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Santa Fe BOTANICAL GARDEN

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Financial Statements
And Independent Auditor's Report

December 31, 2025 and 2024

Santa Fe Botanical Garden

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Independent Auditor's Report

To the Board of Directors of
Santa Fe Botanical Garden

Opinion

We have audited the accompanying financial statements of Santa Fe Botanical Garden (the "Garden") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years, then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Garden as of December 31, 2025 and 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Garden and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 the Garden's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's 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 generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Garden'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Garden'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.



Albuquerque, New Mexico
November 4, 2026

Financial Statements

Santa Fe Botanical Garden
Statements of Financial Position
December 31,

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	**$ 1,045,161**	$ 1,094,888
Pledge receivable	**30,000**	-
Accounts receivable	**3,482**	-
Prepaid expenses	**25,202**	5,174
Inventory	**25,969**	29,065
Total current assets	**1,129,814**	1,129,127
Investments	**251,295**	219,489
Right of use assets, property and equipment, net	**4,047,600**	4,109,261
Total assets	**$ 5,428,709**	$ 5,457,877
Liabilities and Net Assets		
Current liabilities		
Accounts payable	**$ 20,085**	$ 10,941
Accrued expenses	**42,768**	52,823
Deferred revenue	**163,421**	104,761
Lease liability - current portion	**31,454**	19,274
Note payable - current portion	**5,367**	5,222
Total current liabilities	**263,095**	193,021
Lease liability - noncurrent portion	**328,589**	364,809
Note payable - noncurrent portion	**188,561**	193,931
Total liabilities	**780,245**	751,761
Net assets		
Without donor restrictions		
Unrestricted	**3,577,571**	3,791,361
Board designated	**250,000**	250,000
With donor restrictions	**820,893**	664,755
Total net assets	**4,648,464**	4,706,116
Total liabilities and net assets	**$ 5,428,709**	$ 5,457,877

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

Santa Fe Botanical Garden
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 198,757	$ 378,616	$ 577,373
Garden admissions	301,766	-	301,766
Membership dues	173,185	-	173,185
Special events, net of expenses of $122,921	115,655	-	115,655
Grants	89,450	-	89,450
Product sales, net of cost of goods sold	89,116	-	89,116
Rental income	56,122	-	56,122
In-kind	47,368	-	47,368
Education and workshops	44,327	-	44,327
Investment gain	27,791	-	27,791
Public programs	12,182	-	12,182
Net assets released from restriction	222,478	(222,478)	-
Total support and revenue	1,378,197	156,138	1,534,335
Expenses			
Program services	1,089,386	-	1,089,386
Supporting services			
Management and general	391,833	-	391,833
Fundraising	110,768	-	110,768
Total supporting services	502,601	-	502,601
Total expenses	1,591,987	-	1,591,987
Change in net assets	(213,790)	156,138	(57,652)
Net assets, beginning of year	4,041,361	664,755	4,706,116
Net assets, end of year	$ 3,827,571	$ 820,893	$ 4,648,464

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

Santa Fe Botanical Garden
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 318,061	$ 54,136	$ 372,197
Garden admissions	260,286	-	260,286
Membership dues	173,530	-	173,530
Special events, net of expenses of $78,613	47,898	-	47,898
Grants	3,400	-	3,400
Product sales, net of cost of goods sold	58,427	-	58,427
Rental income	49,510	-	49,510
In-kind	7,668	-	7,668
Education and workshops	22,814	-	22,814
Investment gain	30,263	-	30,263
Public programs	17,281	-	17,281
Net assets released from restriction	71,506	(71,506)	-
Total support and revenue	1,060,644	(17,370)	1,043,274
Expenses			
Program services	842,054	-	842,054
Supporting services			
Management and general	321,480	-	321,480
Fundraising	90,835	-	90,835
Total supporting services	412,315	-	412,315
Total expenses	1,254,369	-	1,254,369
Change in net assets	(193,725)	(17,370)	(211,095)
Net assets, beginning of year	4,235,086	682,125	4,917,211
Net assets, end of year	$ 4,041,361	$ 664,755	$ 4,706,116

