



THE NEW YORK BOTANICAL GARDEN

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

THE NEW YORK BOTANICAL GARDEN

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Independent Auditors' Report

The Board of Trustees
The New York Botanical Garden
Bronx, New York

Opinion

We have audited the consolidated financial statements of The New York Botanical Garden (the Garden), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Garden as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Other Matter

The accompanying consolidated financial statements of the Garden as of June 30, 2024 and for the year then ended were audited by other auditors whose report thereon dated March 28, 2025, expressed an unmodified opinion on those consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material



misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated 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.

KPMG LLP

New York, New York
December 17, 2025

THE NEW YORK BOTANICAL GARDEN

Consolidated Statements of Financial Position

June 30, 2025 and 2024

Assets	2025	2024
Assets:		
Cash and cash equivalents	\$ 23,415,527	26,402,012
Accounts and investment income receivable, net	1,637,716	1,436,179
Grants and contracts receivable	11,281,708	10,073,366
Pledges receivable, net	47,821,909	27,561,748
Prepaid expenses and other assets	2,182,291	1,631,816
Fixed assets, net	174,290,960	178,791,797
Right-of-use assets	193,980	297,692
Investments	439,603,745	422,141,479
Total assets	<u>\$ 700,427,836</u>	<u>668,336,089</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 5,350,178	6,711,930
Accrued expenses and other liabilities	4,960,486	4,937,111
Deferred income and refundable advances	593,516	607,488
Conditional asset retirement obligation	3,381,458	3,273,111
Interest rate swap liability	1,715,895	1,315,093
Lease liabilities	197,081	300,923
Long-term debt, net	30,967,775	34,994,600
Total liabilities	<u>47,166,389</u>	<u>52,140,256</u>
Commitments and contingencies		
Net assets:		
Total without donor restrictions	211,550,233	209,030,442
Total with donor restrictions	441,711,214	407,165,391
Total net assets	<u>653,261,447</u>	<u>616,195,833</u>
Total liabilities and net assets	<u>\$ 700,427,836</u>	<u>668,336,089</u>

See accompanying notes to consolidated financial statements.

THE NEW YORK BOTANICAL GARDEN

Consolidated Statements of Activities

For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenues, support and gains:						
Appropriations - City of New York	\$ 12,902,149	—	12,902,149	12,560,047	685,620	13,245,667
Grants and contracts:						
Federal	1,394,643	—	1,394,643	551,298	1,203,604	1,754,902
State of New York	5,332,691	—	5,332,691	3,196,435	378,750	3,575,185
Private gifts, grants and bequests	9,264,770	37,364,347	46,629,117	13,561,496	25,778,651	39,340,147
Special events	3,532,044	—	3,532,044	3,515,657	—	3,515,657
Less expenses incurred for direct donor benefits	(1,969,079)	—	(1,969,079)	(1,849,360)	—	(1,849,360)
Special events, net	1,562,965	—	1,562,965	1,666,297	—	1,666,297
Endowment returns appropriated	2,650,317	16,730,559	19,380,876	2,633,708	16,299,266	18,932,974
Tuition fees	2,830,716	—	2,830,716	2,719,908	—	2,719,908
Membership income	6,689,880	—	6,689,880	6,385,799	—	6,385,799
Admissions and tours	16,845,806	—	16,845,806	14,570,473	—	14,570,473
Auxiliary enterprises	6,152,898	—	6,152,898	6,021,577	—	6,021,577
Other	4,866,005	—	4,866,005	1,843,571	—	1,843,571
Net assets released from restrictions	34,926,834	(34,926,834)	—	24,762,849	(24,762,849)	—
Total revenues, support and gains	105,419,674	19,168,072	124,587,746	90,473,458	19,583,042	110,056,500
Expenses:						
Program services	84,436,082	—	84,436,082	80,227,390	—	80,227,390
Management and general	13,739,991	—	13,739,991	14,884,110	—	14,884,110
Fundraising	6,588,338	—	6,588,338	6,230,021	—	6,230,021
Total expenses	104,764,411	—	104,764,411	101,341,521	—	101,341,521
Increase (decrease) before other changes	655,263	19,168,072	19,823,335	(10,868,063)	19,583,042	8,714,979
Other changes:						
Net investment return in excess of endowment returns appropriated	2,460,396	24,499,438	26,959,834	4,089,540	14,419,983	18,509,523
Deferred tax expense	(195,066)	—	(195,066)	(329,761)	—	(329,761)
Change in value of the Legacy Trust	—	(9,121,687)	(9,121,687)	—	(11,559,986)	(11,559,986)
(Loss) gain on valuation of interest rate swaps	(400,802)	—	(400,802)	652,369	—	652,369
Change in net assets	2,519,791	34,545,823	37,065,614	(6,455,915)	22,443,039	15,987,124
Net assets at beginning of year	209,030,442	407,165,391	616,195,833	215,486,357	384,722,352	600,208,709
Net assets at end of year	\$ 211,550,233	441,711,214	653,261,447	209,030,442	407,165,391	616,195,833

See accompanying notes to consolidated financial statements.

THE NEW YORK BOTANICAL GARDEN
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025

