Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning OCT 1, 2008 **and ending** SEP 30, 2009

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: DESERT BOTANICAL GARDEN, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 1201 N. GALVIN PKWY — Room/suite

City or town, state or country, and ZIP + 4: PHOENIX, AZ 85008

D Employer identification number 86-0136925

E Telephone number 480-481-8155

G Gross receipts $ 22,772,885.

F Name and address of principal officer: KENNETH J. SCHUTZ
SAME AS C ABOVE

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

I Tax-exempt status: ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ DBG.ORG

H(c) Group exemption number ▶

K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1937 **M** State of legal domicile: AZ

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: AS A LIVING MUSEUM, THE ORGANIZATION'S PURPOSE IS FOR (SEE SCHEDULE O FOR CONTINUATION)

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	42
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	41
5	Total number of employees (Part V, line 2a)	5	306
6	Total number of volunteers (estimate if necessary)	6	1200
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	5,952,536.	5,086,295.
	9	Program service revenue (Part VIII, line 2g)	2,248,300.	6,863,530.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	511,933.	223,326.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,650,557.	2,715,509.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,363,326.	14,888,660.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,148,255.	6,743,318.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	536,304.	112,411.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,440,587.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	3,513,884.	5,644,546.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	9,198,443.	12,500,275.
	19	Revenue less expenses. Subtract line 18 from line 12	3,164,883.	2,388,385.
			Beginning of Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	34,460,246.	26,446,483.
	21	Total liabilities (Part X, line 26)	10,498,118.	6,279,686.
	22	Net assets or fund balances. Subtract line 21 from line 20	23,962,128.	20,166,797.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ KENNETH J. SCHUTZ, EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ — Date — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ SCHMIDT WESTERGARD & COMPANY, PLLC
77 WEST UNIVERSITY DRIVE
MESA, ARIZONA 85201-5830

EIN ▶

Phone no. ▶ 480.834.6030

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission: SEE SCHEDULE O FOR CONTINUATION
AS A LIVING MUSEUM, THE ORGANIZATION'S PURPOSE IS FOR ADVANCING EXCELLENCE IN EDUCATION, RESEARCH, EXHIBITION, AND CONSERVATION OF DESERT PLANTS OF THE WORLD WITH EMPHASIS ON THE SOUTHWESTERN UNITED STATES, AND ENGAGING IN ANY LAWFUL (SEE SCHEDULE O FOR CONTINUATION)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes", describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes", describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code:) (Expenses $ 9,359,361. including grants of $ 0.) (Revenue $ 6,537,643.)
HORTICULTURE - PROPAGATING & MAINTAINING A LIVING PLANT COLLECTION OF OVER 50,000 DESERT PLANTS WITH PARTICULAR EMPHASIS ON THOSE INHABITING THE SONORAN DESERT, MANY OF WHICH ARE ENDANGERED SPECIES. THIS PROGRAM ALSO WORKS TO PRESERVE DESERT PLANT LIFE OUTSIDE OF ITS COLLECTION BY EDUCATING THE PUBLIC REGARDING THE BEAUTY, VARIETY AND FRAGILITY OF DESERT PLANT LIFE IN TWO WAYS. FIRST BY DISPLAYING AND INTERPRETING ITS COLLECTION FOR THE PUBLIC AT ITS GARDEN IN PHOENIX, AZ WHICH IN THE CURRENT YEAR ATTRACTED 640,529 VISITORS FROM ALL OVER THE WORLD. SECOND BY OFFERING A COLLEGE-LEVEL CERTIFICATE PROGRAM IN DESERT LANDSCAPING WITH 86 PEOPLE PARTICIPATING.

EDUCATION - PROVIDES PROGRAMMING FOR CHILDREN, ADULTS, AND EDUCATORS

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses ▶ $** 9,359,361. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		X
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17	X	
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No", go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**	X	
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	**28c**		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**	X	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	**33**		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	80			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	306			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Did the organization solicit any contributions that were not tax deductible?			6a	X	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	X	
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?			7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	X	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	1			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		X
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter: N/A					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter: N/A					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b				

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body 1a 42			
b	Enter the number of voting members that are independent 1b 41			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ AZ

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

SUSAN SHIPKA - 480-481-8155
1201 N. GALVIN PARKWAY, PHOENIX, AZ 85008

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
MELODIE LEWIS TRUSTEE	5.00	X						0.	0.	0.
OONAGH BOPPART PRESIDENT OF BOARD OF TR	10.00	X		X				0.	0.	0.
MICHAEL SILLYMAN TRUSTEE	5.00	X						0.	0.	0.
KATHY MUNSON TRUSTEE	5.00	X						0.	0.	0.
SCOTT T. SCHAEFER VP OF BOARD OF TRUSTEE	5.00	X		X				0.	0.	0.
REBECCA AILES-FINE TRUSTEE	5.00	X						0.	0.	0.
TOM BEKEY TRUSTEE	5.00	X						0.	0.	0.
ROBERT BULLA TRUSTEE	5.00	X						0.	0.	0.
LEE BAUMANN COHN VP OF BOARD OF TRUSTEE	5.00	X		X				0.	0.	0.
LOUIS F. COMUS, JR. TRUSTEE	5.00	X						0.	0.	0.
BARTON FABER TRUSTEE	5.00	X						0.	0.	0.
AMY FLOOD TRUSTEE	5.00	X						0.	0.	0.
HAZEL HARE TRUSTEE	5.00	X						0.	0.	0.
BRUCE MACDONOUGH TREASURER	5.00	X		X				0.	0.	0.
JOHN SULLIVAN TRUSTEE	5.00	X						0.	0.	0.
ANN YOUNGER TRUSTEE	5.00	X						0.	0.	0.
NANCY SWANSON TRUSTEE	5.00	X						0.	0.	0.

