



LOFTIS & LOVATO

— G R O U P —

CERTIFIED PUBLIC ACCOUNTANTS

Santa Fe Botanical Garden

Financial Statements
And Independent Auditor's Report

December 31, 2020

Santa Fe Botanical Garden

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Independent Auditor's Report

To the Board of Directors of
Santa Fe Botanical Garden

We have audited the accompanying financial statements of Santa Fe Botanical Garden (the "Garden") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Garden's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Garden's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Santa Fe Botanical Garden as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Loftis & Lovato Group

Albuquerque, New Mexico
October 21, 2021

Financial Statements

Santa Fe Botanical Garden
Statement of Financial Position
December 31, 2020

Assets

Current assets	
Cash and cash equivalents	\$ 674,843
Accounts receivable	12,750
Pledges receivable	8,740
Inventory	<u>46,643</u>
Total current assets	742,976
Property and equipment, net	<u>3,961,085</u>
Total assets	<u><u>\$ 4,704,061</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 23,218
Accrued expenses	4,647
Line of credit	150,000
Refundable advances - Paycheck Protection Program	<u>120,809</u>
Total current liabilities	298,674
Notes payable	<u>450,000</u>
Total liabilities	<u><u>748,674</u></u>
Net assets	
Without donor restrictions	3,845,919
With donor restrictions	<u>109,468</u>
Total net assets	<u><u>3,955,387</u></u>
Total liabilities and net assets	<u><u>\$ 4,704,061</u></u>

The accompanying notes are an integral part of these financial statements.

Santa Fe Botanical Garden
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and Revenue			
Contributions	\$ 652,056	\$ 155,955	\$ 808,011
Membership dues	120,922	-	120,922
Grants	113,313	-	113,313
Garden admissions	28,194	-	28,194
Contracts	33,000	-	33,000
Sponsorships	5,350	-	5,350
Education and workshops	2,149	-	2,149
Other income	428	-	428
Net assets released from restriction	199,567	(199,567)	-
Total support and revenue	<u>1,154,979</u>	<u>(43,612)</u>	<u>1,111,367</u>
Expenses			
Program services	<u>630,959</u>	<u>-</u>	<u>630,959</u>
Supporting services			
Management and general	238,544	-	238,544
Fundraising	<u>52,310</u>	<u>-</u>	<u>52,310</u>
Total supporting services	<u>290,854</u>	<u>-</u>	<u>290,854</u>
Total expenses	<u>921,813</u>	<u>-</u>	<u>921,813</u>
Change in net assets	233,166	(43,612)	189,554
Net assets, beginning of year	<u>3,612,753</u>	<u>153,080</u>	<u>3,765,833</u>
Net assets, end of year	<u><u>\$ 3,845,919</u></u>	<u><u>\$ 109,468</u></u>	<u><u>\$ 3,955,387</u></u>

The accompanying notes are an integral part of these financial statements.

Santa Fe Botanical Garden
Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 279,300	\$ 114,259	\$ 29,623	\$ 423,182
Depreciation	118,301	37,790	8,216	164,307
Production expenses	45,207	-	-	45,207
Payroll taxes	28,935	11,837	3,069	43,841
Rent	26,732	8,539	1,856	37,127
Repairs and maintenance	19,739	6,306	1,371	27,416
Advertising	20,044	223	2,005	22,272
Professional fees	21,191	172	-	21,363
Loan interest	20,786	-	-	20,786
Accounting	-	18,274	-	18,274
Bank and investment fees	11,594	1,656	3,313	16,563
Dues and subscriptions	6,568	9,360	493	16,421
Bad debt expense	-	11,300	-	11,300
Insurance	7,464	2,772	426	10,662
Printing and reproduction	7,091	2,634	406	10,131
Utilities	5,548	1,772	386	7,706
Professional development	-	6,747	-	6,747
Miscellaneous expenses	4,705	1,747	269	6,721
Employee benefits	4,204	1,720	446	6,370
Supplies	1,548	464	87	2,099
Telephone and internet	753	240	52	1,045
Travel and entertainment	427	427	74	928
Equipment	512	190	29	731
Postage and shipping	310	115	18	443
Cultivation and stewardship	-	-	171	171
Total expenses	<u>\$ 630,959</u>	<u>\$ 238,544</u>	<u>\$ 52,310</u>	<u>\$ 921,813</u>

The accompanying notes are an integral part of these financial statements.

