

**CENTER FOR PLANT CONSERVATION, INC.**

Financial Statements  
with  
Independent Auditor's Report

**DECEMBER 31, 2020**



THE FIRM FOR GROWTH.®

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THE FIRM FOR GROWTH.®

## Independent Auditor's Report

To the Board of Trustees of  
Center for Plant Conservation, Inc.

We have audited the accompanying financial statements of the Center for Plant Conservation, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2020, 2019, and 2018, and the related statements of activities, functional expenses, 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.

### ***Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 Organization'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 Organization'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, 2020, 2019, and 2018, 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 Supplemental Information***

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for the 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 supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in January 2020, the World Health Organization has declared COVID 19 to constitute a "Public Health Emergency of International Concern." Given the economic uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

*Brown Smith Wallace, LLP*

St. Louis, Missouri

July 27, 2021

# CENTER FOR PLANT CONSERVATION, INC.

## Statements of Financial Position

December 31, 2020, 2019 and 2018

(See Independent Auditor's Report)

	2020	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents - operating	\$ 594,343	\$ 333,586	\$ 330,977
Cash and cash equivalents - CA Biodiversity overhead	30,000	30,000	-
Accounts receivable, net	1,847	1,032	500
Accounts receivable from related parties	-	-	4,006
Grants receivable	39,985	28,019	-
Contributions receivable	-	-	8,727
Prepaid expenses	11,123	12,354	30,249
<b>Total Current Assets</b>	<b>677,298</b>	<b>404,991</b>	<b>374,459</b>
<b>Cash and cash equivalents - endowment</b>	<b>58,093</b>	<b>106,021</b>	<b>60,033</b>
<b>Cash and cash equivalents - restricted funds held on behalf of others</b>	<b>756,299</b>	<b>1,040,254</b>	<b>-</b>
<b>Certificates of deposit - restricted funds held on behalf of others</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>
<b>Cash and cash equivalents - CA Biodiversity overhead</b>	<b>60,000</b>	<b>90,000</b>	<b>-</b>
<b>Property and equipment, net</b>	<b>4,590</b>	<b>3,374</b>	<b>10,524</b>
<b>Endowment investments, at fair value</b>	<b>5,580,510</b>	<b>5,482,835</b>	<b>4,631,221</b>
<b>TOTAL ASSETS</b>	<b>\$ 9,136,790</b>	<b>\$ 9,127,475</b>	<b>\$ 5,076,237</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 69,738	\$ 25,173	\$ 12,793
Accounts payable and accrued expenses to related party	103,692	62,658	21,429
Accrued employee related expenses	8,841	7,158	7,449
Deferred revenue	13,351	17,522	41,528
Paycheck Protection Program loan	51,967	-	-
<b>Total Current Liabilities</b>	<b>247,589</b>	<b>112,511</b>	<b>83,199</b>
<b>Funds held on behalf of others</b>	<b>2,756,299</b>	<b>3,040,000</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,003,888</b>	<b>3,152,511</b>	<b>83,199</b>
<b>Net Assets</b>			
Without donor restrictions			
Undesignated	404,299	266,108	301,784
Designated by the Board for an endowment	608,744	608,744	608,744
Accumulated endowment investment earnings	171,001	127,837	-
Total without donor restrictions	1,184,044	1,002,689	910,528
With donor restrictions			
Donor restricted - temporary in nature	90,000	120,000	-
Endowment - perpetual in nature	2,163,410	2,161,010	2,150,790
Accumulated endowment investment earnings - temporary in nature	2,695,448	2,691,265	1,931,720
Total with donor restrictions	4,948,858	4,972,275	4,082,510
<b>Total Net Assets</b>	<b>6,132,902</b>	<b>5,974,964</b>	<b>4,993,038</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,136,790</b>	<b>\$ 9,127,475</b>	<b>\$ 5,076,237</b>

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

## CENTER FOR PLANT CONSERVATION, INC.

### Statements of Activities

Years ended December 31, 2020, 2019 and 2018

(See Independent Auditor's Report)

