CENTER FOR PLANT CONSERVATION, INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

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Independent Auditors' Report

The Board of Trustees of
Center for Plant Conservation, Inc.:

We have audited the accompanying financial statements of the Center for Plant Conservation, Inc. (a Massachusetts not-for-profit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Plant Conservation, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 18-20 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
August 15, 2018

CENTER FOR PLANT CONSERVATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents- non-endowment	$ 446,033	$ 334,843
Cash and cash equivalents- endowment	808,116	83,207
Investments	4,368,388	4,514,839
Contributions receivable	70,798	-
Accounts receivable, net	17,429	14,727
Grants receivable	14,013	59,767
Equipment, net	17,673	-
Other assets	3,622	3,864
TOTAL ASSETS	$ 5,746,072	$ 5,011,247
LIABILITIES		
Accounts payable and accrued liabilities	$ 52,905	$ 103,251
Due to Zoological Society of San Diego	-	123,253
Refundable advances	125,824	130,009
Line of credit	154,324	160,324
TOTAL LIABILITIES	333,053	516,837
NET ASSETS		
Unrestricted-		
General operating - undesignated	$ 237,979	$ (182,861)
Board designated - endowment	608,744	608,744
Total unrestricted	846,723	425,883
Temporarily restricted - non-endowment	25,000	106,219
Temporarily restricted - endowment	2,390,736	1,837,748
Permanently restricted - endowment	2,150,560	2,124,560
TOTAL NET ASSETS	5,413,019	4,494,410
TOTAL LIABILITIES AND NET ASSETS	$ 5,746,072	$ 5,011,247

See Notes To Financial Statements

CENTER FOR PLANT CONSERVATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

	Unrestricted					
	General Operating-Undesignated	Board Designated-Endowment	Temporarily Restricted Non-Endowment	Temporarily Restricted - Endowment	Permanently Restricted - Endowment	Total
OPERATING						
SUPPORT AND REVENUES:						
Foundation grants, contracts and cooperative agreements	$ 75,000	$ -	$ 55,748	$ -	$ -	$ 130,748
Individual grants, donations, and miscellaneous	740,055	-	31,000	-	26,000	797,055
In-kind contributions	576,104	-	-	-	-	576,104
Allocation of Plant Conservation Fund earnings to the general operating - undesignated fund	212,280	-	-	(212,280)	-	-
Other income	20,842	-	-	-	-	20,842
Net assets released from restrictions	167,967	-	(167,967)	-	-	-
TOTAL SUPPORT AND REVENUES	1,792,248	-	(81,219)	(212,280)	26,000	1,524,749
EXPENSES:						
Program services	964,875	-	-	-	-	964,875
Management and general support	258,351	-	-	-	-	258,351
Fundraising	148,182	-	-	-	-	148,182
TOTAL EXPENSES	1,371,408	-	-	-	-	1,371,408
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUES OVER EXPENSES BEFORE INVESTMENT AND SECURITY TRANSACTIONS	420,840	-	(81,219)	(212,280)	26,000	153,341
NON-OPERATING						
Interest and dividend income	-	-	-	67,081	-	67,081
Net realized gains on investments	-	-	-	516,231	-	516,231
Change in net unrealized gains on investments	-	-	-	222,192	-	222,192
Investment expenses	-	-	-	(40,236)	-	(40,236)
TOTAL INVESTMENT INCOME, NET	-	-	-	765,268	-	765,268
CHANGE IN NET ASSETS	420,840	-	(81,219)	552,988	26,000	918,609
NET ASSETS, beginning of year	(182,861)	608,744	106,219	1,837,748	2,124,560	4,494,410
NET ASSETS, end of year	$ 237,979	$ 608,744	$ 25,000	$ 2,390,736	$ 2,150,560	$ 5,413,019