Santa Fe Botanical Garden
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flows from operating activities

Cash received from contributions and grants	\$ 966,611
Cash received from admissions	28,194
Cash received from membership fees	120,922
Cash received from refundable advances	120,809
Other receipts	2,577
Cash paid for interest expense	(20,786)
Cash paid to employees and suppliers	<u>(782,869)</u>
Net cash provided by operating activities	<u>435,458</u>

Cash flows from investing activities

Purchase of property and equipment	<u>(44,689)</u>
Net cash provided by investing activities	<u>(44,689)</u>

Cash flows from financing activities

Net proceeds from line of credit	60,000
Proceeds for note payable	150,000
Payments for note payable	<u>(20,200)</u>
Net cash provided by financing activities	<u>189,800</u>

Net increase in cash and cash equivalents 580,569

Cash and cash equivalents, beginning of year 94,274

Cash and cash equivalents, end of year \$ 674,843

Reconciliation of change in net assets to net cash provided by operating activities

Change in net assets \$ 189,554

Adjustments to reconcile change in net assets to net cash provided by operating activities

Depreciation	164,307
Inventory write down	8,000
Bad debt expense	11,300
Changes in assets and liabilities	
Accounts receivable	(323)
Pledges receivable	(4,040)
Inventory	2,231
Accounts payable	(38,517)
Accrued liabilities	(17,863)
Refundable advances	<u>120,809</u>

Total adjustments 245,904

Net cash provided by operating activities \$ 435,458

The accompanying notes are an integral part of these financial statements.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

1) Nature of Operations

The Organization

Santa Fe Botanical Garden (the “Garden”) is a New Mexico nonprofit corporation organized under the laws of the State of New Mexico in 1987. The Garden was established through a vision of a small group of local gardeners, botanists, and environmentally oriented citizens to establish a botanical garden in Santa Fe. Their vision grew and, in 1992, a membership program was initiated.

The visitor experience, education and community service have remained the primary goals of the Garden, as it offers relevant workshops, programs, and events for visitors of all ages and backgrounds that focus on horticultural design, plant selection, conservation, and stewardship of our natural environment.

Leonora Curtin Wetland Preserve

In 1993, the Garden entered into a long-term lease with El Rancho de las Golondrinas for the 35-acre site, the Leonora Curtin Wetland Preserve, which, as the primary site at the time, quickly became the focus of much of the Garden's educational programming. The unique and fragile beauty of this site is a treasure in Santa Fe. Many dedicated volunteers have spent countless hours removing exotic and invasive plants, restoring the habitat through revegetation, and ensuring that the pond remains a healthy environment for riparian plants, birds, and invertebrates. Improvements include trails, a floating dock, boardwalks, and a bird blind that have allowed visitors access to the site while protecting and preserving its delicate ecosystem.

Santa Fe Botanical Garden at Museum Hill

In December 2006, eleven acres of land were leased from the City of Santa Fe for the development of a new botanical garden. A landscape architect was hired to create a master plan for the new garden. The plan was approved by the City of Santa Fe in 2008. Current development of the Garden land is primarily funded by private contributions. In 2010, the Garden entered into a long-term lease with the Department of Cultural Affairs (“DCA”) for 1.69 acres with a term ending November 20, 2036, such lease of which has been amended to increase the site to 2.4 acres in 2013, while reducing the lease term to November 20, 2035, and amended again in September 2016 adding additional 3.226 acres and a service entrance. In 2018, additional acreage was leased from the DCA, which after the initial additions of acreage in 2013 and 2016, bring the total to approximately nineteen acres at the Museum Hill site.

Education and Workshops

The Garden's mission of education and community service inspires programming for children and adults on topics ranging from water conservation, habitat restoration, and best gardening practices, to historic garden restoration.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

1) Nature of Operations - continued

Events

Special events are often organized as fundraisers, but additionally have an educational focus. Several events are held each year. Special events are designed to inform and educate as well as promote engagement, make and foster relationships, promote the Garden, promote membership and to raise funds, principally in support of educational programs. There were no special events during 2020 due to public health concerns.