	2020	2019	2018
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>			
<b>OPERATING REVENUES</b>			
Grants and contributions	\$ 347,224	\$ 402,909	\$ 464,485
In-kind contributions from related party	459,116	549,386	528,048
Government grants and contracts	174,284	113,436	151,259
Participating Institution fees	70,825	41,825	35,250
National meeting	14,050	29,620	25,685
Draw of Plant Conservation Fund accumulated investment earnings to general operating	240,206	231,230	218,272
Other net assets released from donor-imposed restrictions	30,000	40,000	25,000
Other income	639	10,942	2,082
<b>TOTAL OPERATING REVENUES WITHOUT DONOR RESTRICTIONS</b>	<b>1,336,344</b>	<b>1,419,348</b>	<b>1,450,081</b>
<b>OPERATING EXPENSES</b>			
Program services	845,584	1,075,535	1,069,046
Supporting services:			
Management and general	255,342	264,961	215,782
Fundraising	97,877	114,528	101,448
<b>TOTAL OPERATING EXPENSES</b>	<b>1,198,803</b>	<b>1,455,024</b>	<b>1,386,276</b>
<b>NET OPERATING INCOME WITHOUT DONOR RESTRICTION</b>	<b>137,541</b>	<b>(35,676)</b>	<b>63,805</b>
<b>NON-OPERATING INCOME</b>			
Investment earnings, net - operating	650	-	-
Investment earnings, net - board designated endowment	43,164	127,837	-
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>181,355</b>	<b>92,161</b>	<b>63,805</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>			
<b>OPERATING</b>			
Draw from accumulated investment earnings (released from donor-restricted endowment)	(240,206)	(231,230)	(218,272)
Other net assets released from donor restrictions	(30,000)	(40,000)	(25,000)
Government grants and contracts with donor restrictions	-	160,000	-
Contributions with donor restrictions - additions to endowment	2,400	10,220	230
<b>TOTAL OPERATING ACTIVITY WITH DONOR RESTRICTIONS</b>	<b>(267,806)</b>	<b>(101,010)</b>	<b>(243,042)</b>
<b>NON-OPERATING INCOME</b>			
Investment earnings, net - donor designated endowment	244,389	990,775	(240,744)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>(23,417)</b>	<b>889,765</b>	<b>(483,786)</b>
<b>CHANGE IN NET ASSETS</b>	<b>157,938</b>	<b>981,926</b>	<b>(419,981)</b>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	<b>5,974,964</b>	<b>4,993,038</b>	<b>5,413,019</b>
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 6,132,902</b>	<b>\$ 5,974,964</b>	<b>\$ 4,993,038</b>

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

## CENTER FOR PLANT CONSERVATION, INC.

### Statement of Functional Expenses

Year ended December 31, 2020

(See Independent Auditor's Report)

	Program Services	Management and General	Fundraising	Total
<b>PERSONNEL EXPENSES</b>				
Salaries and wages	\$ 172,612	\$ 56,678	\$ 28,339	\$ 257,629
Salaries and wages - in-kind	136,590	44,850	22,425	203,865
	<b>309,202</b>	<b>101,528</b>	<b>50,764</b>	<b>461,494</b>
Employee benefits and taxes	43,112	14,156	7,078	64,346
Employee benefits and taxes - in-kind	66,595	21,867	10,934	99,396
	<b>109,707</b>	<b>36,023</b>	<b>18,012</b>	<b>163,742</b>
<b>TOTAL PERSONNEL EXPENSES</b>	<b>418,909</b>	<b>137,551</b>	<b>68,776</b>	<b>625,236</b>
<b>OTHER EXPENSES</b>				
National collection grants	138,000	-	-	138,000
Seed collecting grants	12,500	-	-	12,500
National meeting	3,590	-	-	3,590
Professional services:				
Accounting	-	49,400	-	49,400
Communication	24,820	-	-	24,820
Legal	-	3,015	-	3,015
Information technology	8,288	-	-	8,288
Community engagement	-	-	-	-
Illustrators and web contractors	120,969	4,634	6,854	132,457
Insurance	-	7,874	-	7,874
Bank and merchant fees	-	4,139	-	4,139
Board meetings	-	3,300	-	3,300
Membership and dues	-	906	-	906
Meals	-	-	-	-
Interest	-	-	-	-
Information technology supplies and maintenance	7,667	1,627	16	9,310
Meetings and conferences	758	-	-	758
Postage and shipping	255	228	757	1,240
Printing and copying	2,179	-	4,022	6,201
Bad debt expense	-	573	-	573
Office expenses	587	415	132	1,134
Depreciation and amortization	1,721	1,249	405	3,375
Filing fees	-	3,597	-	3,597
Travel	2,610	625	-	3,235
In-kind expenses - other				
Administrative and operating support	94,976	31,186	15,593	141,755
Occupancy	7,755	5,023	1,322	14,100
<b>TOTAL OTHER EXPENSES</b>	<b>426,675</b>	<b>117,791</b>	<b>29,101</b>	<b>573,567</b>
<b>TOTAL EXPENSES</b>	<b>\$ 845,584</b>	<b>\$ 255,342</b>	<b>\$ 97,877</b>	<b>\$ 1,198,803</b>