See Notes to Financial Statements

CENTER FOR PLANT CONSERVATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

	Unrestricted					
	General Operating-Undesignated	Board Designated-Endowment	Temporarily Restricted Non-Endowment	Temporarily Restricted - Endowment	Permanently Restricted - Endowment	Total
OPERATING						
SUPPORT AND REVENUES:						
Foundation grants, contracts and cooperative agreements	$ -	$ -	$ 272,420	$ -	$ -	$ 272,420
Individual grants, donations, and miscellaneous	343,214	-	-	-	15,000	358,214
In-kind contributions	314,264	-	-	-	-	314,264
Allocation of Plant Conservation Fund earnings to the general operating - undesignated fund	201,925	-	-	(201,925)	-	-
Other income	15,363	-	-	-	-	15,363
Net assets released from restrictions	176,271	-	(176,271)	-	-	-
TOTAL SUPPORT AND REVENUES	1,051,037	-	96,149	(201,925)	15,000	960,261
EXPENSES:						
Program services	660,632	-	-	-	-	660,632
Management and general support	346,130	-	-	-	-	346,130
Fundraising	30,345	-	-	-	-	30,345
TOTAL EXPENSES	1,037,107	-	-	-	-	1,037,107
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUES OVER EXPENSES BEFORE INVESTMENT AND SECURITY TRANSACTIONS	13,930	-	96,149	(201,925)	15,000	(76,846)
NON-OPERATING						
Interest and dividend income	-	-	-	71,318	-	71,318
Net realized gains on investments	-	-	-	99,774	-	99,774
Change in net unrealized gains on investments	-	-	-	455,441	-	455,441
Investment expenses	-	-	-	(29,040)	-	(29,040)
TOTAL INVESTMENT INCOME, NET	-	-	-	597,493	-	597,493
CHANGE IN NET ASSETS	13,930	-	96,149	395,568	15,000	520,647
NET ASSETS, beginning of year	(196,791)	608,744	10,070	1,442,180	2,109,560	3,973,763
NET ASSETS, end of year	$ (182,861)	$ 608,744	$ 106,219	$ 1,837,748	$ 2,124,560	$ 4,494,410

See Notes to Financial Statements

CENTER FOR PLANT CONSERVATION, INC.

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 918,609	$ 520,647
Adjustments to reconcile change in net assets to cash from operations:		
Depreciation	3,775	-
Unrealized gain on investments	(222,192)	(455,441)
Realized gain on investments	(516,231)	(70,734)
Contributions restricted for long-term purposes	(26,000)	(15,000)
Changes in assets and liabilities:		
Receivables and other assets	(27,504)	(16,389)
Accounts payable and accrued liabilities	(50,346)	(40,132)
Due to Zoological Society of San Diego	(123,253)	123,253
Refundable advances	(4,185)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(47,327)	46,204
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(21,448)	-
Purchases of investments	(85,686)	(246,121)
Proceeds from sale of investments	970,560	201,925
NET CASH FLOWS FROM INVESTING ACTIVITIES	863,426	(44,196)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for long-term purposes	26,000	15,000
Advances on line of credit, net	(6,000)	(431)
NET CASH FLOWS FROM FINANCING ACTIVITIES	20,000	14,569
NET CHANGE IN CASH AND CASH EQUIVALENTS	836,099	16,577
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	418,050	401,473
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,254,149	$ 418,050
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Cash paid for interest	$ 6,182	$ 6,629
CASH AND CASH EQUIVALENTS- NON-ENDOWMENT	$ 446,033	$ 334,843
CASH AND CASH EQUIVALENTS- ENDOWMENT	808,116	83,207
	$ 1,254,149	$ 418,050

See Notes to Financial Statements

(1) Summary of significant accounting policies

Nature of operations – The Center for Plant Conservation, Inc. (the Center) was incorporated in 1984 as a not-for-profit organization for the purpose of promoting the conservation and preservation of endangered plant species in the United States of America.

Effective October 29, 2015, the Center entered into an agreement with the Zoological Society of San Diego (dba San Diego Zoo Global) (SDZG) to collaborate in carrying out the programmatic mission of the Center. SDZG provides facilities and equipment, funds certain staff positions, and provides various support services. These support services include administrative, accounting, marketing, and fundraising support. See also in-kind contributions below.

Basis of presentation – The financial statement presentation follows the recommendations of the FASB Accounting Standards Codification ASC 958-205. Under ASC 958-205, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Center to utilize funds in furtherance of its mission.