Public Outreach

Public Outreach informs the general public about plants, flowers, and gardening, as well as nature more broadly, including climate change. The Garden's website features a plant database of several hundred plants, newsletters, and garden-related activities, including where the Garden partners with other organizations.

Garden Admissions

The Botanical Garden is open year-round, and admission is charged at various rates for various levels or is free with an annual membership. The Garden hosts monthly Community Days, where free admission is offered to New Mexico residents and students with valid identification.

Memberships

Memberships offered at various levels and amounts allow members to visit the Garden during the membership year as well as provide certain other benefits. Dues are recorded as income during the year received. The organization identifies memberships as deductible contributions as benefits received from the membership are not guaranteed.

2) **Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the Garden have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The financial statements of the Garden have been prepared in accordance with GAAP, which require the Garden to report information regarding its financial position and activities according to the following net asset classifications:

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

2) Summary of Significant Accounting Policies — continued

Basis of Presentation - continued

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Garden. These net assets may be used at the discretion of management and the board of directors.
- *Net assets with donor restrictions:* Net assets that are subject to stipulations imposed by donors and grantors and may be expended on a basis consistent with these stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Garden or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Garden considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Garden that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When, or if, a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Garden uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

The majority of the Garden's contributions and membership dues are received from donors and members located in the greater Santa Fe, New Mexico area. As such, the Garden's ability to generate resources via contributions is correlated to the economic health, as well as other factors that impact donations in its geographical locale.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

2) Summary of Significant Accounting Policies — continued

Inventory

Inventory consists of various merchandise items purchased for resale in the Garden's gift shop. Inventory is valued using the specific identification method on a periodic basis. In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which requires inventory to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predicable costs of sale (completion, disposal, and transportation).

Property and Equipment

The Garden capitalizes property and equipment purchases either singularly or for purchases involving a related group of discreet items, with prices exceeding \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire specific property or equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Garden reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Garden reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to thirty years. Leasehold improvements are depreciated over the estimated life of the lease.

Income Taxes

The Garden is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Garden regularly evaluates activities as it relates to its tax-exempt status. If the Garden activities are determined to be outside of its tax-exempt status the potential exists for tax liabilities on those unrelated activities. Currently, the Garden engages in no activities that would be taxed as potentially generating unrelated business income. Accordingly, no provision for income taxes has been reflected in the Garden's financial statements. The Garden's income tax filings are subject to audit by various taxing authorities. The Garden's open audit periods are for the years ended December 31, 2017 and thereafter. The Garden has not recognized any changes to the financial statements for uncertain tax positions.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

2) Summary of Significant Accounting Policies — continued

In-Kind Services

In-kind contributions are recorded at estimated fair value on the date of donation with a corresponding increase in either operation expenses or assets in the accompanying statement of activities or financial position, as applicable. The contributions are recorded as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Contributed services are recognized as contributions in accordance with FASB ASC 958-605-25-16, Revenue Recognition - Contributed Services, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased by the Garden. The Garden generally pays for services requiring specific expertise. A substantial number of individual volunteers and docents collectively donate material amounts of their time to perform a variety of tasks that assists the Garden with education, workshops, various programs, and special events, however, these services do not meet the criteria for recognition as contributed services.

Contributions

The Garden accounts for its contributions in accordance with FASB ASC 958-605-45-3, *Revenue Recognition - Contributions Received*. In accordance with FASB ASC 958-605-45-3, contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence or nature of any donor restrictions.

Sponsorships

The Garden, generally related to events, may enter into sponsorship agreements, which allow for the sponsors to have their names displayed on specified promotional materials and/or at the sponsored event. Sponsorships received for future events are recorded as deferred revenue until the event occurs.

Advertising

The cost of advertising is charged to expense as incurred. Advertising expense for the year ended December 31, 2020 was \$22,272.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

2) Summary of Significant Accounting Policies — continued

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Significant allocations are determined by management on a rational and quantitative basis, as detailed below:

Expense	Method of Allocation
Salaries and wages	Time spent
Depreciation	Square footage
Production expenses	Specific identification
Payroll tax	Time spent
Rent	Specific identification
Advertising	Specific identification

Concentration of Credit Risk

The Garden maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year ended December 31, 2020, the cash balances exceeded the insured limits of the FDIC. The Garden has not experienced any losses in these cash accounts and believes it is not exposed to any significant credit risk related to uninsured cash balances.