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

## CENTER FOR PLANT CONSERVATION, INC.

### Statement of Functional Expenses

Year ended December 31, 2019

(See Independent Auditor's Report)

	Program Services	Management and General	Fundraising	Total
<b>PERSONNEL EXPENSES</b>				
Salaries and wages	\$ 206,120	\$ 48,667	\$ 31,491	\$ 286,278
Salaries and wages - in-kind	190,937	45,082	29,171	265,190
	<u>397,057</u>	<u>93,749</u>	<u>60,662</u>	<u>551,468</u>
Employee benefits and taxes	54,504	12,869	8,327	75,700
Employee benefits and taxes - in-kind	48,611	11,477	7,427	67,515
	<u>103,115</u>	<u>24,346</u>	<u>15,754</u>	<u>143,215</u>
<b>TOTAL PERSONNEL EXPENSES</b>	500,172	118,095	76,416	694,683
<b>OTHER EXPENSES</b>				
National collection grants	137,500	-	-	137,500
Seed collecting grants	85,000	-	-	85,000
National meeting	49,079	-	-	49,079
Professional services:				
Accounting	-	52,015	-	52,015
Communication	21,839	2,371	-	24,210
Legal	-	5,271	-	5,271
Information technology	45,904	-	-	45,904
Community engagement	-	-	-	-
Other	43,104	204	3,383	46,691
Insurance	-	8,756	-	8,756
Bank and merchant fees	-	3,334	-	3,334
Board meetings	-	16,417	-	16,417
Membership and dues	2,576	-	606	3,182
Meals	-	82	-	82
Interest	-	-	-	-
Information technology supplies and maintenance	6,928	1,011	-	7,939
Meetings and conferences	9,078	-	-	9,078
Postage and shipping	54	365	736	1,155
Printing and copying	174	1,228	8,609	10,011
Bad debt expense	-	-	-	-
Office expenses	895	1,377	141	2,413
Depreciation and amortization	5,149	1,215	786	7,150
Filing fees	-	4,378	-	4,378
Travel	12,178	11,848	68	24,094
In-kind expenses - other				
Administrative and operating support	145,859	34,439	22,284	202,582
Occupancy	10,046	2,555	1,499	14,100
<b>TOTAL OTHER EXPENSES</b>	<u>575,363</u>	<u>146,866</u>	<u>38,112</u>	<u>760,341</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,075,535</u>	<u>\$ 264,961</u>	<u>\$ 114,528</u>	<u>\$ 1,455,024</u>

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



## CENTER FOR PLANT CONSERVATION, INC.

### Statement of Functional Expenses

Year ended December 31, 2018

(See Independent Auditor's Report)