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
ROBERT TANCER TRUSTEE	5.00	X						0.	0.	0.
BRUCE WEBER TRUSTEE	5.00	X						0.	0.	0.
DAVID YOUNG, PH.D. TRUSTEE	5.00	X						0.	0.	0.
PEG MADDEN TRUSTEE	5.00	X						0.	0.	0.
ROSELLEN PAPP TRUSTEE	5.00	X						0.	0.	0.
GEORGE LEONARD TRUSTEE	5.00	X						0.	0.	0.
JANET R. LEWIS SECRETARY	5.00	X		X				0.	0.	0.
WILLIAM B. LONG TRUSTEE	5.00	X						0.	0.	0.
THOMAS SCHLEIFER, PH.D. TRUSTEE	5.00	X						0.	0.	0.
DONALD R. OTTOSEN TRUSTEE	5.00	X						0.	0.	0.
1b Total ▶								206,255.	0.	6,578.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 1

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. NONE

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 0

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b 1,959,893.				
	c Fundraising events	1c 395,231.				
	d Related organizations	1d				
	e Government grants (contributions)	1e 43,321.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2,687,850.				
	g Noncash contributions included in lines 1a-1f: $ 206,573.					
	h **Total.** Add lines 1a-1f ▶		5086295.			
		Business Code				
Program Service Revenue	2 a ADMISSIONS	900099	6237656.	6237656.		
	b GROUP SERVICES	900099	325,887.	325,887.		
	c EDUCATION / CLASSES	611600	299,987.	299,987.		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		6863530.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		328,807.			328,807.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6 a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7 a Gross amount from sales of assets other than inventory	5,242,799.				
	b Less: cost or other basis and sales expenses	5,260,001. / 88,279.				
	c Gain or (loss)	-17202. / -88279.				
	d Net gain or (loss) ▶		-105,481.	-27,666.		-77,815.
	8 a Gross income from fundraising events (not including $ 395,231. of contributions reported on line 1c). See Part IV, line 18	a 1,352,038.				
	b Less: direct expenses	b 903145.				
	c Net income or (loss) from fundraising events ▶		448,893.			448,893.
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10 a Gross sales of inventory, less returns and allowances	a 3,696,955.				
	b Less: cost of goods sold	b 1,632,800.				
	c Net income or (loss) from sales of inventory ▶		2064155.			2,064,155.
	Miscellaneous Revenue	Business Code				
	11 a CONCESSION SALES	722210	167,886.			167,886.
	b CONSULTING FEES	900099	40,326.	40,326.		
	c MISCELLANEOUS	900099	-5,751.			-5,751.
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		202,461.			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		14,888,660.	6876190.	0.	2,926,175.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	239,050.		239,050.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	5,316,125.	3,946,498.	593,959.	775,668.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	126,298.	84,452.	21,509.	20,337.
9 Other employee benefits	628,645.	505,429.	61,528.	61,688.
10 Payroll taxes	433,200.	321,489.	52,315.	59,396.
11 Fees for services (non-employees):				
a Management				
b Legal	7,321.		7,321.	
c Accounting	25,750.		25,750.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	112,411.			112,411.
f Investment management fees	9,445.		9,445.	
g Other	308,475.	308,475.		
12 Advertising and promotion	251,069.	227,302.	23,767.	
13 Office expenses	704,321.	512,949.	119,685.	71,687.
14 Information technology	46,313.	46,313.		
15 Royalties				
16 Occupancy	415,359.	297,940.	47,838.	69,581.
17 Travel	206,230.	44,431.	153,404.	8,395.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	129,565.		129,565.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,224,163.	1,224,163.		
23 Insurance	86,134.	67,667.	11,657.	6,810.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a EXHIBIT PLANNING	978,231.	959,740.	17,030.	1,461.
b OUTSIDE SERVICES	713,332.	464,050.	95,000.	154,282.
c BEVERAGE EXPENSE	98,835.	98,835.		
d SPECIAL EVENTS EXPENSE	85,400.	7,888.		77,512.
e BOARD EXPENSE	17,866.		17,866.	
f All other expenses	336,737.	241,740.	73,638.	21,359.
25 **Total functional expenses.** Add lines 1 through 24f	12,500,275.	9,359,361.	1,700,327.	1,440,587.
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		2,209,823.	1	4,671,796.
	2	Savings and temporary cash investments		2,586,326.	2	238,398.
	3	Pledges and grants receivable, net		2,551,529.	3	1,101,027.
	4	Accounts receivable, net		49,853.	4	58,793.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		183,257.	8	146,188.
	9	Prepaid expenses and deferred charges		424,304.	9	165,230.
	10a	Land, buildings, and equipment: cost basis	10a 28,347,663.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D	10b 10,442,019.	16,716,846.	10c	17,905,644.
	11	Investments - publicly traded securities		8,960,139.	11	2,008,919.
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		778,169.	15	150,488.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		34,460,246.	16	26,446,483.
Liabilities	17	Accounts payable and accrued expenses		794,636.	17	741,862.
	18	Grants payable			18	
	19	Deferred revenue		1,326,073.	19	1,237,824.
	20	Tax-exempt bond liabilities		8,300,000.	20	4,300,000.
	21	Escrow account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable			24	
	25	Other liabilities. Complete Part X of Schedule D		77,409.	25	0.
	26	**Total liabilities.** Add lines 17 through 25		10,498,118.	26	6,279,686.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		13,938,398.	27	16,455,106.
	28	Temporarily restricted net assets		4,483,773.	28	3,711,691.
	29	Permanently restricted net assets		5,539,957.	29	0.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		23,962,128.	33	20,166,797.
	34	Total liabilities and net assets/fund balances		34,460,246.	34	26,446,483.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization DESERT BOTANICAL GARDEN, INC.