Temporarily Restricted Net Assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds or limitations imposed by law. Temporary restrictions may expire either because of the passage of time or because certain actions are taken by the Center which fulfill the restriction.

Permanently Restricted Net Assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained permanently.

Fair value measurements – The fair value of financial instruments including cash and cash equivalents, receivables, accounts payable and accrued liabilities, due to SDZG, refundable advances, and line of credit approximate carrying value due to the short-term nature of these accounts.

The Center has determined the fair value of certain financial assets on a recurring basis through the application of ASC 820, as disclosed in Note 4 to the financial statements.

There were no triggering events that required fair value measurements of the Center's nonfinancial assets and liabilities at December 31, 2017 and 2016.

(1) Summary of significant accounting policies (continued)

Cash and cash equivalents – Cash and cash equivalents include cash and money market deposits with original maturities of three months or less.

Investments – Investments are carried at fair value, and net realized and unrealized gains and losses are reflected in the statements of activities. Contributed securities, if any, are stated at their fair market value on the date of receipt. It is the policy of the Center to sell all contributed securities as soon as they are received.

Contributions receivable – Contributions receivable are recorded as a receivable in the year made. The Center considers all contributions receivable at December 31, 2017 to be fully collectible and due within 12 months.

Accounts receivable – Accounts receivable are recorded at the amount the Center expects to collect from individual balances outstanding at year end. The total allowance for doubtful accounts related to these accounts receivable was approximately $2,250 and $0 at December 31, 2017 and 2016, respectively.

Grants receivable – Grants receivable are recorded when the Center fulfills the initial conditions of a grant before receiving the funds. The Center considers all grants receivable at December 31, 2017 and 2016 to be collectible.

Equipment – The Center capitalizes all expenditures in excess of $2,000 for equipment at cost. Donated equipment is recorded at the fair market value at the date of donation. Additions and replacements are capitalized in the period they are placed in service. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. Depreciation is provided on a straight-line basis over the estimated lives of the respective assets which is three years.

Refundable advances – Refundable advances represent cash received from grants prior to performance by the Center.

Unrestricted-board designated net assets – Unrestricted-board designated net assets include net assets restricted by the Center's Board of Trustees (the Board) for specified purposes and net assets used for capital projects. At times the Board may designate these net assets to the endowment.

Support and revenues – The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Grant and contract revenues are recorded as earned, that is, as expenditures are incurred related to individual grant programs and contracts. Amounts received in advance are recorded to the extent cash is received as deferred revenue until the grant or contract is fulfilled.

(1) Summary of significant accounting policies (continued)

In-kind contributions of tangible assets are recognized at fair value when received. Donations of office space, personnel costs, and other support services provided by SDGZ, net of any amounts funded by other sources, are recorded at their estimated fair value when received. At December 31, 2017 and 2016, $0 and $123,253, respectively, were due from the Center to SDZG for certain expenses funded by other sources. A number of volunteers have donated time to the Center's program and support services. These in-kind contributions are not reflected in the financial statements since these services do not meet the criteria for recognition.

Investment income on the statements of activities is shown net of investment, advisory and management fees of $40,236 and $29,040 for the years ended December 31, 2017 and 2016, respectively.

Advertising expense – Advertising costs, if any, are expensed as incurred.

Income taxes – No provision is included in these financial statements for income taxes as the Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Center follows the provisions of ASC 740-10-25 requiring disclosure of uncertain tax positions. There have been no interest or penalties neither recognized in the statements of activities nor in the statements of financial position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The Center files income tax returns in the U.S. federal jurisdiction. The statute of limitations is three years and the years that remain subject to examination are 2014, 2015 and 2016. The Center evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

Use of estimates – The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements – In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its equivalent)* (ASU 2015-07). The amendments in ASU 2015-07 affect only the Center's disclosures and requires retrospective application. The ASU is effective for fiscal years beginning after December 15, 2016. Refer to the asset disclosures in Note 5 for more information.