	Saving the Plants of the World	Urban Oasis	Education and Outreach	Exhibitions	Auxiliary and Other Activities	Maintenance, Security and Energy	Total Program Services	Management and General	Fundraising	2025 Total	2024 Total
Operating expenses:											
Salaries and wages	\$ 6,492,140	5,364,489	6,179,137	4,856,447	5,107,436	5,125,115	33,124,764	7,639,265	3,298,811	44,062,840	41,680,713
Fringe benefits	2,706,466	2,314,670	2,207,056	1,688,428	2,072,151	1,817,827	12,806,598	2,657,693	1,399,738	16,864,029	15,865,997
Professional fees	114,325	1,617,989	615,069	1,331,584	72,636	1,080,375	4,831,978	480,472	339,157	5,651,607	6,097,120
Telecommunications	26,696	22,433	4,228	195,783	3,303	8,356	260,799	96,166	336	357,301	329,518
Postage and shipping	12,996	65,986	1,891	31,179	191,861	1,223	305,136	5,462	22,783	333,381	394,055
Utilities and occupancy	5,940	116,247	40	109	30,323	4,984,275	5,136,934	—	—	5,136,934	2,888,725
Printing and publications	178,996	254,152	14,955	230,189	343,027	6,947	1,028,266	79,610	61,418	1,169,294	1,362,305
Travel and fieldwork	901,853	80,014	159,294	46,558	10,054	14,382	1,212,155	19,361	29,728	1,261,244	1,107,916
Conferences and meetings	17,500	22,116	58,783	138,153	32,064	14,878	283,494	55,482	94,364	433,340	371,113
Bank and investment fees	464	5,000	87,641	419,936	253,431	44,587	811,059	31,027	64,307	906,393	805,310
Insurance	576	168,480	168,480	168,480	—	168,480	674,496	336,960	336,960	1,348,416	1,261,683
Cost of goods sold	21,272	3,520	—	—	2,357,645	—	2,382,437	—	—	2,382,437	2,066,903
Advertising and marketing	—	105	105	2,374,475	40,651	105	2,415,441	210	210	2,415,861	2,620,506
Miscellaneous	205,440	2,081,823	75,256	501,564	541,411	791,572	4,197,066	494,793	158,595	4,850,454	4,890,825
Supplies and materials	375,011	973,584	549,832	246,726	118,438	529,523	2,793,114	743,235	48,428	3,584,777	5,528,169
Interest, fees, and amortization	750,281	543,026	103,760	—	383,986	—	1,781,053	—	—	1,781,053	1,795,977
Depreciation	2,139,470	2,264,377	3,035,873	—	599,021	2,352,551	10,391,292	1,100,255	733,503	12,225,050	12,274,686
Total operating expenses	<u>\$ 13,949,426</u>	<u>15,898,011</u>	<u>13,261,400</u>	<u>12,229,611</u>	<u>12,157,438</u>	<u>16,940,196</u>	<u>84,436,082</u>	<u>13,739,991</u>	<u>6,588,338</u>	<u>104,764,411</u>	<u>101,341,521</u>

See accompanying notes to consolidated financial statements.

THE NEW YORK BOTANICAL GARDEN
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Saving the Plants of the World	Urban Oasis	Education and Outreach	Exhibitions	Auxiliary and Other Activities	Maintenance, Security and Energy	Total Program Services	Management and General	Fundraising	Total
Operating expenses:										
Salaries and wages	\$ 5,769,101	5,031,231	5,959,711	4,449,386	5,036,037	4,951,752	31,197,218	7,327,880	3,155,615	41,680,713
Fringe benefits	2,233,504	1,993,885	2,036,803	1,448,806	1,977,127	1,694,247	11,384,372	3,229,538	1,252,087	15,865,997
Professional fees	158,573	2,161,595	777,396	1,069,502	87,408	869,541	5,124,015	574,475	398,630	6,097,120
Telecommunications	31,351	25,607	4,966	164,158	2,191	12,477	240,750	88,308	460	329,518
Postage and shipping	13,251	112,135	1,989	29,610	191,627	725	349,337	28,320	16,398	394,055
Utilities and occupancy	—	13,168	2,298	2,263	55,689	2,811,658	2,885,076	3,649	—	2,888,725
Printing and publications	221,598	332,707	28,548	224,156	300,449	9,213	1,116,671	190,834	54,800	1,362,305
Travel and fieldwork	801,381	41,220	141,338	23,626	30,274	13,914	1,051,753	27,025	29,138	1,107,916
Conferences and meetings	17,894	13,497	54,768	159,819	15,246	11,238	272,462	26,897	71,754	371,113
Bank and investment fees	300	2,556	72,677	344,526	285,720	49,482	755,261	16,379	33,670	805,310
Insurance	—	165,609	156,582	156,582	—	156,582	635,355	313,164	313,164	1,261,683
Cost of goods sold	27,364	835	—	—	2,038,704	—	2,066,903	—	—	2,066,903
Advertising and marketing	—	219	219	2,580,473	38,500	219	2,619,630	438	438	2,620,506
Miscellaneous	122,337	1,799,222	88,236	381,119	575,097	1,585,194	4,551,205	225,070	114,550	4,890,825
Supplies and materials	613,979	954,531	558,600	219,814	157,145	1,243,853	3,747,922	1,727,411	52,836	5,528,169
Interest, fees, and amortization	756,569	547,576	104,629	—	387,203	—	1,795,977	—	—	1,795,977
Depreciation	2,019,342	2,253,212	3,073,957	—	650,576	2,436,396	10,433,483	1,104,722	736,481	12,274,686
Total expenses	\$ <u>12,786,544</u>	<u>15,448,805</u>	<u>13,062,717</u>	<u>11,253,840</u>	<u>11,828,993</u>	<u>15,846,491</u>	<u>80,227,390</u>	<u>14,884,110</u>	<u>6,230,021</u>	<u>101,341,521</u>

See accompanying notes to consolidated financial statements.