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, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 527,291	$ 215,710	$ 55,926	$ 798,927
Depreciation and amortization	152,569	48,737	10,595	211,901
Payroll taxes	48,711	19,926	5,166	73,803
Rent	50,135	16,015	3,481	69,631
Production	56,927	-	-	56,927
Designated	53,654	-	-	53,654
Advertising	43,493	483	4,350	48,326
Employee benefits	23,887	9,773	2,534	36,194
Bank and investment fees	24,560	3,510	7,017	35,087
Dues and subscriptions	9,842	14,026	738	24,606
Telephone and internet	15,558	4,969	1,079	21,606
Supplies	14,275	4,281	802	19,358
Utilities	13,473	4,305	936	18,714
Accounting	-	17,597	-	17,597
Cultivation	-	-	14,954	14,954
Insurance	9,682	3,595	553	13,830
Loss on equipment	8,644	2,763	593	12,000
Repairs and maintenance	8,518	2,720	591	11,829
Professional fees	8,182	2,440	633	11,255
Professional Development	-	9,784	-	9,784
Miscellaneous	5,959	2,214	341	8,514
In-kind	7,368	-	-	7,368
Interest	-	5,980	-	5,980
Printing and reproduction	3,204	1,190	183	4,577
Equipment	2,265	840	130	3,235
Travel and training	848	848	147	1,843
Postage and shipping	341	127	19	487
Total expenses	$ 1,089,386	$ 391,833	$ 110,768	$ 1,591,987

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, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 414,227	$ 169,457	$ 43,934	$ 627,618
Depreciation and amortization	156,584	50,019	10,874	217,477
Payroll taxes	36,869	15,082	3,910	55,861
Rent	39,436	12,597	2,739	54,772
Production	13,342	-	-	13,342
Designated	14,457	-	-	14,457
Advertising	30,928	344	3,093	34,365
Employee benefits	19,342	7,913	2,052	29,307
Bank and investment fees	20,702	2,958	5,915	29,575
Dues and subscriptions	9,586	13,660	719	23,965
Telephone and internet	8,475	2,706	588	11,769
Supplies	11,038	3,311	620	14,969
Utilities	10,547	3,369	733	14,649
Accounting	-	17,758	-	17,758
Cultivation	-	-	13,032	13,032
Insurance	8,537	3,170	488	12,195
Repairs and maintenance	8,171	2,610	567	11,348
Professional fees	3,674	639	165	4,478
Professional Development	-	6,958	-	6,958
Miscellaneous	1,823	680	104	2,607
In-kind	7,668	-	-	7,668
Interest	6,005	-	-	6,005
Printing and reproduction	5,901	2,192	337	8,430
Equipment	12,554	4,663	718	17,935
Travel and training	981	981	171	2,133
Postage and shipping	522	194	29	745
Inventory write-off	685	219	47	951
Total expenses	$ 842,054	$ 321,480	$ 90,835	$ 1,254,369

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

Santa Fe Botanical Garden
Statements of Cash Flows
For the Years Ended December 31,