(1) Summary of significant accounting policies (continued)

New accounting pronouncements (continued) – In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This update, which amends the requirements for financial statements and notes in *Topic 958, Not-for-Profit Entities*, require a Not-for-Profit (NFP) to:

- Present on the face of the statement of financial position amounts for two classes of net assets as "net assets with donor restrictions" and "net assets without donor restrictions," rather than for the currently required three classes.
- Present on the face of the statement of activities the amount of the change in each of the two classes of net assets (noted above) rather than that of the currently required three classes.
- Provide enhanced disclosures about (1) amounts and purposes of governing board designations that result in self-imposed limits on the use of resources without donor-imposed restrictions (2) composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources (3) qualitative information that communicates how a NFP manages its liquid resources available to meet cash needs for general expenditures within one year of the statement of financial position date (4) quantitative information, either on the statement of financial position or in the notes, and additional qualitative information in the notes that communicates the availability of a NFP's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year of the statement of financial position date (5) amounts of expenses by both their natural classification and their functional classification (6) report investment return net of external and direct internal investment expenses, and no longer require disclosure of those netted expenses (7) use, in absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption.

This standard is effective for fiscal years beginning after December 15, 2017. The Center is evaluating the impact that this updated standard will have on the financial statements and related notes to the financial statements.

Reclassifications – Certain items in the 2016 financial statements have been reclassified to conform to the 2017 presentation.

(2) Investments

Investments consist of the following at:

	December 31,			
	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Limited partnerships and limited liability corporation	$ 437,356	$ 1,023,435	$ 787,356	$ 1,609,009
Equities	1,665,670	3,096,662	1,684,313	2,658,918
Mutual fund- fixed income	245,000	248,291	245,000	246,912
	$ 2,348,026	$ 4,368,388	$ 2,716,669	$ 4,514,839

(3) Endowment

The Center's endowment (named Plant Conservation Funds) includes donor-restricted and Board designated funds. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds and funds designated by the Board are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment balances are included in cash and cash equivalents and investments in the statements of financial position. Permanently restricted endowment balances include the original value at the date of gift. The Board has interpreted the State of Massachusetts enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The investment of the Center's endowment funds is governed by Board policy. The portfolio is to be managed in a way that provides ongoing financial support for the operations of the Center while protecting and increasing the value of the endowment through careful investment.

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation

(3) Endowment (continued)

(realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Center's spending policy for the years ended December 31, 2017 and 2016 was 5% of the prior three-year market value rolling average at December 31. In establishing this policy, the Center considered the long-term expected return on its endowment.

The changes in endowment net assets for the years ended December 31, 2017 and 2016 are as follows:

	Year Ended December 31, 2017 Endowment Funds			
	Board-Designated	Donor-Restricted		Total
	Unrestricted	Temporarily	Permanently	
Beginning balance, January 1, 2017	$ 608,744	$ 1,837,748	$ 2,124,560	$ 4,571,052
Investment income, net	-	765,268	-	765,268
Contributions to perpetual endowment	-	-	26,000	26,000
Amounts transferred out of endowment	-	(212,280)	-	(212,280)
Total change in endowment funds	-	552,988	26,000	578,988
Ending Balance, December 31, 2017	$ 608,744	$ 2,390,736	$ 2,150,560	$ 5,150,040

	Year Ended December 31, 2016 Endowment Funds			
	Board-Designated	Donor-Restricted		Total
	Unrestricted	Temporarily	Permanently	
Beginning balance, January 1, 2016	$ 608,744	$ 1,442,180	$ 2,109,560	$ 4,160,484
Investment income, net	-	597,493	-	597,493
Contributions to perpetual endowment	-	-	15,000	15,000
Amounts transferred out of endowment	-	(201,925)	-	(201,925)
Total change in endowment funds	-	395,568	15,000	410,568
Ending balance, December 31, 2016	$ 608,744	$ 1,837,748	$ 2,124,560	$ 4,571,052

During the years ended December 31, 2017 and 2016, $212,280 and $201,925, respectively, was transferred from the endowment to the general operating fund, in accordance with the Center's spending policy.

(3) Endowment (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2017 and 2016.