THE NEW YORK BOTANICAL GARDEN
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 37,065,614	15,987,124
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	12,225,050	12,274,686
Accretion of discount on conditional asset retirement obligation	108,347	103,500
Actuarial loss on annuity obligations	121,018	128,620
Loss (gain) on valuation of interest rate swaps	400,802	(652,369)
Deferred tax expense	195,066	329,761
Amortization of bond issuance costs and bond discount	48,175	48,175
Amortization of discount on pledges receivable	1,691,598	1,917,638
Contributions designated for endowment	(1,463,908)	(355,000)
Grants and contributions designated for land, buildings, and equipment	(5,601,584)	(3,654,486)
Stock gifts	—	(2,900,886)
Net realized and unrealized gains on investments	(43,261,729)	(23,075,845)
Change in valuation of The LuEsther T Mertz Legacy Trust	9,000,000	—
Decrease (increase) in operating assets:		
Accounts receivable and investment income receivable	(201,537)	(58,391)
Grants and contracts receivable	(1,208,342)	(4,123,918)
Pledges receivable	(21,951,759)	(19,220,402)
Prepaid expenses and other assets	(745,541)	(389,145)
Right-of-use assets	103,712	85,918
Increase (decrease) in operating liabilities:		
Accounts payable	(2,508,419)	1,290,865
Accrued expenses and other liabilities	(97,643)	(159,089)
Deferred income and refundable advances	(13,972)	(279,422)
Lease liabilities	(103,842)	(85,172)
Net cash and cash equivalents used in operating activities	<u>(16,198,894)</u>	<u>(22,787,838)</u>
Cash flows from investing activities:		
Proceeds from maturities/sales of investments	82,720,338	81,256,099
Purchases of investments	(65,920,875)	(59,207,570)
Purchase of fixed assets	<u>(6,577,546)</u>	<u>(6,606,967)</u>
Net cash and cash equivalents provided by investing activities	<u>10,221,917</u>	<u>15,441,562</u>
Cash flows from financing activities:		
Contributions received for endowment	1,463,908	355,000
Grants and contributions received for fixed assets	5,601,584	3,654,486
Repayment of long-term debt	<u>(4,075,000)</u>	<u>(3,950,000)</u>
Net cash and cash equivalents provided by financing activities	<u>2,990,492</u>	<u>59,486</u>
Net change in cash and cash equivalents	(2,986,485)	(7,286,790)
Cash and cash equivalents at beginning of year	<u>26,402,012</u>	<u>33,688,802</u>
Cash and cash equivalents at end of year	<u>\$ 23,415,527</u>	<u>26,402,012</u>
Supplementary information:		
Interest paid	\$ 1,451,195	1,613,458
Purchase of fixed assets included in accounts payable	1,173,344	—
Lease assets acquired in exchange for lease obligations	—	12,780

See accompanying notes to consolidated financial statements.

THE NEW YORK BOTANICAL GARDEN

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(1) Organization

The New York Botanical Garden (the Garden), a private non-for-profit organization is located in the Bronx, New York, and serves as a museum of plants and a scientific research center devoted to the study of plants and their uses. It is the Garden's mission to improve public understanding of the natural world, horticulture, and the relationships between plants and people.

(2) Basis of Presentation and Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements represent the accounts of the Garden, formed in 1891 by the State of New York (the State), and its wholly owned limited liability company, North Central Bronx Real Estate, LLC. North Central Bronx Real Estate, LLC was formed during the year ended June 30, 2013, to conduct acquisition of real property investments for the Garden and to perform management services incidental to ownership of those investments. The accompanying consolidated financial statements also include the activities of The LuEsther T. Mertz Legacy Trust for The New York Botanical Garden (the Legacy Trust). The Legacy Trust was created on May 12, 2021, and was organized for the benefit of the Garden. The Garden controls the majority voting interest in the Legacy Trust, and the Garden benefits from any income generated by the Legacy Trust's assets.

The consolidated financial statements of the Garden have been prepared on an accrual basis to conform with accounting principles generally accepted in the United States of America and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Based on the existence or absence of donor-imposed restrictions, the Garden classifies resources into two categories: without donor restrictions and with donor restrictions.

Net assets without donor restrictions include all resources which are not subject to donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions. Net asset without donor restriction may be designated by the Board of Trustees for specific purposes.

Net assets with donor restrictions include all resources which are subject to donor-imposed restrictions that will be met either by actions of the Garden or the passage of time. These net assets include donor-restricted endowments, unconditional pledges, split interest agreements, and interest in perpetual trusts held by others. Generally, the donor-imposed restrictions of these assets permit the Garden to use all, or part of the income earned on related investments only for certain general or specific purposes.

Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the consolidated statements of activities. Contributions, including unconditional promises to give, are recognized as revenue in the period received at their net present value.

THE NEW YORK BOTANICAL GARDEN
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

(b) Significant Accounting Policies

(i) Cash Equivalents

The Garden considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for such cash equivalents held as part of the long-term investment strategy of the endowment funds. A substantial portion of the Garden's working capital is maintained at two financial institutions. From time to time, the Garden could be exposed to credit risk related to cash deposited with financial institutions in excess of federally insured limits. However, management does not believe that the Garden is exposed to significant credit risk related to its cash and cash equivalents, given the financial credit of the financial institutions.

(ii) Accounts Receivable

Accounts receivable consist of receivables for accrued income on long-term investments, and other sundry receivables related to earned income activities. Accounts receivables are carried at cost less allowance for doubtful accounts. No allowance was recorded for the years ended June 30, 2025 and 2024. The Garden considers historical information as well as current general economic conditions and market conditions when determining whether or not to record allowances. In addition, changes in credit risks during the reporting period are also considered at the date of reporting.

(iii) Grants and Contracts

The Garden receives a substantial amount of its operating support from federal, state, and local governments. Grants for program services are generally considered conditional contributions, whereby revenue is recognized when qualifying expenses are incurred and other contractual restrictions are met. The Garden also records as revenue the reimbursement of indirect costs for applicable government-sponsored programs at negotiated rates each year. Indirect cost recovery revenue associated with federal grants is recognized when reimbursements are billed to the sponsoring agency. The Garden's indirect cost recovery rate was 50.50% and 53.29% for the years ended June 30, 2025 and 2024, respectively.

(iv) Pledges Receivable

The Garden recognizes promises to give contributions in the year in which such promises are made or become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at the present value of future cash flows. Pledges are discounted to approximate present value using a risk adjusted rate in effect on June 30 of the year in which the pledges are received. Pledges are recorded net of an allowance for uncollectible amounts.

(v) Inventories

Inventories consist of goods held for sale by the Garden's retail shop and scientific publications. The Garden records its inventories using an average cost method of inventory valuation.

(vi) Investments

Investments consist of cash equivalents whose maturity exceeds 90 days at the date of acquisition, common stocks, fixed-income securities, fixed-income and equity mutual funds, certain real estate

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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

holdings and limited partnership interests in alternative investments, and private equity and hedge funds. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain amounts temporarily due from and held by fund managers are reported within investments at fair value together with the related holding.

Alternative investments and hedge funds invest and trade in various securities that are unlisted or thinly traded. The fair value of these holdings is determined by management based on the net asset values (NAVs) provided by the external investment managers of the alternative investment or hedge fund. Real estate held for investment purposes is recorded at fair value and assessed annually for impairment. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or by law. Investments with significant unobservable inputs for assets or liabilities, such as shares in privately held companies, are considered to be Level 3 investments.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes could occur and materially affect the amounts reported in the consolidated financial statements.

