CHIHUAHUAN DESERT RESEARCH INSTITUTE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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To the Board of Directors of
Chihuahuan Desert Research Institute

Opinion

We have audited the financial statements of Chihuahuan Desert Research Institute, which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Chihuahuan Desert Research Institute as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chihuahuan Desert Research Institute 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 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 Chihuahuan Desert Research Institute's ability to continue as a going concern within one year from the date the financial statements are issue.

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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chihuahuan Desert Research Institute'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 Chihuahuan Desert Research Institute'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.

Prior Year

The accompanying prior year summarized comparative 2024 financial statements of Chihuahuan Desert Research Institute were compiled by us in accordance with Statements on Standards for Accordance and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements, information that is the representation of the management. We have not audited or reviewed the 2024 financial statements and accordingly, do not express an opinion or any other form of assurance on them.

May 19, 2026
Odessa, Texas

CHIHUAHUAN DESERT RESEARCH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,064,489	$ 453,537
Investments	4,514,754	4,020,583
Inventory	18,923	16,941
Total Current Assets	5,598,166	4,491,061
Fixed Assets:		
Land and Improvements	473,430	473,430
Buildings	433,145	429,517
Furniture, Fixtures, & Equipment	126,065	116,074
Vehicles	20,479	20,479
Geological Platform	102,778	102,776
Total Fixed Assets	1,155,897	1,142,276
Less Accumulated Depreciation	(668,957)	(650,265)
Total Net Fixed Assets	486,940	492,011
Total Assets	$ 6,085,106	$ 4,983,072
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 33,756	$ 4,089
Deferred Revenue	-	-
Accrued Liabilities	11,411	9,631
Total Current Liabilities/Total Liabilities	45,167	13,720
Net Assets:		
Without Donor Restrictions	5,842,882	4,793,651
With Donor Restrictions	197,057	175,701
Total Net Assets	6,039,939	4,969,352
Total Liabilities and Net Assets	$ 6,085,106	$ 4,983,072

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

CHIHUAHUAN DESERT RESEARCH INSTITUTE
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Public Support and Revenues				
Membership Dues	$ 37,230	$ -	$ 37,230	$ 39,559
Contributions	567,766	-	567,766	149,035
Special Events, net	196,462	-	196,462	127,075
Nature Shop Revenues, net	58,365	-	58,365	49,990
Program Revenues	-	-	-	184
Investment Income	134,194	-	134,194	120,305
Admission Fees	50,629	-	50,629	43,106
Royalties	42,283	-	42,283	47,354
Miscellaneous	113	-	113	938
Unrealized Gains / (Losses)	368,904	21,356	390,260	309,457
Net Assets Released from Restrictions	-	-	-	-
Total Public Support and Revenues	1,455,946	21,356	1,477,302	887,003
Expenses				
Programs	368,440	-	368,440	345,229
Management	35,897	-	35,897	33,635
Fund-raising	2,378	-	2,378	2,229
Total Functional Expenses	406,715	-	406,715	381,093
Change in Net Assets	1,049,231	21,356	1,070,587	505,910
Net Assets – January 1	4,793,651	175,202	4,969,352	4,463,442
Net Assets – December 31	$ 5,842,882	$ 197,057	$ 6,039,939	$ 4,969,352

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

CHIHUAHUAN DESERT RESEARCH INSTITUTE
STATEMENTS OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

				Totals	
	Program	Management	Fundraising	2025	2024
Officer Salaries	$ 54,203	$ 6,090	$ 609	$ 60,902	$ 58,760
Other Salaries	157,546	-	1,591	159,137	138,077
Other Employee Benefits	8,964	-	-	8,964	7,721
Payroll Taxes	15,851	1,781	178	17,810	15,766
Sub-Total	236,564	7,871	2,378	246,813	220,324
Accounting And Membership	23,647	23,647	-	47,294	47,851
Office Expenses	1,543	171	-	1,714	2,229
Real Estate Tax	2,121	-	-	2,121	2,120
Occupancy	11,229	1,247	-	12,476	12,707
Depreciation	18,692	-	-	18,692	17,040
Insurance	26,655	2,961	-	29,616	23,987
Supplies	10,466	-	-	10,466	10,761
Printing	5,013	-	-	5,013	5,102
Dues	3,379	-	-	3,379	2,981
Vehicle	2,482	-	-	2,482	1,875
All Other Expense	26,649	-	-	26,649	34,116
Total	$ 368,440	$ 35,897	$ 2,378	$ 406,715	$ 381,093

The accompanying notes are an integral part of this statement.

CHIHUAHUAN DESERT RESEARCH INSTITUTE
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash collected from revenue and other support	$ 910,565	$ 409,857
Cash paid for operating expenses	(358,558)	(363,493)
Investment Income	134,194	120,305
Royalties	42,283	47,354
Interest paid	-	-
NET CASH PROVIDED (USED) BY OPERATIONS	728,484	214,053
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(13,621)	(35,997)
Investments	(103,911)	130,217
NET CASH USED IN INVESTMENTS ACTIVITIES	(117,532)	94,220
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from borrowings	-	-
Repayments of debt	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
Net increase (decrease) in cash	610,952	308,273
CASH at beginning of year	453,537	761, 810
CASH at end of year	$ 1,064,489	$ 453,537
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	$ 1,070,587	$ 505,910
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
Depreciation	18,692	17,040
Inventory	(1,982)	(49)
Accounts payable	29,667	342
Accrued and other liabilities	1,780	268
Investments	(390,260)	(309,458)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 728,484	$ 214,053

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

CHIHUAHUAN DESERT RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENT

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

"The mission of Chihuahuan Desert Research Institute is to promote public awareness, appreciation and concern for nature generally and the natural diversity of the Chihuahuan Desert region specifically, through education, the visitor experience, and through the support of research."