(4) Net Assets

Temporarily restricted non-endowment net assets consist of the following as of:

	December 31, 2017	December 31, 2016
Endangered plants native to Missouri	$ 25,000	$ -
Other	-	106,219
	$ 25,000	$ 106,219

Net assets were released from donor-imposed restrictions as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Regional plant collecting and care	$ 161,467	$ 176,271
Principal payments on line of credit	6,000	-
Other	500	-
	$ 167,967	$ 176,271

(5) Fair value measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2017 and 2016 are as follows:

	December 31, 2017			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ 3,096,662	$ 3,096,662	$ -	$ -
Mutual fund- fixed income	248,291	248,291	-	-
Total investments at fair value	$ 3,344,953	$ 3,344,953	$ -	$ -
Investments reported at NAV	1,023,435			
Total investments	$ 4,368,388			

	December 31, 2016			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ 2,658,918	$ 2,658,918	$ -	$ -
Mutual fund- fixed income	246,912	246,912	-	-
Total investments at fair value	$ 2,905,830	$ 2,905,830	$ -	$ -
Investments reported at NAV	1,609,009			
Total investments	$ 4,514,839			

(5) Fair value measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Fair value for investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments in the Level 2 category include bonds which are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The Center also invests in a limited liability corporation and two limited partnerships. The fair values of these investments have been estimated using the net asset value per share of the investments (NAV), which represents the amounts at which the Center may acquire or redeem its fund interests. The investments are redeemed on a daily basis and have various redemption restrictions as disclosed in their respective audited financial statements. Additionally, there are no unfunded commitments.

(6) Equipment

Equipment consists of the following at:

	December 31, 2017	December 31, 2016
Equipment	$ 21,448	$ -
Less: Accumulated depreciation	(3,775)	-
	$ 17,673	$ -

(7) Credit Facilities

As of December 31, 2017, the Center maintained a line of credit, secured by a commercial pledge agreement, for $300,000 with a bank. Interest is payable at .75% over the bank's index rate (4% at December 31, 2017). The line of credit matures on November 3, 2018. At December 31, 2017 and 2016, the Center had $154,324 and $160,324, respectively, outstanding on this line of credit.

In addition, SDZG provides the Center with an unsecured revolving credit facility for $50,000. The interest rate shall bear interest at the rate in effect for SDZG's own credit facility at the time the principal is borrowed. At December 31, 2017 and 2016, no amounts were outstanding on this credit facility.

(8) Related party transactions

During the years ended December 31, 2017 and 2016, the Center received $263,211 and $239,075, respectively, in contributions for operating, research, and capital purposes from various members of the Center's Board.

(9) Concentrations

During the years ended December 31, 2017 and 2016, grant revenue from three grantors comprised 12% and 42% of total support and revenue excluding in-kind contributions, respectively.

(10) Risks and uncertainties

The Center's assets include investments in various securities which, in general, are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position and the statements of activities.

The Center maintains cash and cash equivalents and investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each institution. At times, the Center may have cash balances with banks in excess of the FDIC coverage.

(11) Subsequent events

The Center has evaluated subsequent events through August 15, 2018, which is the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the financial statements.

SUPPLEMENTARY INFORMATION

CENTER FOR PLANT CONSERVATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

	Program Services	Management and General	Fundraising	Total Expenses
Personnel Expenses				
Salaries and wages	$ 115,415	$ 59,852	$ 41,497	$ 216,764
Salaries and wages - In-Kind	224,019	7,590	22,770	254,379
	339,434	67,442	64,267	471,143
Employee benefits and taxes	45,984	23,847	16,533	86,364
Employee benefits and taxes - In-Kind	83,757	2,838	8,513	95,108
	129,741	26,685	25,046	181,472
Total Personnel Expenses	469,175	94,127	89,313	652,615
Other Expenses				
National collection payouts	141,000	-	-	141,000
Seed collecting	78,596	-	-	78,596
National meeting	37,497	-	-	37,497
Professional services:				
Accounting	-	41,204	-	41,204
Legal	-	8,197	-	8,197
Information technology	11,017	2,260	2,124	15,401
Other	8,640	21,542	3,250	33,432
Temporary staffing	3,747	769	722	5,238
Insurance	2,024	6,282	728	9,034
Bank and merchant fees	-	651	-	651
Board meetings	-	6,702	-	6,702
Membership and dues	2,837	750	-	3,587
Meals	-	2,457	2,457	4,914
Maintenance and repairs	-	22	-	22
Donor cultivation	-	-	74	74
Interest expense	-	6,606	-	6,606
Information technology supplies and and maintenance	7,109	1,458	1,371	9,938
Meetings and conferences	3,624	-	-	3,624
Postage and shipping	-	184	2,955	3,139
Printing and copying	-	7,612	5,862	13,474
Office expenses	926	190	179	1,295
Bad debt expense	-	4,869	-	4,869
Depreciation expense	2,700	555	520	3,775
Filing fees	-	375	-	375
In-Kind expenses - other				
Administrative and operating support	125,798	26,536	28,499	180,833
Insurance	14,145	479	1,438	16,062
Occupancy	9,809	2,069	2,222	14,100
Professional services	6,724	3,930	4,968	15,622
Travel	39,507	5,250	1,500	46,257
Other expenses	-	13,275	-	13,275
Total Other Expenses	495,700	164,224	58,869	718,793
Total Expenses	$ 964,875	$ 258,351	$ 148,182	$ 1,371,408