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements and investments measured at NAV). The levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1—Inputs to the valuation methodology are unadjusted quoted or published prices for identical assets or liabilities in active markets that the Garden has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. Instruments categorized in Level 1 primarily consist of a broadly traded range of equity and debt securities.

Level 2—Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted or published prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Inputs that are obtained from various sources, including market participants, dealers, and brokers

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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

(vii) *Fixed Assets*

Fixed assets are recorded at cost. Expenditures in excess of \$5,000 that have at least a two-year expected useful life are capitalized. Expenditures that do not meet these criteria are expensed as incurred. Assets are depreciated on a straight-line basis using the half-year convention. Equipment, furniture, and fixtures are depreciated over lives ranging from 5 to 10 years. Land and building improvements are depreciated over 20 years. Buildings are depreciated over 45 years.

(viii) *Impairment of Long-Lived Assets*

Long-lived assets, which consist primarily of property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Garden compares the carrying amounts of the assets to the undiscounted expected future cash flows. If this comparison indicates that there may be an impairment, the amount of the impairment is calculated as the difference between the carrying value and the fair value. During the years ended June 30, 2025 and 2024, no impairments were recorded.

(ix) *Collections*

The Garden's collections include living plants, herbarium specimens, art objects, books, prints, and ephemera. The Garden has not capitalized the collections. The Garden's collections are maintained for public exhibition, education, and research in furtherance of public service rather than for financial gain. Collections are among the most valuable assets of the Garden and are protected, kept unencumbered, cared for, and preserved. The Garden makes reasonable efforts to rehome objects that are deaccessioned by sending them to similar institutions through gift, exchange, or sale. All proceeds from any sale benefits the collection.

(x) *Gift Annuities*

The Garden manages a segregated gift annuity fund and records gifts at the fair value of the assets received and liabilities for the payments to be made to the beneficiaries during the donor's life. The liabilities are based on the present value of the payments expected to be made, as determined using Internal Revenue Service mortality tables and commensurate discount rates. The investments related to the gift annuities are classified as long-term investments, and the liability for beneficiary payments is included in accrued expenses and other liabilities. The value of assets in the fund were \$6,115,164 and \$5,720,325 at June 30, 2025 and 2024, respectively. The liability for the present value of deferred gifts were \$1,168,674 and \$1,263,512 at June 30, 2025 and 2024, respectively.

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(xi) *Conditional Asset Retirement Obligation*

The Garden has recorded estimates for its conditional asset retirement obligations associated with constructed facilities and equipment. Equivalent amounts have been capitalized and included in fixed assets.

(xii) *Derivative Instruments*

The Garden records derivative instruments (e.g., interest rate swap agreements) at fair value in accordance with FASB ASC 815, *Disclosures about Derivative Instruments and Hedging Activities*. The change in fair value during the reporting period is recognized in other changes in the consolidated statements of activities.

(xiii) *Revenue Recognition*

The Garden reports gifts of cash and other assets as restricted support if received with donor stipulations that limit the use of those assets. When expenditures are incurred that fulfill a donor restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Revenues from earned income sources are recognized when delivery of goods or services has been rendered.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in some cases are as related costs are incurred. Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied. Funds received in advance (for an exchange transaction, prior to the performance obligation being satisfied; or for a contribution nonexchange transaction, prior to the condition being achieved) are recorded as deferred revenue in the consolidated statements of financial position.

A Garden membership allows the member access to the Garden for one year. All membership sales are final. Memberships are not refundable or exchangeable, and are not for resale. The full year of access to benefits is conferred at the time of purchase, whether or not a member elects to use them.

The Garden receives revenue from the sale of gate and exhibit admission tickets. The Garden also engages in retail sales related to food, merchandise and parking. Revenue related to such transactions is recognized at the time of purchase.

(xiv) *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

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(xv) *In-Kind Contributions*

The Garden receives in-kind contributions of advertising, food, and supplies relating to its fund-raising events. In-kind contributions are recorded at fair value as gift revenue and as miscellaneous expenses. The total amount of in-kind contributions for fiscal year 2025 were \$129,000. There were no in-kind contributions for fiscal year 2024. This amount is included within private gifts, grants and bequests in the consolidated statements of activities.

(xvi) *Donated Services*

Volunteers, including members of the Board of Trustees, have made significant contributions of time to the Garden during the years ended June 30, 2025 and 2024, respectively, providing various levels of service in almost all areas, including research, horticulture, education, the library, other support, and special events. The value of the contributed time has not been recorded in the Garden's consolidated statements of activities because the contributed time does not meet the recognition criteria under FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*.

(c) *Expenses and Other Deductions*

The Garden's basis for allocating functional expenses is determined by the organization's chart of accounts structure, which includes a segment for organizational division. Functional expenses are allocated principally by the divisional segment code. Saving Plants of the World includes expenses for scientific research, library services and scientific collections. Urban Oasis includes horticultural expenses incurred for the cost of maintaining collections and general upkeep of the grounds. Education expenses include the cost of providing a wide array of lectures, symposia and academic programs to students and the general public. Costs for other program expenses such as exhibitions represent the costs to produce those programs. Management and general expenses include costs for executive management, financial administration, human resources and legal services. Fundraising includes the costs for Development including expenses for fundraising efforts.

(i) *Program Services*

Program services are those activities of the Garden committed to the research and study of plants and the related activities in disseminating the information to the public. Program services include Saving the Plants of the World (Science Research and Library), Urban Oasis (Horticulture), Education and Outreach, Exhibitions, Auxiliary and Other Activities, Maintenance, Security and Energy.

(ii) *Management and General*

Management and general expenses include finance and administration, institutional services (printing and graphics, business services, information technology, human resources, and capital projects), government relations, and executive management.

(iii) *Fundraising*

Fundraising expenses include development expenses.