Employer identification number 86-0136925

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☒ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete the Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ..... ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

			Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col. (i) of your support? Yes	No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	No	(vii) Amount of support
Total									

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule A (Form 990 or 990-EZ) 2008**

832021 12-17-08

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	**(a)** 2004	**(b)** 2005	**(c)** 2006	**(d)** 2007	**(e)** 2008	**(f)** Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 - 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	**(a)** 2004	**(b)** 2005	**(c)** 2006	**(d)** 2007	**(e)** 2008	**(f)** Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) ..... **12** _____

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) ..... **14** _____ %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f ..... **15** _____ %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

17a **10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b **10% -facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,503,131.	6,341,416.	5,927,445.	5,952,536.	3,189,180.	22,913,708.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	6,332,015.	6,659,003.	6,857,796.	7,419,241.	13,546,529.	40,814,584.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 - 5	7,835,146.	13,000,419.	12,785,241.	13,371,777.	16,735,709.	63,728,292.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	431,773.	1,644,207.	949,431.	1,173,856.	549,748.	4,749,015.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b	431,773.	1,644,207.	949,431.	1,173,856.	549,748.	4,749,015.
8 **Public support** (Subtract line 7c from line 6.)						58,979,277.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	7,835,146.	13,000,419.	12,785,241.	13,371,777.	16,735,709.	63,728,292.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	486,632.	647,970.	1,065,950.	858,049.	654,694.	3,713,295.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	486,632.	647,970.	1,065,950.	858,049.	654,694.	3,713,295.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	206,357.	264,049.	153,674.	171,503.	202,461.	998,044.
13 **Total support** (Add lines 9, 10c, 11, and 12.)						68,439,631.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	86.18 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	84.62 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	5.43 %
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	5.78 %

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ [X]

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, and 990-PF.**

OMB No. 1545-0047

2008

Name of the organization	**Employer identification number**
DESERT BOTANICAL GARDEN, INC.	86-0136925

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

[X] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) ..... ▶ $ _____

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.**

Name of organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
19	TRAVEL VOUCHERS	$ 5,000.	09/30/09
20	SUPPLIES	$ 35,525.	09/30/09
21	1300 SHARES BRISTOL MEYERS STOCK AND CENTERPIECES FOR LUMINARIA EVENT	$ 29,627.	12/22/08
23	DOMAIN	$ 6,379.	09/30/09
30	31 SHARES INTERNATIONAL BUSINESS STOCK	$ 2,362.	12/01/08
33	HOTEL ACCOMODATIONS FOR CHIHULY TEAM	$ 22,815.	09/30/09

Name of organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
35	1 VEUVE CLINQUOT AND 4 CHAMPAGNE GLASSES	$ 1,371.	09/30/09
52	AUCTION ITEM	$ 12,000.	09/30/09
55	16 SHARES GENETECH STOCK	$ 1,232.	12/01/08
59	AUCTION ITEM - TRAVEL PACKAGE	$ 10,840.	09/30/09
60	180 SHARES BAXTER INTERNATIONAL	$ 10,442.	10/29/08
63	AUCTION ITEM	$ 80.	09/30/09

Name of organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
76	1/3 COST OF BOOJUM TREE	$ 9,000.	09/30/09
77	1/3 COST OF BOOJUM TREE	$ 9,000.	09/30/09
78	1/3 COST OF BOOJUM TREE	$ 9,000.	09/30/09
82	VENETIAN DRAWING 1993, 30"X 22"	$ 8,000.	09/30/09
85	ECOLOGICAL MONOGRAPHS	$ 7,915.	09/30/09
93	AGAVE PLANT AND TWO POTS WITH VARIOUS CACTI	$ 775.	09/30/09

Name of organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
94	GARDEN SHOP GIFT BASKET	$ 50.	09/30/09
97	45 ITEMS: BOTANICAL PRINTS AND POTS	$ 6,510.	09/30/09
101	2 EACH $50 DBG GIFT CARDS	$ 100.	09/30/09
103	CRUSTED YUCCA ROSTRATA	$ 6,158.	09/30/09
104	BOOKS	$ 15.	09/30/09
106	TALAVERA FROG	$ 40.	09/30/09

Name of organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
107	GRANITE TOP TABLE WITH 4 UPHOLSTERED CHAIRS	$ 5,600.	09/30/09
111	RUSTIC PERUVIAN POT & PITCHER	$ 375.	09/30/09
116	2 TALAVERA BLUE/WHITE POTS	$ 200.	09/30/09
		$	
		$	
		$	

Schedule D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization DESERT BOTANICAL GARDEN, INC.