NOTES TO SCHEDULE OF FUNCTIONAL EXPENSES

(1) Schedule of Functional Expenses

The schedule of functional expenses (the Schedule) has been prepared under the accrual basis of accounting. The costs of supporting the program and other activities have been summarized on a functional basis in the Schedule. Expenses are charged to program services and supporting activities based on actual expenses and the federally approved indirect cost rate. Management and general support include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

CENTER FOR PLANT CONSERVATION, INC.

STATEMENT OF ACTIVITIES – OPERATING AND NON-OPERATING (ENDOWMENT)

For the Year Ended December 31, 2017

	Operating			Non-Operating (Endowment)				
	Unrestricted	Temporarily Restricted	Total Operating	Board Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total Non-Operating	Total
OPERATING								
SUPPORT AND REVENUES:								
Foundation grants, contracts and cooperative agreements	$ 75,000	$ 55,748	$ 130,748	$ -	$ -	$ -	$ -	$ 130,748
Individual grants, donations, and miscellaneous	740,055	31,000	771,055	-	-	26,000	26,000	797,055
In-kind contributions	576,104	-	576,104	-	-	-	-	576,104
Allocation of Plant Conservation Fund earnings to the general operating - undesignated fund	212,280	-	212,280	-	(212,280)	-	(212,280)	-
Other income	20,842	-	20,842	-	-	-	-	20,842
Net assets released from restrictions	167,967	(167,967)	-	-	-	-	-	-
TOTAL SUPPORT AND REVENUES	1,792,248	(81,219)	1,711,029	-	(212,280)	26,000	(186,280)	1,524,749
EXPENSES:								
Program services	964,875	-	964,875	-	-	-	-	964,875
Management and general support	258,351	-	258,351	-	-	-	-	258,351
Fundraising	148,182	-	148,182	-	-	-	-	148,182
TOTAL EXPENSES	1,371,408	-	1,371,408	-	-	-	-	1,371,408
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUES OVER EXPENSES BEFORE INVESTMENT AND SECURITY TRANSACTIONS	420,840	(81,219)	339,621	-	(212,280)	26,000	(186,280)	153,341
NON-OPERATING								
Interest and dividend income	-	-	-	-	67,081	-	67,081	67,081
Net realized gains on investments	-	-	-	-	516,231	-	516,231	516,231
Change in net unrealized gains on investments	-	-	-	-	222,192	-	222,192	222,192
Investment expenses	-	-	-	-	(40,236)	-	(40,236)	(40,236)
TOTAL INVESTMENT INCOME, NET	-	-	-	-	765,268	-	765,268	765,268
CHANGE IN NET ASSETS	420,840	(81,219)	339,621	-	552,988	26,000	578,988	918,609
NET ASSETS, beginning of year	(182,861)	106,219	(76,642)	608,744	1,837,748	2,124,560	4,571,052	4,494,410
NET ASSETS, end of year	$ 237,979	$ 25,000	$ 262,979	$ 608,744	$ 2,390,736	$ 2,150,560	$ 5,150,040	$ 5,413,019