



LOFTIS & LOVATO

— G R O U P —

CERTIFIED PUBLIC ACCOUNTANTS

Santa Fe Botanical Garden

Financial Statements
And Independent Accountant's Review Report

December 31, 2019

Santa Fe Botanical Garden

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Independent Accountant's Review Report

To the Board of Directors
Santa Fe Botanical Garden
Santa Fe, New Mexico

We have reviewed 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, 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Garden management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Loftis & Lovato Group

Albuquerque, New Mexico
December 28, 2020

Financial Statements

Santa Fe Botanical Garden
Statement of Financial Position
December 31, 2019

Assets

Current assets	
Cash and cash equivalents	\$ 94,274
Accounts receivable	12,427
Museum Hill Campaign pledges - net of allowance	16,000
Inventory	<u>56,874</u>
Total current assets	179,575
Property and equipment, net	<u>4,080,703</u>
Total assets	<u>\$ 4,260,278</u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 61,735
Other current liabilities	22,510
Line of credit	90,000
Current portion of long-term debt	<u>20,200</u>
Total current liabilities	<u>194,445</u>
Long-term debt	
Notes payable, less current portion	<u>300,000</u>
Total liabilities	<u>494,445</u>
Net assets	
Without donor restrictions	3,612,753
With donor restrictions	<u>153,080</u>
Total net assets	<u>3,765,833</u>
Total liabilities and net assets	<u>\$ 4,260,278</u>

See accompanying notes and independent accountant's review report.

Santa Fe Botanical Garden
Statement of Activities
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions and grants	\$ 348,768	\$ 29,650	\$ 378,418
Membership dues	210,445	-	210,445
Grants	84,750	-	84,750
Special events	145,479	-	145,479
Sponsorships	30,968	-	30,968
Garden admissions	181,452	-	181,452
Product sales, net cost of goods sold of \$58,765	51,487	-	51,487
Education and workshops	30,528	-	30,528
In-kind contributions	96,510	-	96,510
Other income	24,784	-	24,784
Net assets released from restriction	<u>526,888</u>	<u>(526,888)</u>	<u>-</u>
Total support and revenue	<u>1,732,059</u>	<u>(497,238)</u>	<u>1,234,821</u>
Expenses			
Program services	<u>1,103,594</u>	<u>-</u>	<u>1,103,594</u>
Supporting services			
Management and general	350,066	-	350,066
Fundraising	<u>109,562</u>	<u>-</u>	<u>109,562</u>
Total supporting services	<u>459,628</u>	<u>-</u>	<u>459,628</u>
Total expenses	<u>1,563,222</u>	<u>-</u>	<u>1,563,222</u>
Change in net assets	168,837	(497,238)	(328,401)
Net assets, beginning of year	<u>3,443,916</u>	<u>650,318</u>	<u>4,094,234</u>
Net assets, end of year	<u>\$ 3,612,753</u>	<u>\$ 153,080</u>	<u>\$ 3,765,833</u>

See accompanying notes and independent accountant's review report.

Santa Fe Botanical Garden
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	413,510	187,960	25,061	\$ 626,531
Depreciation	123,362	39,407	8,567	171,336
Production expenses	140,580	-	-	140,580
Professional fees	98,214	798	-	99,012
Repairs and maintenance	42,047	13,432	2,920	58,399
Advertising	50,936	567	5,094	56,597
Payroll taxes	36,773	16,714	2,229	55,716
Cultivation and stewardship	-	-	53,881	53,881
Rent	34,402	10,989	2,389	47,780
In-kind	41,817	464	4,182	46,463
Loan interest and fees	34,077	-	-	34,077
Bank and investment fees	19,576	7,271	1,119	27,966
Professional development	-	21,752	-	21,752
Dues and subscriptions	7,916	11,280	594	19,790
Accounting	185	18,358	-	18,543
Utilities	10,203	3,259	709	14,171
Insurance	9,734	3,615	556	13,905
Employee benefits	7,155	3,252	434	10,841
Printing and reproduction	6,941	2,578	397	9,916
Landscape construction	9,748	-	-	9,748
Travel and entertainment	4,078	4,078	709	8,865
Equipment	5,611	2,084	321	8,016
Supplies	2,957	887	166	4,010
Postage and shipping	2,231	829	127	3,187
Telephone and internet	1,541	492	107	2,140
Total expenses	<u>\$ 1,103,594</u>	<u>\$ 350,066</u>	<u>\$ 109,562</u>	<u>\$ 1,563,222</u>

See accompanying notes and independent accountant's review report.