Employer identification number 86-0136925

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ _____%
b Permanent endowment ▶ _____%
c Term endowment ▶ _____%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings		12,289,096.	3,981,766.	8,307,330.
c Leasehold improvements				
d Equipment		2,590,461.	1,497,289.	1,093,172.
e Other		13,468,106.	4,962,964.	8,505,142.
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				17,905,644.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) should equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25.)* ▶	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	14,888,660.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	12,500,275.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,388,385.
4	Net unrealized gains (losses) on investments	4	-122,658.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-6,061,058.
9	Total adjustments (net). Add lines 4-8	9	-6,183,716.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-3,795,331.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	16,198,444.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-122,658.		
b	Donated services and use of facilities	2b	312,632.		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	1,180,046.		
e	Add lines **2a** through **2d**			2e	1,370,020.
3	Subtract line **2e** from line **1**			3	14,828,424.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	60,236.		
c	Add lines **4a** and **4b**			4c	60,236.
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	14,888,660.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	12,859,908.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	312,632.		
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d	47,001.		
e	Add lines **2a** through **2d**			2e	359,633.
3	Subtract line **2e** from line **1**			3	12,500,275.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	12,500,275.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

PART X: FIN 48 FOOTNOTE: THE ORGANIZATION IS A NONPROFIT CORPORATION EXEMPT FROM BOTH FEDERAL AND STATE INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) AND SIMILAR STATE PROVISIONS. IN ADDITION, THE ORGANIZATION QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170 OF THE IRC AND HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION. INCOME DETERMINED TO BE UNRELATED BUSINESS TAXABLE INCOME WOULD BE TAXED.

Part XIV Supplemental Information *(continued)*

THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) HAS ISSUED AUTHORITATIVE GUIDANCE FOR ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. THE GUIDANCE REQUIRES THAT A TAX POSITION BE RECOGNIZED OR DERECOGNIZED BASED ON A MORE-LIKELY-THAN-NOT THRESHOLD. THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. IN DECEMBER 2008, THE FASB DEFERRED THE EFFECTIVE DATE OF THIS GUIDANCE FOR CERTAIN NONPUBLIC ENTERPRISES TO FISCAL YEARS BEGINNING AFTER DECEMBER 15, 2008. THE ORGANIZATION HAS ELECTED TO DEFER THE IMPLEMENTATION OF THIS GUIDANCE UNTIL THE YEAR ENDING SEPTEMBER 30, 2010. THE ORGANIZATION DOES NOT BELIEVE ITS CONSOLIDATED FINANCIAL STATEMENTS INCLUDE (OR REFLECT) ANY UNCERTAIN TAX POSITIONS, AND THE ADOPTION OF THIS NEW GUIDANCE IS NOT EXPECTED TO HAVE A SIGNIFICANT IMPACT ON THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

RECEIVABLE DISCOUNT: -60236.

TRANSFER OF ENDOWMENT TO DESERT BOTANICAL GARDEN FOUNDATION: -6000822.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

REVENUE REPORTED ON DESERT BOTANICAL GARDEN FOUNDATION EIN:

26-3305761: 1180046.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RECEIVABLE DISCOUNT: 60236.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSES REPORTED ON DESERT BOTANICAL GARDEN FOUNDATION EIN:

26-3305761: 47001.

Part XIV Supplemental Information *(continued)*

PART XI, LINE 8

THE ORGANIZATION KNOWN AS DESERT BOTANICAL GARDEN FOUNDATION WAS ORGANIZED FOR EDUCATIONAL AND CHARITABLE PURPOSES FOR THE BENEFIT OF, AND TO CARRY OUT CERTAIN PURPOSES OF, DESERT BOTANICAL GARDENS, INC. DURING THE YEAR ENDED SEPTEMBER 30, 2009, DESERT BOTANICAL GARDENS, INC. TRANSFERRED ALL OF THE CASH, INVESTMENTS AND CONTRIBUTIONS RECEIVABLE RELATED TO THE ORGANIZATION'S ENDOWMENT TO THE FOUNDATION.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.**

OMB No. 1545-0047

2008

Open To Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- **a** [X] Mail solicitations
- **b** [ ] Email solicitations
- **c** [X] Phone solicitations
- **d** [X] In-person solicitations
- **e** [X] Solicitation of non-government grants
- **f** [X] Solicitation of government grants
- **g** [X] Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [X] **Yes** [ ] **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col. **(i)**	**(vi)** Amount paid to (or retained by) organization
IDC	PHONE SOLICITATION		X	173,986.	112,411.	61,575.
Total ▶				173,986.	112,411.	61,575.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

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LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule G (Form 990 or 990-EZ) 2008

832081 12-18-08

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 DINNER ON THE DESERT (event type)	(b) Event #2 LUMINARIA (event type)	(c) Other Events 8 (total number)	(d) Total Events (Add col. (a) through col. (c))
Revenue	1 Gross receipts	381,660.	750,483.	615,126.	1,747,269.
	2 Less: Charitable contributions	231,568.	0.	163,663.	395,231.
	3 Gross revenue (line 1 minus line 2)	150,092.	750,483.	451,463.	1,352,038.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Other direct expenses	178,098.	270,148.	454,899.	903,145.
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(903,145.)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				448,893.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities:			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain:			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain:			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13 Indicate the percentage of gaming activity operated in:				
a The organization's facility	13a	%		
b An outside facility	13b	%		
14 Provide the name and address of the person who prepares the organization's gaming/special events books and records:				
Name ▶				
Address ▶				
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?		15a		
b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____ .				
c If "Yes," enter name and address:				
Name ▶				
Address ▶				
16 Gaming manager information:				
Name ▶				
Gaming manager compensation ▶ $ _____				
Description of services provided ▶				
☐ Director/officer ☐ Employee ☐ Independent contractor				
17 Mandatory distributions:				
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?		17a		
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $				