	2025	2024
Cash flows from operating activities		
Cash received from contributions and grants	**$ 656,022**	$ 426,348
Cash received from membership dues	**173,185**	173,530
Cash received from admissions	**301,766**	260,286
Cash received from rentals	**95,583**	51,771
Cash received from special events	**238,576**	126,511
Other rental revenue	**53,027**	40,095
Cash received from product sales	**89,116**	118,303
Cash received for interest	**13,410**	25,613
Cash paid for interest	**(5,980)**	(6,005)
Cash paid to employees and suppliers	**(1,484,282)**	(1,197,324)
Net cash provided by operating activities	**130,423**	19,128
Cash flows from investing activities		
Purchase of securities	**(154,554)**	(65,583)
Sale of securities	**137,129**	58,839
Proceeds from asset disposal	**2,000**	-
Purchase of property and equipment	**(149,998)**	(79,440)
Net cash used by investing activities	**(165,423)**	(86,184)
Cash flows from financing activities		
Repayment of note payable	**(5,225)**	(847)
Lease payments	**(9,502)**	(21,057)
Net cash used by financing activities	**(14,727)**	(21,904)
Net decrease in cash and cash equivalents	**(49,727)**	(88,960)
Cash and cash equivalents, beginning of year	**1,094,888**	1,183,848
Cash and cash equivalents, end of year	**$ 1,045,161**	$ 1,094,888

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

Santa Fe Botanical Garden
Statements of Cash Flows - continued
For the Years Ended December 31,

	2025	2024
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	**$ (57,652)**	$ (211,095)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**211,901**	217,477
Loss on equipment	**12,000**	-
Unrealized gain	**(14,381)**	(4,650)
Donated art	**(40,000)**	-
Donated stock		(51,649)
Inventory write-off	**-**	951
Changes in assets and liabilities		
Accounts receivable	**(3,482)**	3,400
Pledges receivable	**(30,000)**	-
Prepaid expenses	**(20,028)**	1,095
Inventory	**3,096**	(4,181)
Right of use asset	**25,758**	43,276
Accounts payable	**9,144**	(46,608)
Accrued expenses	**(10,055)**	4,523
Deferred revenue	**58,660**	100,261
Lease liability	**(14,538)**	(33,672)
Total adjustments	**188,075**	230,223
Net cash provided by operating activities	**$ 130,423**	$ 19,128

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

Santa Fe Botanical Garden
Notes to Financial Statements
December 31, 2025 and 2024

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, New Mexico. 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 the natural environment.

Santa Fe Botanical Garden at Museum Hill

In December 2006, eleven acres of land were leased from the City of Santa Fe (the "City") 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 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, 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, and combining land leased from the City and DCA bring the total to approximately nineteen leased acres at the Museum Hill site.

Special 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 raise funds, principally in support of educational programs.

1) Nature of Operations - continued

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, best gardening practices, nature plant selection, and historic garden restoration.

Public Programs
Public Programs informs the general public about plants, flowers, water wise gardening and land conservation, as well as nature more broadly, including climate change. The Garden's website features a plant database of the hundreds of plants found at the garden, plants, newsletters, and garden-related activities, including activities regarding when the Garden partners with other organizations.

Garden Admissions
The Garden is open year-round, and admission is charged at various rates for various levels or is free with an annual membership and free to members at other gardens which are participant members in the American Horticultural Society (AHS) reciprocal program. 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 Garden suggests the appropriate portion of memberships as deductible contributions for the member.

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).

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.

2) Summary of Significant Accounting Policies — continued

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:

- *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 must 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.

Cash and Cash Equivalents

For purposes of the statements 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 geographic locale.

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 weighted average cost basis, first in first out method. 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, whenever the costs exceed $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 restrictions 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 that utilize the restricted funds 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 forty years. Leasehold improvements are depreciated over the estimated life of the lease that governs the property on which the improvement has been made.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations

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.

2) Summary of Significant Accounting Policies — continued

Income Taxes - continued

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, 2022 and thereafter. The Garden has not recognized any changes to the financial statements for uncertain tax positions.

In-Kind Contributions

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 statements 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 garden maintenance, education, workshops, various programs, and special events, however, these services do not meet the criteria for recognition as contributed services.

Contributions and Sponsorships

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. The Garden, generally related to events, may enter into sponsorship agreements, which allow for the sponsors to have their names and/or logos 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 years ended December 31, 2025 and 2024 was $48,326 and $34,365, respectively.