Management monitors its account balances in an attempt to minimize deposits in excess of deposit insurance programs such as FDIC and SIPC. Additionally, management monitors the financial credit ratings of its deposit institutions.

Financial Instruments

The Garden's financial instruments include cash and cash equivalents, receivables, accounts payable and other current liabilities. The Garden estimates that the fair value of all financial instruments at December 31, 2020 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying financial statements.

Subsequent events

Management has evaluated subsequent events through October 21, 2021, the date the financial statements were available to be issued.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

3) Promises to Give

For the years ended December 31, 2020, total current pledges on the statement of financial position of \$8,740, are recorded at net realizable value, as these pledges are expected to be collected within one year. Management believes that all current pledges are collectable. No allowance is considered necessary.

4) Property and Equipment

Property and equipment consist of the following at December 31, 2020:

Leasehold improvements	\$ 4,488,405
Sculptures	416,552
Construction in progress	77,356
Equipment	5,556
Furniture and fixtures	<u>3,551</u>
	4,991,420
Less accumulated depreciation	<u>(1,030,335)</u>
Property and equipment, net	<u>\$ 3,961,085</u>

Depreciation expense for the year ended December 31, 2020 was \$164,307.

In mid 2019, the Garden contracted for an updated Master Plan of the Museum Hill site, which was completed in the Fall of 2020. The Board has divided the Master Plan into various phases, which are sequenced with consideration given to various priorities, including the Garden's strategic and tactical operating plans, and the timing of the funding required for the phases. It is envisioned that the full site development, as contained in the Master Plan, will take many years and require substantial funding, while acknowledging that certain details of the Master Plan may change over time and during the build out process.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

5) Availability and Liquidity

The following represents the Garden's financial assets at December 31, 2020:

Financial assets at year end:	
Cash and cash equivalents	\$ 674,843
Accounts receivable	12,750
Pledges receivable	8,740
Total financial assets	696,333
Financial assets available to meet general expenditures over the next twelve months	\$ 696,333

As part of the Garden's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the Garden has a line of credit upon which it can draw, with a zero balance as of January 2021 as of the date of this report.

6) Notes Payable

At December 31, 2020, notes payable consisted of the following:

Note payable to the SBA which matures on July 7, 2050. The interest rate is 2.75% per annum. Installment payments, including principal and interest, of \$641 monthly, will begin twenty four months from July 7, 2020. The note payable is collateralized by continuing security interest in and any and all "Collateral as described in the note to secure payment and performance of all debts." \$ 150,000

Note payable to an individual which matures on October 29, 2025. The interest rate is the three-month LIBOR rate plus 4.25%, adjusted quarterly on the first business day of September, December, March, and June. The LIBOR rate shall be the "latest" rate, as published in the Wall Street Journal on the adjustment date. The note is interest only and all unpaid interest and principal will be due on maturity. 300,000

Total note payable 450,000

Less: current portion -

\$ 450,000

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

6) Long Term Debt — continued

Maturities of debt for the years after December 31, 2020 are as follows:

2021	\$	-
2022		2,141
2023		3,672
2024		3,774
2025		303,879
Thereafter		136,534
		<u>\$ 450,000</u>

7) **Line of credit**

The Garden has a line of credit with a financial institution with a limit of \$200,000 and a renewal date of April 1, 2022. The interest rate at December 31, 2020 was 4.25%. At December 31, 2020, borrowings on the line of credit were \$150,000. This was reduced to zero in January 2021 and as of the date of this report.

8) **Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following as of December 31:

Restricted for purpose:		
Childrens Education	\$	66,935
Linda Milbourn Internship		20,000
Pinon Juniper Woodland Trail		13,793
Restricted for time:		
Pledge receivables		8,740
		<u>\$ 109,468</u>

9) **Net Assets Released from Restriction**

Net assets of \$199,567 were released from donor restrictions during the year ended December 31, 2020 by incurring expenses satisfying the restricted purposes of expenditures and collection of Museum Hill Campaign pledges receivable.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

10) Commitments and Contingencies

The Garden entered into a new office space and lease in 2012. The lease term was for one year with four one-year extensions. The lease was renewed in July 2017, with a maturity of July 20, 2022. Lease payments are \$1,562 per month. An amendment to the lease was executed subsequent to year end which addresses the landlord's response to the public health order issued in March 2020. Effective October 1, 2020, and for so long as the Tenant is not permitted full access to or use of the premises the rent for the premises will be abated to 25% of the lease rate which is \$391.

