than 25 hours per week. Under the Plan, the Gardens contributes an amount equal to 6% of the participants' compensation. For 2023 and 2022, the Gardens' contribution to the Plan was \$853,684 and \$726,702, respectively.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 13 MEDICAL SELF-INSURANCE

Under the Gardens' insurance programs, coverage is obtained for catastrophic exposure, as well as those risks required to be insured by law or contract. It is the policy of the Gardens to self-insure for a portion of certain expected losses related primarily to health insurance. Provisions for losses expected under these programs are recorded based upon the Gardens' estimates of aggregate liability for claims incurred. The amount of actual losses incurred could differ materially from the estimates reflected in these consolidated financial statements. The Gardens has in place a specific stop-loss policy of \$60,000 per incident. As of December 31, 2023 and 2022, approximately \$215,000 and \$145,000, respectively, was accrued for the medical self-insurance policy.

NOTE 14 LINE OF CREDIT

The Gardens has a line of credit agreement in the amount of \$2,500,000. The line of credit has an interest rate equal to the bank's prime rate less 0.75% (7.75%) at December 31, 2023. The line of credit is secured by the general assets of the Gardens and matures in August 1, 2023. There were no borrowings on the line of credit during the year ended December 31, 2023.

NOTE 15 EMPLOYEE RETENTION CREDIT

The Gardens claimed the Employee Retention Credit (ERC) for the first three quarters of 2021. The ERC is a refundable payroll tax credit, provided under the CARES Act of 2020, and amended by the Relief Act of 2021, the American Rescue Plan Act of 2021, and the Infrastructure Investment and Jobs Act. The purpose of the ERC is to encourage employers to keep employees on their payroll. In order to be eligible for the ERC, the Gardens must satisfy certain conditions under the law. Therefore, the Gardens has classified this ERC as a conditional contribution for accounting purposes in accordance with ASC 958-605. The Gardens has determined that it has satisfied all of the conditions to be eligible for the ERC as of December 31, 2021, and therefore recognized \$4,671,745 of Employee Retention Credit revenue in 2021. Part of the credit is shown as a receivable as of December 31, 2022 as the Gardens had not yet received full payment. During the year ended December 31, 2023, the Gardens received the remaining payment of the credit.

NOTE 16 CONTINGENCIES

The Gardens may become involved in claims and pending litigation arising from the normal course of its operations. In the opinion of management, the effect of such matters will not have a material adverse effect on the Garden's financials position or liquidity. Therefore, no provision has been made in the accompanying consolidated financial statements for losses, if any, that might result from the ultimate outcome of the matters.

DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 17 LEASES

The Gardens leases equipment as well as certain storage facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2030 and provide for renewal options of up to five years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Additionally, the agreements generally require the Gardens to lessor fees (variable less costs) for pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Gardens' leases.

	<u>2023</u>	<u>2022</u>
Lease Costs (Included in Occupancy Expense):		
Operating Lease Costs	\$ 5,921	\$ -
Finance Lease Costs:		
Amortization of Right-of-Use Assets	46,779	-
Interest on Lease Liabilities	6,209	-
Variable Lease Costs	93,200	-
Total Lease Costs	<u>\$ 152,109</u>	<u>\$ -</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 8,250	\$ -
Operating Cash Flows from Financing Leases	\$ 6,209	\$ -
Financing cash flows from finance leases	\$ 46,779	
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	\$ 327,956	\$ -
Right-of-Use Assets Obtained in Exchange for New		
Financing Lease Liabilities	\$ 207,858	\$ -
Weighted-Average Remaining Lease Term -		
Operating Leases	3.7 Years	N/A
Weighted-Average Remaining Lease Term -		
Financing Leases	6.8 Years	N/A
Weighted-Average Discount Rate - Operating Leases	3.39%	N/A
Weighted-Average Discount Rate - Financing Leases	4.28%	N/A

The Gardens classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

<u>Year</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2023	\$ 49,770	\$ 46,779
2024	51,390	46,779
2025	53,030	46,779
2026	54,780	31,186
2027	56,580	-
Thereafter	108,400	-
Total Lease Payments	<u>373,950</u>	<u>171,523</u>
Less: Interest	(51,915)	(10,444)
Present Value of Lease Liabilities	<u>\$ 322,035</u>	<u>\$ 161,079</u>

**DENVER BOTANIC GARDENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 18 CONTRIBUTED NONFINANCIAL ASSETS

Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the consolidated statements of activities and changes in net assets are as follows for the years ended December 31:

<u>Nonfinancial Asset</u>	<u>2023 Revenue Recognized</u>	<u>2022 Revenue Recognized</u>	<u>Monetized or Utilized</u>	<u>Utilization in Function</u>	<u>Donor Restrictions</u>	<u>Valuation Technique</u>
Media and Advertising	\$ 123,376	\$ 155,007	Utilized	General and Administrative	None	Sales Prices of Comparable Goods
Goods	206,424	59,353	Utilized	All Programs	None	Sales Prices of Comparable Goods
Total	<u>\$ 329,800</u>	<u>\$ 214,360</u>				

NOTE 19 SUBSEQUENT EVENTS

The consolidated financial statements and related disclosures include evaluation of events up through May 17, 2024, which is the date the consolidated financial statements were available to be issued. On January 23, 2024, the Gardens entered into a contract for construction services at one of its locations. Total project costs are estimated to be approximately \$13,210,000.



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