2) Summary of Significant Accounting Policies — continued

Revenue from Contracts with Customers

The Garden recognizes contract revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers. The guidance requires the Garden to recognize revenue that reflects the consideration to which the Garden expects to be entitled in exchange for those goods or services. The Garden has contracts with customers from Garden admissions, education workshops, memberships, special event revenue and rental income. Revenue for admissions and memberships is recognized upon purchase and revenue for workshops, events and facilities rental is recognized at the time events take place. The Garden recognized $531,073 and $483,326 in contract revenue and $45,221 and $5,761 in unearned revenue in 2025 and 2024, respectively. Revenue from government grants and contracts is generally considered to be exchange transactions, in which the granting agency receives specific services or deliverables. Accordingly, grant revenue is recognized as the related eligible expenses are incurred. If funds are received in advance of being spent, they are recorded as unearned revenue. At December 31, 2025 and December 31, 2024, the Garden recorded $118,199 and $99,000, respectively in deferred revenue from a government grant that will be recognized when conditions are substantially met in the subsequent year.

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 and amortization	Square footage
Payroll taxes	Time spent
Rent	Square footage
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 for a customer's combined accounts. At times during the years ended December 31, 2025 and 2024, 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.

2) Summary of Significant Accounting Policies — continued

Investments
Investments consisting of exchange-traded funds are reported at fair value based on quoted prices in active markets in the statements of financial position. Investment gains and losses are included in the statements of activities.

Subsequent events
Management has evaluated subsequent events through November 4, 2026, the date the financial statements were available to be issued.

Financial Instruments
The Garden's financial instruments include cash and cash equivalents, accounts and pledged receivables, accounts payable, other current liabilities, debt and lease liabilities. The Garden estimates that the fair value of all financial instruments at December 31, 2025 and 2024 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying financial statements.

3) Right of Use Assets, Property and Equipment

Right of use assets, property and equipment consist of the following at December 31,:

	2025	2024
Nondepreciable assets		
Sculptures	**$ 459,418**	$ 423,752
Depreciable assets		
Leasehold improvements	**5,054,838**	4,986,853
Right of use asset - operating lease	**315,488**	341,246
Right of use asset - capital lease	**68,941**	68,941
Construction in progress	**146,002**	85,317
Equipment	**5,556**	5,556
Furniture and fixtures	**22,979**	11,316
	6,073,222	5,922,981
Less accumulated depreciation and amortization	**(2,025,622)**	(1,813,720)
Right of Use Assets, Property and equipment, net	**$ 4,047,600**	$ 4,109,261

Depreciation and amortization expense for the years ended December 31, 2025 and 2024, was $211,901 and $217,477, respectively.

4) Availability and Liquidity

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

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	**$ 1,045,161**	$ 1,094,888
Investments	**251,295**	219,489
Pledge receivable	**30,000**	-
Accounts receivable	**3,482**	-
Total financial assets	**1,329,938**	1,314,377
Less amounts not available to be used within one year:		
Endowment	**100,000**	-
Board designated	**250,000**	250,000
Financial assets available to meet general expenditures over the next twelve months	**$ 979,938**	$ 1,064,377

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 with its primary financial institution upon which it can draw (See Note 6).

5) Note Payable

At December 31, 2025 and 2024, the note payable consisted of the following:

	2025	2024
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 $888 monthly, will begin thirty months from July 7, 2022. The note payable is collateralized by a continuing security interest in and any and all "Collateral as described in the note to secure payment and performance of all debts."	**$ 193,928**	$ 199,153
Total note payable	**193,928**	199,153
Less: current portion	**(5,367)**	(5,222)
Note payable - noncurrent portion	**$ 188,561**	$ 193,931

5) Note Payable — continued

Maturities of the note payable for the years after December 31, 2025 are as follows:

2026	$	5,367
2027		5,516
2028		5,670
2029		5,828
2030		5,990
Thereafter		165,557
	$	193,928

6) 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 July 1, 2029. The interest rate at December 31, 2025 and 2024 was 8.5%. At December 31, 2025 and 2024, there were no borrowings on the line of credit.