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(d) Tax Status

The Garden is a Section 501(c)(3) charitable organization exempt from federal income taxes under Section 501(a) of the US Internal Revenue Code (IRC). It has been classified as a publicly supported charitable organization under Section 509 (a)(1) and qualifies for the maximum charitable contribution deduction by donors. In addition, the State and the City of New York (the City) have classified the Garden as nonprofit in character, and as such, the Garden is exempt from payment of income taxes to the State and the City. FASB ASC 740-10-05-6, *Accounting for Uncertainty in Income Taxes*, prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity before being measured and recognized in the financial statements. The Garden has reported no potential liabilities for uncertain tax positions at June 30, 2025 and 2024.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the Act) was signed into legislation. The Act includes numerous changes in tax law related to tax-exempt organizations, including, but not limited to, a 21% excise tax assessed against executive compensation of covered individuals, unrelated business income taxes on qualified transportation fringe benefits, and a reduction in the federal income tax rate for corporations from 35% to 21%, which took effect for taxable years beginning on or after January 1, 2018. The Garden recorded a deferred tax asset (DTA) because it was determined that the DTA will be fully utilized prior to the expiration of its net operating losses. These provisions were considered, and none were identified that would affect the tax-exempt status of the Garden as of June 30, 2025 or 2024.

(e) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

(3) Investments

The carrying value of investments as of June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Cash equivalents	\$ 5,410,785	21,392,746
Fixed-income exchange traded funds and mutual funds	24,083,106	19,451,649
Equities and equity mutual funds	71,897,985	60,488,382
Alternative investment and hedge funds:		
Equity	7,258,927	13,635,788
Absolute return and equity hedge	268,588,460	242,321,898
Private	23,014,482	25,501,016
Real estate	<u>39,350,000</u>	<u>39,350,000</u>
Total	\$ <u>439,603,745</u>	<u>422,141,479</u>

The methods described above in note 2(b)(vi) may produce a fair value that may not be indicative of net realizable value or reflective of future values. In addition, while the Garden believes its valuation methods

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are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

(a) Net Asset Value (NAV)

Interests in alternative investment funds, such as fixed income, equities, hedged strategies, private capital, and real assets, are generally reported at the NAV reported by the fund managers. Unless it is probable that all or a portion of the investment will be sold for an amount other than NAV, management has concluded, as a practical expedient, that the NAV approximates fair value.

Following is a description of the valuation methodologies used for items measured at fair value:

(b) Fixed-Income Securities and Mutual Funds

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

(c) Equity Securities and Mutual Funds

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

(d) Cash Equivalents

The fair value approximates the carrying amount because of the short maturity of these instruments.

(e) Real Estate

The Garden holds direct real estate investments that are valued using the sales comparison and income approach, a generally accepted appraisal methodology. Evaluations are carried out by independent appraisers and the investments are categorized as Level 3 within the fair value hierarchy.

(f) Interest Rate Swaps

Valued at discounted future cash flows under proprietary financial models developed by the counterparty.

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The classification of investments as of June 30, 2025 and 2024, are as follows:

June 30, 2025					
	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Cash equivalents	\$ 5,410,785	—	—	—	5,410,785
Fixed-income exchange traded funds and mutual funds	24,083,106	—	—	—	24,083,106
Equities and equity mutual funds	71,897,985	—	—	—	71,897,985
Alternative investment and hedge funds:					
Equity (a)	—	—	—	7,258,927	7,258,927
Absolute return and equity hedge (b)	—	—	—	268,588,460	268,588,460
Private (c)	—	—	—	23,014,482	23,014,482
Real estate	—	—	39,350,000	—	39,350,000
	101,391,876	—	39,350,000	298,861,869	439,603,745
Interest rate swap liability	—	(1,715,895)	—	—	(1,715,895)
June 30, 2024					
	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Cash equivalents	\$ 21,392,746	—	—	—	21,392,746
Fixed-income exchange traded funds and mutual funds	19,451,649	—	—	—	19,451,649
Equities and equity mutual funds	60,488,382	—	—	—	60,488,382
Alternative investment and hedge funds:					
Equity (a)	—	—	9,000,000	4,635,788	13,635,788
Absolute return and equity hedge (b)	—	—	—	242,321,898	242,321,898
Private (c)	—	—	—	25,501,016	25,501,016
Real estate	—	—	39,350,000	—	39,350,000
	101,332,777	—	48,350,000	272,458,702	422,141,479
Interest rate swap liability	—	(1,315,093)	—	—	(1,315,093)

- (a) The purpose of the allocation to equities is to provide long-term capital appreciation. Equity managers are selected with the objective of building a portfolio that is diversified by geographic region, economic sector, industry, and market capitalization. The objective in selecting equity managers is to generate average annual compounded returns higher than the relevant broad market indices (i.e., the S&P 500, the Russell 1000, MSCI EAFE, and MSCI World), net of fees,

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over full market cycles (5–10 years). Funds are locked up for periods ranging from one day to 36 months.

- (b) The alternative asset allocation may include both “absolute return strategies” and long/short “equity hedge” strategies. Absolute return strategies typically involve event-driven, stressed, and distressed credit, and spread-based arbitrage investments. Absolute return strategies tend to be both flexible and opportunistic. They incorporate differentiated drivers of return compared to traditional investment strategies, and as a result, they are expected to produce returns, which exhibit relatively low correlation to broad market indices over longer time horizons. Equity hedge managers typically make both long and short investments and produce returns that can be expected to correlate more closely with the performance of the equity markets than would the performance of the absolute return strategies, though with lower volatility than traditional “long only” equity managers. Investments in alternative assets are generally subject to an initial lockup of 12–24 months or longer, and thereafter, investors can typically withdraw quarterly or annually with advance notice. Over time, alternative assets should generate returns comparable to long-term equity markets but with lower volatility than equity markets. Funds are locked up for periods ranging from three to 36 months.
- (c) Private equity investments encompass diverse strategies, including buyout, growth, venture capital, and control-oriented distressed. These illiquid investments generally have four- to six-year investment periods and approximately 10-year fund lives. Given their illiquidity, private investments are expected to generate higher returns than public market strategies. The performance of funds raised and managed by the same team following similar strategies can vary significantly from one period to the next. Thus, investment in this asset class requires diversification across not only manager, strategies, and geographies but also “vintage years.” Funds are locked up for extended periods.

Except for interest rate swaps, the Garden does not directly invest in derivative instruments; however, its external investment managers do invest directly in such instruments, as their investment strategy may dictate.