Effective November 2010, the Garden leased a parcel of land from the State of New Mexico for the purpose of maintaining a garden and giving demonstrations. The lease was amended in fiscal years 2013, 2016, 2018 and 2019. The new lease is for a term of 25 years, ending in November 2035, and the various amendments, increasing acreage, adjusting rents and other terms increased the monthly payment, as of August 1, 2019 to \$1,184. At the end of every five years, the annual payment will increase by a percentage equal to the percentage increase in the Consumer Price Index. In response to the public health order, there has been a reduction of monthly rent effective October 1, 2020 to \$592.

Effective December 2006, the Garden leased a parcel of land from the City of Santa Fe for the purposes of maintaining gardens and giving demonstrations. The lease is for a term of 30 years, ending in December 2036, with the option to extend for an additional 30 years. The minimum lease payments are \$1 per year.

Effective October 1993, the Garden leased land from El Rancho de Las Golondrinas. The lease was renewed October 2005 for a term of 15 years, ending in October 2020. As part of the agreement, the Garden is not required to pay rent, but it is required to develop and maintain the property as a wetland preserve. All costs associated with the maintenance and development of this property are the responsibility of the Garden and are expensed by the Garden.

No current market rate adjustment has been recorded as in-kind contribution revenue and lease expense for any below-market lease agreement, as the amounts cannot be determined. The Garden has a four-year lease on a multifunction copier. Base lease payments are \$423 per month and are adjusted quarterly based on paper usage above a level assumed in the base lease. The Garden leases two storage units on a month-to-month leasing arrangement. Lease payments total \$425 per month. The Garden leases a mobile trailer for its visitor center and gift shop on a month-to-month leasing arrangement. Lease payments are \$861 per month. This lease expired in the summer of 2021 and a newer, larger mobile trailer has now been leased at a larger monthly rental.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

10) Commitments and Contingencies — continued

Minimum future lease payments required to be made under operating leases are as follows:

<u>Year Ending December 31, 2020</u>	
2021	30,827
2022	35,568
2023	36,979
2024	29,563
2025	14,212
2026-2035	<u>139,756</u>
	<u>\$ 286,905</u>

Total expense for all leases was \$37,127 for the year ended December 31, 2020.

11) Employee Benefit Plan

The Garden employees may participate in a Simple IRA plan sponsored by Fidelity Investments. The Garden contributes a dollar-for-dollar match up to 3% of an employee's compensation for those employees who elect to participate. The Garden made \$6,370 in contributions to the plan for the year ended December 31, 2020.

12) Subsequent Events

At the time of this financial statement's effective date, citizens and the economies of the United States and other countries have been impacted by the coronavirus (COVID-19) pandemic. The significance and the duration of the pandemic's financial impact are indeterminable, and as such, this financial statement does not consider the potential future financial implications of the pandemic.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2020

13) Adoption of New Accounting Pronouncement

Revenue from Contracts with Customers – The Garden has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended. Analysis of various provisions of this standard resulted in no significant changes in the way the Garden recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Contributions Received and Contributions Made – The Garden has adopted Accounting Standards Update (ASU) No. 2018-08 – Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 605). The standard is applied prospectively. There were no changes to previously unrecognized promises to give as a result of this new standard.

14) Recently Issued Accounting Pronouncements

The following accounting pronouncements have been issued but have not yet been implemented by the Garden.

Leases

On February 25, 2016, the FASB issued ASU 2016-02 Leases, which significantly changes the accounting for leases in the financial statements of lessees and supersedes FASB ASC Topic 840. With this update, U.S. GAAP now will require lessees under operating leases to recognize a liability in the statement of financial position, a liability to make lease payments (the lease liability), and an asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting election not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Cash flows related to operating leases will continue to be reported within operating activities on the statements of cash flows. The ASU is effective for fiscal years beginning after December 15, 2021 (Garden's fiscal year ending December 31, 2021).

As of the date of these financial statements, management has not implemented and has not determined the impact this new accounting pronouncements will have on future reporting periods.