7) Net Assets With Donor Restrictions

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

	2025	2024
Perpetually restricted:		
Endowment	**$ 100,000**	$ -
Restricted for timing:		
Pledges	**30,000**	-
Restricted for purpose:		
Childrens Education	**147,589**	474,507
Linda Milbourn Internship	**16,400**	1,400
Horticulture	**20,000**	25,000
Science & Conservation Internship	**10,026**	10,000
Memorial Benches (Moore & Thompson)	**1,700**	2,853
David Salman Tribute Garden	**34,570**	39,665
Other Funds	**16,299**	-
Capital Campaigns:		
Childrens Discovery Garden	**355,685**	100,650
Lower Gardens	**-**	5,680
Weather Station	**5,000**	5,000
Site Projects	**83,624**	-
	$ 820,893	$ 664,755

8) Net Assets Released from Restriction

Net assets released from restrictions consist of the following at December 31,:

	2025	2024
Restricted for purpose:		
Childrens Education	**129,187**	29,187
Linda Milbourn Internship	**5,000**	5,000
Horticulture	**25,000**	-
Science & Conservation Internship	**9,974**	-
Memorial Benches (Moore & Thompson)	**1,153**	-
David Salman Tribute Garden	**5,095**	20,438
Other Funds	**2,375**	-
Capital Campaigns:		
Childrens Discovery Garden	**38,999**	-
Lower Gardens	**5,680**	6,268
Weather Station	**-**	-
Site Projects	**15**	10,613
	$ 222,478	$ 71,506

9) Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of investments for which no significant observable market inputs are available and have the lowest priority. The Garden uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Garden measures fair value using Level 1 inputs because it generally provides the most reliable evidence of fair value. The Garden has no Level 2 or 3 investments at December 31, 2025 and 2024.

Level 1 Fair Value Measurements
The fair values of exchange-traded funds, mutual funds and short term reserves are based on quoted prices in active markets for identical assets.

The following table sets forth fair value measurements by level within the fair value hierarchy in the accompanying statements of financial position at December 31, 2025 and 2024:

9) Fair Value Measurements - continued

	Fair Value Measurements Using:	
December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Stock Exchange-Traded Funds	$ 59,123	$ 59,123
Bond Exchange-Traded Funds	75,468	75,468
Mutual funds	116,704	116,704
Total	$ 251,295	$ 251,295

December 31, 2024	Fair Value	(Level 1)
Stock Exchange-Traded Funds	$ 61,679	$ 61,679
Bond Exchange-Traded Funds	47,486	47,486
Mutual funds	110,324	110,324
Total	$ 219,489	$ 219,489

10) Employee Benefit Plan

Eligible Garden employees may participate in a Simple IRA plan administered by Fidelity Investments. The Garden contributes a dollar-for-dollar match up to 3% of an employee's eligible compensation for those employees who elect to participate. The Garden made $13,292 and $6,609 in contributions to the plan for the years ended December 31, 2025 and 2024, respectively.

11) Lease Activity

Operating Leases

The Garden entered into a lease with the Department of Cultural Affairs (DCA) for office space 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 with an option to renew for an additional five years. Lease payments are $1,562 per month. Effective November 2010, the Garden leased a parcel of land from the DCA or State of New Mexico for the purpose of designing, creating, and 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.

11) Lease Activity - continued

There is an option to renew for an additional 99 years. 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. Effective December 2006, the Garden leased a parcel of land of approximately 11 acres from the City 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.

Capital Leases

The Garden has a four-year lease on a multifunction copier. Base lease payments are $364 per month and are adjusted quarterly based on paper usage above a level assumed in the base lease. The lease expired February 2025. The Garden leases a mobile trailer for its visitor center and gift shop with a maturity date of June 2025. Lease payments are $1,483 per month.