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☒ Compensation committee ☐ Written employment contract ☒ Independent compensation consultant ☒ Compensation survey or study ☒ Form 990 of other organizations ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a	X	
b	Any related organization?	5b		X
	If "Yes," to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule J (Form 990) 2008**

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12-23-08

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
KEN SCHUTZ	(i)	167,581.	35,000.	3,674.	0.	6,578.	212,833.	185,483.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PART I, LINE 4B: KEN SCHUTZ $10,000 NONQUALIFIED RETIREMENT PLAN THAT IS NON-ELIGIBLE UNTIL RETIREMENT

PART I, LINE 5: INCENTIVE COMPENSATION, ALTHOUGH LINKED TO PRE-DETERMINED COMBINATIONS OF SPECIFIC INSTITUTIONAL AND INDIVIDUAL RESULTS, IS NOT A SPECIFIC DOLLAR AMOUNT NOR IS IT A PERCENTAGE OF REVENUE OR EARNINGS.

PART I, LINE 6: INCENTIVE COMPENSATION, ALTHOUGH LINKED TO PRE-DETERMINED COMBINATIONS OF SPECIFIC INSTITUTIONAL AND INDIVIDUAL RESULTS, IS NOT A SPECIFIC DOLLAR AMOUNT NOR IS IT A PERCENTAGE OF REVENUE OR EARNINGS.

PART I, LINE 7: PERFORMANCE BASED BONUS PLAN

SCHEDULE J-2
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ **Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization: DESERT BOTANICAL GARDEN, INC.

Employer Identification number: 86-0136925

Part I **Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
KATHRYN M. BAKER TRUSTEE	5.00	X						0.	0.	0.
H. CLIFTON DOUGLAS TRUSTEE EMERITUS	5.00	X						0.	0.	0.
WILLIAM HUIZINGH, PH.D. TRUSTEE EMERITUS	5.00	X						0.	0.	0.
JENNIFER ALLISON-RAY TRUSTEE	5.00	X						0.	0.	0.
GAIL BRADLEY TRUSTEE	5.00	X						0.	0.	0.
SHELLEY COHN TRUSTEE	5.00	X						0.	0.	0.
TAMMY MCLEOD TRUSTEE	5.00	X						0.	0.	0.
MARTA L. MORANDO TRUSTEE	5.00	X						0.	0.	0.
PEGGY MULLAN TRUSTEE	5.00	X						0.	0.	0.
LIZ TOPETE-STONEFIELD TRUSTEE	5.00	X						0.	0.	0.
STEPHEN TUFTS TRUSTEE	5.00	X						0.	0.	0.
SHELLEY COHN TRUSTEE	5.00	X						0.	0.	0.
JOHN BURNSIDE TRUSTEE	5.00	X						0.	0.	0.
BARBARA HOFFNAGLE TRUSTEE	5.00	X						0.	0.	0.
MARI KOERNER TRUSTEE	5.00	X						0.	0.	0.
KEN UDENZE TRUSTEE	5.00	X						0.	0.	0.
STEVEN ZYLSTRA TRUSTEE	5.00	X						0.	0.	0.
KEN SCHUTZ EXECUTIVE DIRECTOR	40.00			X		X		206,255.	0.	6,578.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J-2 (Form 990) 2008

832201 12-18-08

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, lines 38a or 40b.

OMB No. 1545-0047

2008

Open To Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
BRUCE WEBER - WEBER GROUP	BOARD MEMBER	10,000.	CONSULTING		X

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule L (Form 990 or 990-EZ) 2008**

SEE SCHEDULE O FOR SCHEDULE L CONTINUATIONS

832131 12-17-08

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	7	47,026.	FMV
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (AUCTION ITEMS)	X	13	52,485.	FMV
26	Other ▶ (SUPPLIES)	X	1	35,525.	FMV
27	Other ▶ (PLANTS)	X	2	33,128.	FMV
28	Other ▶ (TRAV.VOUCHERS)	X	1	5,000.	CASH VALUE

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II.			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule M (Form 990) 2008

832141
03-11-09

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE M, LINE 32B: THE ORGANIZATION UTILIZES A FINANCIAL BROKER TO SELL NON-CASH STOCK CONTRIBUTIONS.

SCHEDULE N
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

To be completed by organizations that answer "Yes" to Form 990, Part IV, lines 31 or 32; or Form 990-EZ, line 36.
▶ Attach certified copies of any articles of dissolution, resolutions, or plans.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047
2008
Open to Public Inspection

Name of the organization
DESERT BOTANICAL GARDEN, INC.

Employer identification number
86-0136925

Part I **Liquidation, Termination, or Dissolution.** Complete this part if the organization answered "Yes" to Form 990, Part IV, line 31, or Form 990-EZ, line 36. Use Schedule N-1 if additional space is needed.