Level 3 assets for the Garden include the Garden’s interest in the Legacy Trust and real estate investments. The Legacy Trust has a 10% stake in an entity that filed for protection under Chapter 11 of the Bankruptcy Code in April 2025. As part of entity’s reorganization under Chapter 11, the business will be sold, and no value is expected to be allocated to the equity holders, including the Garden. Therefore, the Garden has removed the value of the Legacy Trust’s investment totaling \$9,000,000 from Level 3 assets as of June 30, 2025.

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The changes in the fair value of the Garden's Level 3 assets for the years ended June 30, 2025 and 2024 are summarized as follows:

		Level 3	
		2025	2024
Balance—beginning of year	\$	48,350,000	60,500,000
Change in fair value		(9,000,000)	(12,150,000)
Balance—end of year	\$	<u>39,350,000</u>	<u>48,350,000</u>

In accordance with ASU No. 2009-12, *Fair Value Measurements and Disclosures*, disclosures regarding the category, fair value, unfunded commitments, frequency, for assets measured at NAV whose fair value is estimated using NAV per share as of June 30, 2025 and 2024 are summarized as follows:

Category/Objective	2025			
	Fair Value Determined Using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments—equity	\$ 7,258,927	—	Daily, quarterly, semi-annually	45-90 days
Alternative investments—absolute return and equity hedge	268,588,460	45,056,563	Daily, monthly, bimonthly, quarterly, semi-annually, annually, illiquid	5-105 days
Alternative investments—private	<u>23,014,482</u>	<u>4,189,500</u>	N/A	N/A
Total	\$ <u>298,861,869</u>	<u>49,246,063</u>		

(4) Endowment

State law allows the Garden's Board of Trustees to appropriate as much of the net appreciation as is prudent considering the Garden's long term and short term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

The Garden has adopted investment and spending policies for endowment assets to provide long term capital appreciation to supply funds for the specified purposes for which the original endowed gifts were given. The time horizon for the endowment is perpetuity. The investment assets of the Garden are fully outsourced on a discretionary basis to an external professional investment management firm. The investment committee of the Board of Trustees has responsibility for setting the Garden's investment policy statement.

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The long term objective of the Garden is to stabilize annual spending levels to preserve the real value of the endowment portfolio over time. The expected return on endowment assets is the sum of the annual spending rate, the long term inflation rate, and any growth factor, which the investment committee may deem appropriate.

The Board of Trustees approved \$19,380,876 and \$18,932,974 in spending to support operations for 2025 and 2024, respectively. The effective rate for the years ended June 30, 2025 and 2024 was 4.90% and 4.99%, respectively.

Changes in donor-restricted and board-designated endowment and similar funds for the years ended June 30, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance - June 30, 2023	\$ 47,632,483	356,378,112	404,010,595
Contributions	—	349,669	349,669
Investment income (net of fees)	1,536,123	1,831,159	3,367,282
Net investment return	3,397,920	28,888,118	32,286,038
Amounts appropriated for expenditure and other changes	<u>(4,683,352)</u>	<u>(16,564,723)</u>	<u>(21,248,075)</u>
Balance - June 30, 2024	47,883,174	370,882,335	418,765,509
Contributions	—	4,850,780	4,850,780
Investment income (net of fees)	76,907	2,105,688	2,182,595
Net investment return	6,253,008	36,687,064	42,940,072
Amounts appropriated for expenditure and other changes	<u>(4,306,980)</u>	<u>(16,730,559)</u>	<u>(21,037,539)</u>
Balance - June 30, 2025	\$ <u>49,906,109</u>	<u>397,795,308</u>	<u>447,701,417</u>

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(5) Pledges Receivable

Pledges receivable consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross pledges receivable:		
Within one year	\$ 18,083,721	7,554,477
One to five years	38,759,943	24,519,382
Total gross pledges receivable	56,843,664	32,073,859
Allowance for uncollectible amounts	(4,601,691)	(1,783,645)
Discount to present value (applied discount rates range from 0.1% to 5.4%)	(4,420,064)	(2,728,466)
Net pledges receivable	\$ <u>47,821,909</u>	<u>27,561,748</u>

(6) Long-Term Debt

The Garden is constructing, expanding, and renovating a number of facilities.

Series 2009A Bond

On August 14, 2009, the Garden entered into a loan agreement with the Trust (the Series 2009A bonds). The Trust loaned to the Garden the proceeds of a \$68.1 million Series 2009A bonds refunding revenue bond issued for the purpose of refunding an outstanding bridge loan with JPMorgan Chase (the Bank) and to cover the costs of issuance. The borrowings under the bridge loan were repaid.

The loan agreement obligates the Garden to make payments equal to the debt service requirements of the Series 2009A bonds. The Series 2009A bonds bear variable rates of interest, determined weekly by the designated remarketing agent, Morgan Stanley & Co., pursuant to a remarketing agreement. The bonds are supported by an irrevocable transferable letter of credit (the Letter) issued by the Bank to a major financial institution (the bond trustee). The Letter permits the bond trustee to draw upon the funds of the Bank for payment of interest and principal in the event the remarketing agent is unable to remarket the bonds. The interest rate was 0.50% at June 30, 2025 and 2024. The Series 2009A bonds loan agreement requires monthly interest payments, which commenced on September 1, 2009, and annual principal payments that commenced July 1, 2015, with the final payment due July 1, 2032. Issuance costs and discount on the bonds are being amortized over the term of the bond issue.

The Series 2009A bondholders have the option to put the bonds back to the Trust on seven days notice. The bonds are subject to remarketing efforts by the remarketing agent. To the extent that such remarketing efforts were unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit agreement with the Bank, which expires on May 30, 2027.

If the letter of credit agreement is not extended or replaced, the bonds must be tendered. If tendered, the bonds would be purchased from the proceeds of the expiring letter of credit agreement. Bonds purchased from the proceeds of the letter of credit agreement would be converted to a term loan and become payable

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over three years. The Series 2009A bonds have been reported in accordance with the scheduled maturities contained in the bond agreements in the table of annual principal payments below.