Santa Fe Botanical Garden
Statement of Cash Flows
For the Year Ended December 31, 2019

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

Change in net assets	\$ <u>(328,401)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	171,336
Donated property and equipment	(50,000)
Change in allowance for pledges receivable	3,000
Change in discount for pledges receivable	19,114
Change in assets and liabilities	
Accounts receivable	20,694
Grants receivable	20,665
Museum Hill Campaign pledges receivable	438,172
Inventory	(10,565)
Other assets	2,430
Accounts payable	(35,625)
Other liabilities	<u>(12,336)</u>
Total adjustments	<u>566,885</u>
Net cash provided by operating activities	<u>\$ 238,484</u>
Cash flows from investing activities	
Payment for property and equipment	(67,826)
Net proceeds from line of credit	<u>90,000</u>
Net cash provided by investing activities	<u>22,174</u>
Cash flows from financing activities	
Payments for long term debt	<u>(329,450)</u>
Net cash used by financing activities	<u>(329,450)</u>
Net decrease in cash	(68,792)
Cash and cash equivalents, beginning of year	<u>163,066</u>
Cash and cash equivalents, end of year	<u><u>\$ 94,274</u></u>
Supplemental disclosure of cash flow information:	
Interest paid	<u><u>\$ 34,077</u></u>

See accompanying notes and independent accountant's review report.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

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 workshop and events for visitors of all ages that focus on horticultural design, plant selection, 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 land 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 a floating dock, boardwalk, and 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 2018, additional acreage was leased from the State of New Mexico, after an initial addition of acreage in 2014 and 2016, bringing 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, 2019

1) Nature of Operations - continued

Events

Special events are organized as fundraisers, but nevertheless have an educational focus. Several events are held each year. The two most significant special events are the Summer Solstice event and the Harvest Dinners. The Harvest Dinners are held at private Santa Fe residences that have beautiful gardens. Special events are designed to inform and educate as well as promote engagement, membership and to raise funds. Both raise money that fund educational programs.

Public Outreach

Public Outreach informs the general public about plants, flowers, and gardening. The Garden's website features a plant database of several hundred plants, newsletters, and garden-related activities 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 free with an annual membership. The Garden also offers free Community Days. Once a month free admission is offered to New Mexico residents and students with valid identification.

Membership Dues (Deferred Revenue)

Membership dues generally 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 since no significant future costs related to membership are expected to be incurred.

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 U.S. generally accepted accounting principles ("US 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, 2019

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 subject to stipulations imposed by donors and grantors. 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.

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 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 are received from donors 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, 2019

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 and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predicable costs of completion, disposal, and transportation.

Property and Equipment

The Garden capitalizes property and equipment purchases over \$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 property and 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 unrelated business income. Accordingly, no provision for income taxes has been reflected in the Garden's financial statements. The Garden income tax filings are subject to audit by various taxing authorities. The Garden open audit periods are for the years ended December 31, 2016 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, 2019

2) Summary of Significant Accounting Policies — continued

In-Kind and Contributed 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 restriction 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. However, 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, but 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 has 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, 2019 was \$56,597.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

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 statements 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
Professional fees	Specific identification
Repairs and maintenance	Specific identification
Advertising	Specific identification

Concentration of Credit Risk

The Garden maintains its cash accounts at two banks. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Based on a review of available coverage, the Garden did not have any uninsured cash balances at December 31, 2019.

The Garden maintains an investment account at a financial institution, which is used to sell donated marketable securities. The Garden has cash in the investment account that is fully insured by the Securities Investor Protection Corporation (SIPC) at December 31, 2019. The Garden's policy is to sell donated securities as soon as possible upon receipt. The Garden believes it is not exposed to any significant credit risk on its cash balances.

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, 2019 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 December 28, 2020, the date the financial statements were available to be issued.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

3) Promises to Give

Museum Hill Capital Campaign

For the years ended December 31, 2019, total current pledges on the statement of financial position of \$16,000, are recorded at net realizable value, as these pledges are expected to be collected within one year.

An allowance was established at December 31, 2019 considering historical and qualitative factors impacting the collectability of unconditional promises to give. Management has determined the allowance for uncollectible promises to give is sufficient to cover any future losses at December 31, 2019.

4) Grants and Contracts

The Garden received the following grants and contracts for the year ended December 31, 2019:

Melville Hankins Family Foundation	\$ 50,000
Los Alamos National Laboratory Foundation	21,000
Cooking with Kids	10,200
Santa Fe Community Foundation	2,800
Native Plant Society	750
	<hr/>
	\$ 84,750

Amounts expended under grants and contracts prior to reimbursement from the grantor agency are recorded as a receivable. As of December 31, 2019, there were no accounts receivable balances related to grants and contracts.