The Institute operates a 507-acre nature center and Botanical Garden year-round in fulfillment of its mission providing a venue for people to connect with nature.

Income Taxes

The Institution qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, money contributed to the Institute qualifies for the charitable contribution deduction under Section 170(b) (1) (A) of the Internal Revenue Code. The Institute has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Service.

Management is required to evaluate the tax positions taken by the Institute and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions of the Institute, and has concluded that as of December 31, 2025, there are no uncertain tax positions taken that would require recognition of a liability or disclosure in the financial statements. The Institute's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. Management believes it is no longer subject to income tax examination for years prior to 2022.

Basis of Accounting

The financial statements of the Institute are prepared on the accrual basis of accounting and are presented in accordance with *FASB ASC 958*. The institute presents its Statement of Functional Expenses as a basic financial statement. This statement has been subjected to the same auditing procedures as the rest of the basic financial statements.

Public Support and Revenue

Endowment contributions and investments may be permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted assets. Investment earnings with donor restrictions are recorded in temporarily restricted net assets based on the nature of the restrictions.

Advertising

Advertising costs are expressed as incurred, and approximated $0 and $0 during the years ended December 31, 2025 and 2024, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Gift Shop Inventory

Gift Shop Inventory comprises program – related merchandise held for sale in the gift shop and is stated at net realizable value.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets Without Donor Restrictions**

  Net Assets without donor restrictions are resources available to support operations. The only limits on the use of donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into on the course of its operations.

- **Net Assets With Donor Restrictions**

  Net Assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

  When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to net assets without restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

  Some net assets with donor restrictions are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

All revenue and net gains are reported as increase in Net Assets Without Donor Restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions.

Cash and Cash Equivalents

The Institute considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the Statement of Cash Flows exclude permanently restricted cash and cash equivalents.

Investments

Investments are composed of mutual funds investing in debt and equity securities and are carried at fair market value as determined and reported daily by the mutual fund management company.

Capital Assets

Capital assets, which include land; land improvements; buildings; furniture, fixtures, and equipment; vehicles; and non-depreciable assets are capitalized at cost. It is the Institute's policy to capitalize expenditures for these items in excess of $1,000. Lesser amounts are expensed.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Land Improvements	5 to 15
Buildings	20 to 50
Furniture, Fixtures, and Equipment	5 to 15
Vehicles	5 to 10

Subsequent Events

The Organization has evaluated events subsequent to the date of the statement of net assets (December 31, 2025) through May 19, 2026 the date these financial statements were suitable to be issued, and concluded that no significant subsequent event has occurred that would require disclosure in the notes or recognition in the financial statements.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class on the Statement of Activities. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

NOTE B - FAIR VALUE OF INVESTMENTS

Effective December 31, 2010 the Organization adopted Accounting Standards Codification (Topic (820), *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurement.

Currently, the Organization investments are carried at fair value under ASC Topic 820. The fair value is based upon independently sourced market parameters. To ensure that these investments are recorded at fair value, valuation adjustments may be required to reflect any reduction of their fair value.

ASC Topic 820 defines fair value as the price that would be received to sell an asset, or paid to transfer or extinguish a liability, in an orderly transaction between market participants at the measurement date. ASC Topic820 provides a framework for measuring fair value, establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and requires consideration of the counterparty's creditworthiness when valuing certain assets.

The three-level fair value hierarchy for disclosure of fair value measurements defined by ASC Topic 820 is as follows:

Level 1 – Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to prove pricing information on an ongoing basis.

Level 2 – Inputs, other than quoted prices in active markets, that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the security or instrument's anticipated life.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Valuation under level 3 generally involves a significant degree of judgment by management.

NOTE B - FAIR VALUE OF INVESTMENTS (Cont'd)

The following table present the fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2025:

	FAIR VALUE MEASUREMENTS USING			
Fair Value Inputs as of December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Without Donor Restrictions:	$ 4,377,828	-	-	$ 4,377,828
With Donor Restrictions:	153,724	-	-	153,724
Grand Total:	$ 4,531,552	$ -	$ -	$ 4,531,552

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2025.

	Without Donor Unrestricted	With Donor Restrictions	Total
Interest & Dividends	$ 116,685	$ 4,024	$ 120,709
Realized Gain (Loss)	-	-	-
Unrealized Gain (Loss)	377,933	12,327	390,260
Total Investment Return	$ 494,618	$ 16,351	$ 510,969

NOTE C - NET ASSETS WITH DONOR RESTRICTIONS

	2025	2024
Mining Exhibit	$ 43,333	$ 38,328
Scuddy Memorial Fund	68,296	61,070
Watson Bequest	85,428	76,303
Total Temporarily Restricted Net Assets	$ 197,057	$ 175,701

NOTE D – DONATED SERVICES

The Institute receives a significant amount of donated services from unpaid volunteers who assist in fund-raising events. No amounts have been recognized in the Statement of Activities because the criteria for recognition under FASB ASC 958 have not been satisfied.

NOTE E - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE F – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date.

Comprise the following:

Cash	$ 1,064,489
Investment Securities	4,514,754
TOTAL	$ 5,579,243