The aggregate principal payments due on long-term debt are as follows:

	Series 2009A Bond
Years ending June 30,	
2026	\$ 4,260,000
2027	3,945,000
2028	4,160,000
2029	4,375,000
2030	4,615,000
Thereafter	<u>9,950,000</u>
Total	\$ <u>31,305,000</u>

Interest Rate Swap Agreements

In February of 2005, the Garden entered into two interest rate swap agreements and a swaption agreement with a counterparty. The interest rate swap agreements are based on original notional amounts of \$40,000,000 and \$27,900,000, wherein the Garden agrees to pay the counterparty a fixed rate of interest equal to 3.63% and 3.61%, respectively. The counterparty currently pays a floating rate based on 70% of the Secured Overnight Financing Rate (SOFR) plus a spread. The notional amounts of the interest rate swap agreements decrease based on the Series 2009A bond amortization schedule and expire in 2032 and 2026 respectively. The swaption agreement had an original notional amount of \$15,000,000 and was exercised on May 26, 2006. The underlying interest rate swap agreement requires the Garden to pay a fixed rate of 3.61% on the original \$15,000,000 notional amount that decreases through 2035 based on an amortization schedule. The counterparty pays a floating rate based on 70% of SOFR plus a spread.

The Garden's net benefit or obligation under these agreements is accounted for in the Garden's consolidated statements of financial position as an asset or liability. The estimated fair value of the swap agreements are a liability of \$1,715,895 and \$1,315,093 at June 30, 2025 and 2024, respectively. Gains or losses on valuation are reported in the consolidated statements of activities as other changes.

(7) Leases

The Garden's lessee arrangements consist of agreements to lease certain office equipment, copiers, postage meter, etc. The initial terms of the leases range from one to six years. Some leases have options to renew at then prevailing market rates. As any extension or renewal is at the sole discretion of the Garden and at this date, is not certain, the renewal options are not included in the calculation of the right-of-use assets or lease liabilities. All office and equipment leases are classified as operating leases.

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The components of lease expense were as follows:

Fiscal Year	2025	2024
Lease cost:		
Operating lease cost	\$ 120,390	119,310
Total lease cost	\$ 120,390	119,310

Supplemental cash flow information related to leases was as follows:

Fiscal Year	2025	2024
Operating cash flow payments for operating leases	\$ 120,520	117,991

Supplemental statements of financial position information related to leases was as follows:

Fiscal Year	2025	2024
Weighted-average remaining lease term — operating leases	2.79 years	3.49 years
Weighted-average discount rate — operating leases	1.24 %	0.94 %

The discount rates related to the Garden's lease liabilities are generally based on estimates of the Garden's incremental borrowing rates as the discount rate implicit in the Garden's leases cannot be readily determined.

The maturity of lease liabilities as of June 30, 2025 were as follows:

2026	\$ 105,405
2027	75,582
2028	19,702
2029	4,034
	<hr/>
Total lease payments	204,723
Less imputed interest	(7,642)
	<hr/>
Total	\$ 197,081

(8) Pension Plan and Postretirement Benefits

Pension benefits are provided to eligible employees through the Cultural Institutions Retirement System (CIRS), a multiemployer retirement system.

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Participation in a multiemployer defined benefit pension plan includes the following risks:

- Assets contributed to the plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer ceases to contribute to a multiemployer plan, the unfunded obligation of the plan may be borne by the remaining participating employers.
- If the Garden were to withdraw from the plan, the Garden may be required to pay the plan an amount based on the underfunded status of the plan and on the history of the Garden's participation in the plan prior to withdrawal. This is referred to as a withdrawal liability.

The CIRS plan has a certified zone status as currently defined by the Pension Protection Act of 2006. The zone status is based on information provided to the Garden and other participating employers by CIRS and is certified by the plan's actuary. The following are descriptions of the zone status types based on criteria established under the IRC:

- **"Red" Zone**—Plan has been determined to be in "critical status" and is generally less than 65% funded. A rehabilitation plan, as required under the IRC, must be adopted by plans in the "red" zone. Plan participants may be responsible for the payment of surcharges, in addition to the contribution rate specified in the applicable collective bargaining agreement, for a plan in "critical status," in accordance with the requirements of the IRC.
- **"Yellow" Zone**—Plan has been determined to be in "endangered status" and is generally less than 80% funded. A funding improvement plan, as required under the IRC, must be adopted.
- **"Green" Zone**—Plan has been determined to be neither in "critical status" nor in "endangered status," and is generally at least 80% funded.

The CIRS plan was in the "green" zone for the two most-recent benefit plan years that have been certified.

Information about the CIRS retirement plan and its financial condition at June 30, 2025 and 2024 are summarized as follows:

Legal Plan name	The Cultural Institutions Pension Plan
Plan taxpayer ID number	11-2001170
Plan number	001
Expiration date of collective bargaining agreement	June 30, 2026

	<u>Year ended June 30, 2025</u>	<u>Year ended June 30, 2024</u>
Pension Protection Act Zone Status (certified by plan actuary)	Green	Green
Contributions made to the plan by the Garden	\$ 4,457,919	\$ 4,197,253
Contributions made by the Garden were in excess of 5% of total contributions to the plan?	Yes	Yes

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Negotiations for a new CIRS collective bargaining agreement are still in process.

In 2025, pension expense was \$4,780,406 including \$824,347 paid by the City. In 2024, pension expense was \$4,593,685 including \$872,526 paid by the City. The Garden makes annual contributions to the CIRS plan equal to amounts accrued for expense, including amortization of past services cost over 30 years. On July 1, 2024, the date of the last actuarial valuation, the market value of CIRS plan assets was \$1.53 billion. Accumulated benefit liabilities of the plan were \$2.31 billion.

Under the terms of its collective bargaining agreement, the Garden also contributes to a multiemployer postretirement health care plan covering retired union employees. Postretirement benefit costs equal to the amount of the required contributions are recorded as expense. The Garden contributed \$1,007,968 and \$880,804 to the plan in the years ended June 30, 2025 and 2024, respectively.

(9) Fixed Assets

Title to substantially all of the land, buildings, and improvements operated by the Garden is held by the City of New York; however, use of the properties is dedicated exclusively to the Garden in accordance with the original 1891 Act of Incorporation of The New York Botanical Garden. All such assets are recorded on the books of the Garden.