No allowance is considered necessary as all receivables were deemed collectible for the year ended December 31, 2019.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

5) Property and Equipment

Property and equipment consist of the following at December 31, 2019:

Leasehold improvements	\$ 4,488,405
Sculptures	416,552
Construction in progress	32,667
Equipment	5,556
Furniture and fixtures	<u>3,551</u>
	4,946,731
Less accumulated depreciation	<u>(866,028)</u>
Property and equipment, net	<u><u>\$ 4,080,703</u></u>

Depreciation expense for the year ended December 31, 2019 was \$171,336.

In mid-year 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

6) Availability and Liquidity

The following represents the Garden's financial assets at December 31, 2019:

Financial assets at year end:	
Cash and cash equivalents	\$ 94,274
Accounts receivable	12,427
Pledges receivable	<u>16,000</u>
Total financial assets	<u>122,701</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 122,701</u></u>

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.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

7) Long-Term Debt

At December 31, 2019, long-term debt consisted of the following:

Note payable to a bank which matures on January 1, 2021. Interest rate is subject to change from time to time based on changes in an independent index which is the prime rate as published in the Wall Street Journal (the "Index"). Interest rate was 6.5% at year-end. The note payable is collateralized by pledges receivable.	\$ 20,200
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.	<u>300,000</u>
Total long-term debt	<u>320,200</u>
Less: current portion	<u>(20,200)</u>
	<u><u>\$ 300,000</u></u>

Maturities of debt for the years after December 31, 2019 are as follows:

2020	\$ 20,200
2021	-
2022	-
2023	-
2024	-
Thereafter	<u>300,000</u>
	<u><u>\$ 320,200</u></u>

The note payable of \$20,200 was fully extinguished in the Fall of 2020.

8) Line of credit

The Garden has a line of credit with a financial institution with a limit of \$200,000 and a maturity date of April 1, 2022. The rate at December 31, 2019 was 4.25%. At December 31, 2019, borrowings on the line of credit were \$90,000.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

9) Net Assets With Donor Restrictions

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

Restricted for purpose:	
Childrens Education	\$ 74,410
Biodiversity	15,275
Plant Guide	15,488
Interpretive Signage	6,922
Museum Hill Campaign	
Master Plan	24,985
Restricted for time:	
Museum Hill Campaign pledges	16,000
	<u>\$ 153,080</u>

10) Net Assets Released from Restriction

Net assets of \$526,888 were released from donor restrictions during the year ended December 31, 2019 by incurring expenses satisfying the restricted purposes of expenditures and collection of Museum Hill Campaign pledges receivable.

11) 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 year 2019. The new lease is for a term of 25 years, ending in November 2035, and the amended lease increased the yearly payment 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 costs in 2020 to \$592.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

11) Commitments and Contingencies – continued

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 is the responsibility of the Garden and is 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.

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 gift shop on a month-to-month leasing arrangement. Lease payments are \$861 per month.

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

<u>Year Ending December 31, 2019</u>	
2020	32,961
2021	32,961
2022	25,149
2023	14,212
2024	14,212
2025-2035	<u>153,968</u>
	<u>\$ 273,463</u>

Total expense for all leases was \$47,780 for the year ended December 31, 2019.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

12) In-kind Contributions

The Garden received \$83,260 of donated goods for the year ended December 30, 2019. The Garden also received \$13,250 of in-kind advertising for the year ended December 31, 2019. The total value of in-kind contributions was \$96,510 for the year ended December 31, 2019, with \$50,000 of this amount being capitalized as a fixed asset, versus being recorded as a matching in-kind expense. These amounts are included as in-kind contribution revenue for the year ended December 31, 2019.

13) Employee Benefit Plan

The Garden employees may participate in a Simple IRA plan sponsored by Fidelity Investments. Under this plan, 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 \$10,841 in contributions to the plan for the year ended December 31, 2019.

14) Related Party Transactions

Members of the Board and employees provide financial assistance to the Garden through support and membership dues. Included in contribution revenue, membership dues, and in-kind was \$154,020 from Board members and employees for the year ended December 31, 2019. As of year end there are no amounts due to or from related parties.

15) New Accounting Standards

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) with an effective date for the 2018 fiscal year. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, FASB issued ASU 2015-14 which allowed for a deferral of the effective date until the 2019 fiscal year. Early adoption for the original effective date is permitted. Entities can transition to the new guidance either retrospectively or as a cumulative adjustment as of the date of adoption. The Statement is effective for fiscal years beginning after December 15, 2018 (Garden's fiscal year ending December 31, 2019). However, during May 2020, the FASB issued ASU No.2020-05 which postpones the effective date of Topic 606 by one year. As of the date of these financial statements, management has not assessed the impact this standard will have on its financial statements.

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2019

16) Subsequent Events

At the time of this financial statement's release, 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.