1	**(a)** Description of asset(s) distributed or transaction expenses paid	**(b)** Date of distribution	**(c)** Fair market value of asset(s) distributed or amount of transaction expenses	**(d)** Method of determining FMV for asset(s) distributed or transaction expenses	**(e)** EIN of recipient	**(f)** Name and address of recipient	**(g)** IRC section of recipient(s) (if tax-exempt) or type of entity

		Yes	No
2 Did or will any officer, director, trustee, or key employee of the organization:			
a Become a director or trustee of a successor or transferee organization?	**2a**		
b Become an employee of, or independent contractor for, a successor or transferee organization?	**2b**		
c Become a direct or indirect owner of a successor or transferee organization?	**2c**		
d Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution?	**2d**		

e If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III. ▶

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule N (Form 990 or 990-EZ) 2008

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832151
12-18-08

Part I **Liquidation, Termination, or Dissolution** (continued)

Note. If the organization distributed all of its assets during the tax year, then Form 990, Part X, column (B) should equal -0-.

			Yes	No
3	Did the organization distribute its assets in accordance with its governing instrument(s)? If "No," describe in Part III	3		
4a	Did the organization request or receive a determination letter from EO Determinations that the organization's exempt status was terminated?	4a		
b	(If "Yes," provide the date of the letter. ▶ _____)			
5a	Is the organization required to notify the attorney general or other appropriate state official of its intent to dissolve, liquidate, or terminate?	5a		
b	If "Yes," did the organization provide such notice?	5b		
6	Did the organization discharge or pay all liabilities in accordance with state laws?	6		
7a	Did the organization have any tax-exempt bonds outstanding during the year?	7a		
b	Did the organization discharge or defease tax-exempt bond liabilities in accordance with the Internal Revenue Code and state laws?	7b		
c	If "Yes," describe in Part III how the organization defeased or otherwise settled these liabilities. If "No," explain in Part III.			

Part II **Sale, Exchange, Disposition, or Other Transfer of More Than 25% of the Organization's Assets.** Complete this part if the organization answered "Yes" to Form 990, Part IV, line 32, or Form 990-EZ, line 36. Use Schedule N-1 if additional space is needed.

1 (a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or type of entity
TRANSFER OF BENEFICIAL INTEREST IN NET ASSETS.	03/30/09	6,000,822.	FMV	26-3305761	DESERT BOTANICAL GARDEN FDN 1201 N. GALVIN PKWY PHOENIX, AZ 85008	501(C)(3)

			Yes	No
2	Did or will any officer, director, trustee, or key employee of the organization:			
a	Become a director or trustee of a successor or transferee organization?	2a	X	
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b		X
c	Become a direct or indirect owner of a successor or transferee organization?	2c		X
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's significant disposition of assets?	2d		X
e	If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III.			

Part III **Supplemental Information.** Complete this part to provide the information required by Part I, lines 2e, 7c; or Part II, line 2e; and any additional information.

PART II, LINE 2E: THE FOLLOWING INDIVIDUALS SERVE ON BOTH THE DESERT BOTANICAL GARDEN BOARD OF DIRECTORS AND DESERT BOTANICAL GARDEN FOUNDATION BOARD OF DIRECTORS, THE TRANSFEREE ORGANIZATION:

SCOTT T. SCHAEFER

BRUCE MACDONOUGH

KATHRYN M. BAKER

DAVID BARNETT

SUE MELTON

STEPHEN TUFTS

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ADVANCING EXCELLENCE IN EDUCATION, RESEARCH, EXHIBITION, AND CONSERVATION OF DESERT PLANTS OF THE WORLD WITH EMPHASIS ON THE SOUTHWESTERN UNITED STATES, AND ENGAGING IN ANY LAWFUL ACT OR ACTIVITY NOT FOR PECUNIARY PROFIT FOR WHICH NONPROFIT CORPORATIONS MAY BE ORGANIZED, SO FAR AS IS OR MAY BE PERMITTED BY THE LAWS OF THE STATE OF ARIZONA AND SECTION 501(C)(3) OF THE CODE.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ACT OR ACTIVITY NOT FOR PECUNIARY PROFIT FOR WHICH NONPROFIT CORPORATIONS MAY BE ORGANIZED, SO FAR AS IS OR MAY BE PERMITTED BY THE LAWS OF THE STATE OF ARIZONA AND SECTION 501(C)(3) OF THE CODE.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS

THAT PROMOTE GREATER ENJOYMENT, UNDERSTANDING AND STEWARDSHIP OF THE SONORAN DESERT. CLASSROOM OPPORTUNITIES FOR PRESCHOOLERS, IN-DEPTH CAMPS AND SERVICE-LEARNING TEEN PROGRAMS ARE OFFERED AS WONDERFUL RESOURCES TO STIMULATE A CONNECTION TO NATURE AND DISCOVERY OF THE WORLD WE LIVE IN.

WE INTEGRATE A PLACE-BASED FOCUS ON SCIENCE, ART, MUSIC, LITERATURE AND SOCIAL STUDIES INTO ALL OF OUR PROGRAMS AND RELY ON THE EXPERTISE OF THE GARDEN'S ENTHUSIASTIC STAFF, DEDICATED VOLUNTEERS, AND DIVERSE PARTNERSHIPS WITH OTHER ORGANIZATIONS TO ENSURE HIGH-QUALITY OFFERINGS. INQUIRY-BASED SCHOOL PROGRAMS OFFER DESIGNED CURRICULUM FOR STUDENTS K-8 AND CORRELATE EDUCATIONAL OBJECTIVES AND ARIZONA ACADEMIC STANDARDS. WE SERVED 46,500 PARTICIPANTS IN THE SCHOOL PROGRAM IN

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

2008-09.