The following summarizes the line items in the statements of financial position which include amounts for operating and finance leases as of December 31,:

	2025	2024
Operating Leases		
Operating lease right-of-use assets	**$ 315,488**	$ 406,698
Lease liability - current	**$ 31,454**	$ 9,772
Lease liability - long term	**328,589**	431,930
Total operating lease liabilities	**$ 360,043**	$ 441,702
Finance Lease		
Property and equipment	**$ 68,941**	$ 68,941
Accumulated depreciation	**(68,941)**	(60,904)
Property and equipment, net	**$ -**	$ 8,037
Lease liability - current	**$ -**	$ 9,502
Lease liability - long term	**-**	-
Total finance lease liabilities	**$ -**	$ 9,502

11) Lease Activity — continued

The following summarizes the weighted average remaining lease terms and discount rates at December 31,:

	2025	2024
Weighted Average Remaining Lease		
Operating leases	**78.67 years**	82.94 years
Finance lease	**0 years**	0.43 years
Weighted Average Discount Rate		
Operating leases	**5.50%**	5.50%
Finance lease	**0.00%**	5.50%

The maturities of lease liabilities as of December 31, 2025 were as follows:

	Operating	Finance
Year ending December 31:		
2026	$ 33,672	$ -
2027	28,985	-
2028	14,923	-
2029	14,923	-
2030	14,923	-
Thereafter	2,866,653	-
Total lease payments	2,974,079	-
Less: interest	(2,614,036)	-
Present value of lease liabilities	360,043	-

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended December 31,:

	2025	2024
Operating lease cost	**$ 63,694**	$ 44,945
Finance lease costs:		
Amortization of lease assets	**$ 8,038**	$ 20,301
Interest on lease liabilities	**125**	1,110
Total finance lease costs	**$ 8,163**	$ 21,411

11) Lease Activity — continued

The following summarizes cash flow information related to leases for the years ended December 31,:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	**$ 52,421**	$ 45,713
Operating cash flows for finance lease	**$ 125**	$ 1,110
Financing cash flows for finance lease	**$ 9,502**	$ 21,057

12) Endowment

During fiscal year 2025 the Organization received a contribution to start and manage an endowment fund that consists of a corpus amount of $100,000 designated by a donor to be invested in perpetuity for sustainable future funding for the Organization. The Organization has adopted investment and spending policies for its endowment that attempts to provide a predictable stream of funding for initiatives supported by its endowment while seeking to maintain the purchasing power of the endowment. The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides industry guidance to organizations similar to the Organization. The Organization has determined that its endowment funds meet the definition of an endowment fund under UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds.

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

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization’s spending and investment policies work together to achieve this objective.

12) Endowment — continued

The following details the change in endowment net assets for the year ending December 31, 2025:

	Perpetually Endowed
Endowment net assets, December 31, 2024	$ -
Contribution	100,000
Endowment net assets, December 31, 2025	$ 100,000

13) Prior Period Adjustment

During fiscal year 2025, the Garden identified an error in one of their office lease terms. The original stated lease term was ten years, the correct lease term is five years. The prior year Right of Use Asset and Lease Liability were corrected. Right of use assets and lease liability for fiscal year 2024 was decreased by $65,452 and $67,121, respectively. The net change of $1,669 was corrected to unrestricted net assets.

14) Subsequent Events

The board members of the Santa Fe Botanical Garden approved a change in the Organization's fiscal year end from December 31 to June 30, effective January 1, 2026. As a result, the Organization will have a six-month transition period from January 1, 2026 through June 30, 2026. The next financial statements will cover this transition period, and subsequent fiscal years will run from July 1 through June 30.

The change in fiscal year end does not affect the financial position or results of operations reported in these financial statements for the year ended December 31, 2025 and 2024. Financial statements for the transition period will not be directly comparable to those of prior periods because of its shorter duration.