The Garden is responsible for the facility's management and operation, and for maintaining certain insurance coverage. The City may provide gas, electricity, and water; funding for improvement and new construction; funding for the salaries and medical benefits of certain employees, including those employed in the maintenance and care of the property; and pension expense of certain employees.

In addition, the City, from time to time, has made improvements to the existing facility on behalf of the Garden. Title to such improvements remains with the City. The Garden capitalizes such expenditures and records such amounts as donor restricted contributions. The Garden amortizes these costs over a 20-year period.

In 2025 and 2024, the City allocated \$1,868,651 and \$3,821,216, respectively, for appropriations relating to capital projects. From 1990 to 2025, the City has contributed approximately \$165,072,000 toward the Garden's capital expenses. The Garden also receives funding for capital projects from private and other sources which have contributed approximately \$203,964,000 from 1990 to 2025.

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Fixed assets as of June 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 9,053,130	9,053,130
Land improvements	82,732,559	81,632,320
Buildings	164,857,935	164,857,935
Buildings improvements	120,585,341	113,694,734
Equipment, furniture and fixtures	29,866,338	28,403,548
Construction in progress	6,161,575	7,919,404
Conditional asset retirement costs	<u>4,200,000</u>	<u>4,200,000</u>
	417,456,878	409,761,071
Less: accumulated depreciation	<u>(243,165,918)</u>	<u>(230,969,274)</u>
Total	\$ <u>174,290,960</u>	<u>178,791,797</u>

Outstanding commitments for construction in progress were \$8,411,000 and \$3,077,000 at June 30, 2025 and 2024, respectively.

The changes in the carrying value of the Garden's conditional asset retirement obligation for the years ended June 30, 2025 and 2024 is summarized as follows:

Balance - June 30, 2023	\$ 3,169,611
Accretion of discount	<u>103,500</u>
Balance - June 30, 2024	3,273,111
Accretion of discount	<u>108,347</u>
Balance - June 30, 2025	\$ <u>3,381,458</u>

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(10) Donor-Restricted Net Assets

Donor-restricted net assets as of June 30, 2025 and 2024 are available for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Investment earnings accumulated for program and other operating activities	\$ 108,759,505	97,837,613
Buildings and equipment	34,971,307	17,751,107
Pledges due in future years for program activities	8,944,599	8,256,360
Total	152,675,411	123,845,080
Program activities	275,310,515	269,595,023
Building operations	6,257,052	6,257,052
General operations	7,468,236	7,468,236
Amounts held in perpetuity	289,035,803	283,320,311
Total net assets with donor restrictions	\$ <u>441,711,214</u>	<u>407,165,391</u>

Net assets with donor restrictions that are held in perpetuity include contributions and pledges, which require, by donor restriction, that the corpus be invested in perpetuity and that only investment return be made available for operations or other purposes in accordance with donor restrictions.

During the years ended June 30, 2025 and 2024, net assets were released from donor restrictions by incurring expenses or expenditures satisfying the restricted purposes specified by donors. Restricted sources of revenue include government support, private gifts, grants and bequests, and endowment income.

(11) Appropriations — City of New York

Appropriations from the City of New York for the years ended June 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>
General operating support	\$ 7,541,953	5,668,344
Energy appropriation	2,101,060	2,015,179
Pension contribution	824,347	872,526
Program support	566,138	868,402
Capital support	1,868,651	3,821,216
Total	\$ <u>12,902,149</u>	<u>13,245,667</u>

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(12) Tuition Fees Revenue

(a) School of Professional Horticulture

Tuition fees revenue includes tuition and fees earned by the Garden's School of Professional Horticulture (the School). Student financial assistance received on behalf of students enrolled in the program (e.g., loans and grants funded by government and private sources) is reported as tuition fees in the consolidated statements of activities. Tuition and fees earned by the School for the years ended June 30, 2025 and 2024 were \$152,950 and \$144,375, respectively. There were no refunds in 2025 and 2024.

The School incurred operating expenses of \$411,767 and \$398,932 for the years ended June 30, 2025 and 2024, respectively.

(b) Licensed Certificates in Horticulture and Landscape Design

Tuition fees revenue earned by the Garden's licensed certificate programs were \$153,934 (net of refunds of \$16,366) and \$200,215 (net of refunds of \$35,870) for 2025 and 2024, respectively.

(13) Liquidity and Availability of Financial Assets

The Garden structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. The Garden considers all expenditures related to its ongoing mission-related activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. In the normal course of operations, the Garden expects to withdraw approximately 5% from its endowments annually.

The Garden's financial assets available to meet general expenditures within one year of June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 23,415,527	26,402,012
Pledges receivable without purpose restrictions (due within one year)	750,028	7,554,477
Other receivables (due within one year)	1,637,716	1,436,179
Grants and contracts receivable	11,281,708	10,073,366
Other assets	—	1,631,816
Investments designated for current use	<u>19,121,000</u>	<u>19,381,000</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 56,205,979</u>	<u>66,478,850</u>

Additionally, at June 30, 2025 and 2024, the Garden has endowment and similar funds of \$447,701,417 and \$418,765,509, which include \$49,906,109 and \$47,883,174 of board-designated funds, respectively. Although the Garden does not intend to spend its board-designated funds, amounts from these funds could be made available if necessary. However, both board-designated and donor-restricted funds contain investments with lock-up provisions which could reduce the total investments that could be made available.

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(14) Risks and Uncertainties

The Garden receives grants and awards from the federal government. Entitlements to the resources are generally conditional upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for eligible purposes. Substantially, all federal grants and awards are subject to financial and compliance audits. Any disallowances become liabilities of the Garden.

The Garden is involved in various legal proceedings, which consist of litigation attributable to its normal course of business. The Garden and its attorneys believe that the ultimate outcome of such litigation will not have a significant effect on the consolidated financial condition, changes in net assets or cash flows of the Garden.

(15) Subsequent Events

The Garden has evaluated subsequent events through December 17, 2025, the date the consolidated financial statements were available to be issued, and determined that there are no subsequent events requiring adjustment or disclosure in the consolidated financial statements.