PROGRAMMING FOR ADULTS INCLUDE WORKSHOPS, HIKES, TRIPS AND CERTIFICATION CLASSES, INCLUDING BOTANICAL ART AND ILLUSTRATION SCHOOL AND DESERT LANDSCAPING SCHOOL. OVER 4,000 PARTICIPANTS TOOK PART IN ADULT PROGRAMMING OPPORTUNITIES IN 2008-09.

COMMUNITY OUTREACH - INFORMING GARDEN MEMBERSHIP AND THE PUBLIC ABOUT ACCESSING HORTICULTURE AND PLANT INFORMATION; EDUCATION PROGRAMS FOR TEACHERS, STUDENTS, ADULTS AND OTHER LIFE-LONG LEARNERS; AND ONGOING EVENTS, EXHIBITS AND ACTIVITIES AT THE GARDEN. UTILIZING LOCAL, STATE, NATIONAL AND TOURISM ADVERTISING, NEWS AND ENTERTAINMENT OUTLETS, THE GARDEN'S WEB SITE AND MEMBER PUBLICATIONS, WE ARE ABLE TO REACH MILLIONS OF RESIDENTS AND VISITORS TO ARIZONA WITH IMPORTANT INFORMATION ABOUT DESERT PLANTS AND THE ENVIRONMENT. GARDEN PUBLICATIONS INCLUDE THE "SONORAN QUARTERLY" AND THE "CALENDAR OF EVENTS", EACH PUBLISHED FOUR TIMES A YEAR, WITH A CIRCULATION OF 26,100 EACH. TWELVE ADDITIONAL SEASONAL MAILINGS ARE DISTRIBUTED EACH YEAR WITH A CIRCULATION OF 26,100 AS WELL. THE GARDEN'S WEB SITE HAS MORE THAN 70,000 HITS PER MONTH. THE GARDEN ALSO STAFFS A PLANT HOTLINE THAT RECEIVES MORE THAN 900 CALLS ANNUALLY.

RESEARCH - INVESTIGATING THE BIOLOGY, ECOLOGY, AND CONSERVATION OF THE DESERT PLANTS AND ENVIRONMENT. THE GARDEN HAS AN EXTENSIVE HERBARIUM CONTAINING NEARLY 64,000 PLANT SPECIMENS AND A LIBRARY WITH OVER 7,700 VOLUMES AND PERIODICALS TO ASSIST THE PUBLIC AND RESEARCHERS IN THEIR STUDIES. THE GARDEN IS ALSO A PRIMARY RESEARCH CENTER AND HAS A

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

PERMANENT RESEARCH STAFF CONDUCTING A NUMBER OF ONGOING RESEARCH PROJECTS. DURING THE CURRENT YEAR, THE GARDEN PUBLISHED 4 PAPERS RESULTING FROM THEIR RESEARCH.

FORM 990, PART VI, SECTION A, LINE 4: THE ORGANIZATION MADE A SIGNIFICANT CHANGE TO AMEND THE BYLAWS BY MAKING SOME CHANGES TO THE CORPORATE PURPOSE AS STATED BELOW:

THIS CORPORATION IS A NONPROFIT CORPORATION, ORGANIZED EXCLUSIVELY FOR CHARITABLE AND EDUCATIONAL PURPOSES AS DEFINED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND FOR THE PURPOSE OF (I) ADVANCING EXCELLENCE IN EDUCATION, RESEARCH, EXHIBITION, AND CONSERVATION OF DESERT PLANTS OF THE WORLD WITH EMPHASIS ON THE SOUTHWESTERN UNITED STATES, AND (II) ENGAGING IN ANY LAWFUL ACT OR ACTIVITY NOT FOR PECUNIARY PROFIT FOR WHICH NONPROFIT CORPORATIONS MAY BE ORGANIZED, SO FAR AS IS OR MAY BE PERMITTED BY THE LAWS OF THE STATE OF ARIZONA AND SECTION 501(C)(3) OF THE CODE.

ADDITIONALLY, SOME INSIGNIFICANT CHANGES WERE ALSO MADE AT THE TIME OF THE AMENDED RESTATEMENT OF THE BYLAWS.

FORM 990, PART VI, SECTION A, LINE 6: NOT-FOR-PROFIT CORPORATION WITH MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7A: CERTAIN GARDEN MEMBERSHIP LEVELS HAVE VOTING PRIVILEGES FOR BOARD POSITIONS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

FORM 990, PART VI, SECTION A, LINE 7B: CERTAIN MEMBERSHIP LEVELS VOTE ON AND CONFIRM BOARD MEMBERS AT THE ANNUAL MEETING.

FORM 990, PART VI, SECTION A, LINE 10: THE REVIEW OF THE FORM 990 IS DELEGATED TO THE FINANCE COMMITTEE, A SUBGROUP OF THE BOARD.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICT OF INTEREST FORMS ARE SIGNED ANNUALLY, AND RETURN OF FORMS IS TRACKED BY THE HUMAN RESOURCE DEPARTMENT.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS FOR DETERMINING COMPENSATION FOR EXECUTIVE DIRECTOR IS PERFORMED ANNUALLY BY THE MEMBERS OF THE PERSONNEL COMMITTEE, A COMMITTEE OF THE BOARD OF TRUSTEES. THE PERSONNEL COMMITTEE USES COMPARABLE DATA TO DETERMINE COMPENSATION BY CALLING OTHER NON-PROFITS OF EQUAL SIZE AND ALSO USES TOOLS SUCH AS GUIDESTAR AND OTHER PERSONNEL BASED WEB SITES.

FORM 990, PART VI, SECTION C, LINE 19: THE GARDEN OBTAINS A PUBLIC INSPECTION COPY OF FORM 990 THAT IS AVAILABLE TO THE PUBLIC UPON REQUEST. FORM 990 IS ALSO LOCATED ON GUIDESTAR. ANNUAL REPORTS ARE FILED WITH AZ CORPORATION COMMISSION, WHICH ARE AVAILABLE ON THE WEB.

FORM 990, PART XI, LINE 2C:
EXPLANATION TO DESCRIBE ANY CHANGES TO PROCESS OF OVERSIGHT OF THE AUDIT: NO CHANGE HAS TAKEN PLACE IN THE PROCESS. IT IS THE SAME AS IN THE

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047
2008
Open to Public Inspection

Name of the organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

PRIOR YEARS.

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRUCE WEBER - WEBER GROUP

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 10000.

(D) DESCRIPTION OF TRANSACTION: CONSULTING CONTRACT TO WRITE A 5-YEAR

STRATEGIC MARKETING PLAN FOR THE INSTITUTION.

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE R, PART V, LINES 1M - 1N

THE ORGANIZATION HAS ANSWERED YES TO SHARING OF FACILITIES AND

EMPLOYEES WITH ITS RELATED ORGANIZATION. HOWEVER, NO AMOUNTS ARE

REPORTED ON SCHEDULE R PART V LINE 2 AS THE ORGANIZATION HAS NOT

RECEIVED NOR ANTICIPATES RECEIVING REIMBURSEMENT FOR SHARED FACILITIES

AND EMPLOYEES.

SCHEDULE R (Form 990)
Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.**

▶ **See separate instructions.**

OMB No. 1545-0047
2008
Open to Public Inspection

Name of the organization
DESERT BOTANICAL GARDEN, INC.

Employer identification number
86-0136925

Part I **Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
DESERT BOTANICAL GARDEN FOUNDATION - 26-3305761, 1201 N. GALVIN PKWY, PHOENIX, AZ 85008	TO RAISE FUNDS FOR THE DESERT BOTANICAL GARDEN AND PROMOTE EDUCATION.	ARIZONA	501(C)(3)	11A	N/A

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule R (Form 990) 2008

832161
12-23-08

Part III **Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V **Transactions With Related Organizations**

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV.				
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b	X	
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	X	
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o		X
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	**(B)** Transaction type (a-r)	**(C)** Amount involved
(1)	DESERT BOTANICAL GARDEN FOUNDATION	B	6,000,822.
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership**

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization DESERT BOTANICAL GARDEN, INC.	Employer identification number 86-0136925
	Number, street, and room or suite no. If a P.O. box, see instructions. 1201 N. GALVIN PKWY	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PHOENIX, AZ 85008	

Check type of return to be filed (File a separate application for each return):

[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ DESERT BOTANICAL GARDEN, INC. 1201 N. GALVIN PARKWAY - PHOENIX, AZ 85008

Telephone No. ▶ 480-481-8155 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until AUGUST 15, 2010.

5 For calendar year _____, or other tax year beginning OCT 1, 2008, and ending SEP 30, 2009.

6 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ TAXPAYER'S AUTH. REP. Date ▶ 4/29/10

823832
05-26-09

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2008, or fiscal year beginning OCT 1 , 2008, and ending SEP 30 ,20 09

▶ **Do not send to the IRS. Keep for your records.**

▶ **See instructions.**

OMB No. 1545-1878

2008

Name of exempt organization: DESERT BOTANICAL GARDEN, INC.

Employer identification number: 86-0136925

Name and title of officer: KENNETH J. SCHUTZ
EXECUTIVE DIRECTOR

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount from the return if any. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return for which you are filing this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ [X]	**b Total revenue,** if any (Form 990, line 12)	**1b**	14888660
2a Form 990-EZ check here ▶ [ ]	**b Total revenue,** if any (Form 990-EZ, line 9)	**2b**	
3a Form 1120-POL check here ▶ [ ]	**b Total tax** (Form 1120-POL, line 22)	**3b**	
4a Form 990-PF check here ▶ [ ]	**b Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**	
5a Form 8868 check here ▶ [ ]	**b Balance Due** (Form 8868, line 3c)	**5b**	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2008 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** an indication of any refund offset, **(c)** the reason for any delay in processing the return or refund, and **(d)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize SCHMIDT WESTERGARD & COMPANY (**ERO firm name**) to enter my PIN 85008 (**Enter five numbers, but do not enter all zeros**)

as my signature on the organization's tax year 2008 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2008 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 86481186481 (**do not enter all zeros**)

I certify that the above numeric entry is my PIN, which is my signature on the 2008 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

LHA **For Paperwork Reduction Act Notice, see instructions.**

Form **8879-EO** (2008)

823051
10-24-08