	Program Services	Management and General	Fundraising	Total
<b>PERSONNEL EXPENSES</b>				
Salaries and wages	\$ 164,354	\$ 33,315	\$ 24,431	\$ 222,100
Salaries and wages - in-kind	180,376	36,563	26,813	243,752
	<u>344,730</u>	<u>69,878</u>	<u>51,244</u>	<u>465,852</u>
Employee benefits and taxes	48,005	9,731	7,136	64,872
Employee benefits and taxes - in-kind	59,161	11,992	8,794	79,947
	<u>107,166</u>	<u>21,723</u>	<u>15,930</u>	<u>144,819</u>
<b>TOTAL PERSONNEL EXPENSES</b>	<b>451,896</b>	<b>91,601</b>	<b>67,174</b>	<b>610,671</b>
<b>OTHER EXPENSES</b>				
National collection grants	137,500	-	-	137,500
Seed collecting grants	81,000	-	-	81,000
National meeting	29,216	-	-	29,216
Professional services:				
Accounting	-	34,913	-	34,913
Communication	40,201	3,000	-	43,201
Legal	-	1,060	-	1,060
Information technology	25,543	-	-	25,543
Community engagement	96,500	-	-	96,500
Other	10,140	7,009	-	17,149
Insurance	-	5,914	-	5,914
Bank and merchant fees	-	3,236	-	3,236
Board meetings	-	23,221	-	23,221
Membership and dues	1,268	232	570	2,070
Meals	446	475	-	921
Interest	-	176	-	176
Information technology supplies and maintenance	6,737	3,431	-	10,168
Meetings and conferences	5,481	-	-	5,481
Postage and shipping	130	306	1,359	1,795
Printing and copying	-	1,022	9,026	10,048
Bad debt expense	-	-	-	-
Office expenses	4,016	3,240	69	7,325
Depreciation and amortization	5,291	1,072	786	7,149
Filing fees	-	180	-	180
Travel	22,850	4,602	38	27,490
In-kind expenses - other				
Administrative and operating support	140,785	28,537	20,927	190,249
Occupancy	10,046	2,555	1,499	14,100
<b>TOTAL OTHER EXPENSES</b>	<b>617,150</b>	<b>124,181</b>	<b>34,274</b>	<b>775,605</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,069,046</b>	<b>\$ 215,782</b>	<b>\$ 101,448</b>	<b>\$ 1,386,276</b>

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

## CENTER FOR PLANT CONSERVATION, INC.

### Statements of Cash Flows

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Change in net assets	\$ 157,938	\$ 981,926	\$ (419,981)
Adjustments to reconcile change in net assets to cash from operations			
Depreciation and amortization	3,375	7,150	7,149
Realized gain on investments	(128,910)	(131,726)	(189,091)
Unrealized (gain) loss on investments	(115,709)	(917,028)	458,762
Donated securities	(10,667)	(21,221)	(30,819)
Contributions with donor-imposed restrictions for long-term purposes	(2,400)	(10,220)	(230)
Changes in assets and liabilities:			
Accounts receivable	(815)	(532)	8,816
Accounts receivable from related parties	-	4,006	4,107
Grants receivable	(11,966)	(28,019)	-
Contributions receivable	-	8,727	76,084
Prepaid expenses	1,231	17,895	(26,627)
Accounts payable and accrued expenses	44,565	12,380	(223)
Accounts payable and accrued expenses to related party	41,034	41,229	(18,460)
Accrued employee related expenses	1,683	-	7,449
Receipts in funds held on behalf of others	190,000	3,040,000	-
Disbursements from funds held on behalf of others	(473,701)	-	-
Deferred revenue	(4,171)	(24,006)	(84,296)
<b>Net cash provided by (used in) operating activities</b>	<b>(308,513)</b>	2,980,561	(207,360)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	(4,591)	-	-
Purchases of certificates of deposits	-	(2,000,000)	-
Proceeds from sales of investments	184,426	264,169	322,999
Purchases of investments	(26,815)	(46,099)	(824,684)
<b>Net cash provided by (used in) investing activities</b>	<b>153,020</b>	(1,781,930)	(501,685)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from contributions with donor-imposed restrictions for long-term purposes	2,400	10,220	230
Proceeds from Paycheck Protection Program Loan	51,967	-	-
Payments to line of credit	-	-	(154,324)
<b>Net cash provided by (used in) financing activities</b>	<b>54,367</b>	10,220	(154,094)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(101,126)</b>	1,208,851	(863,139)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<b>1,599,861</b>	391,010	1,254,149
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,498,735</b>	<b>\$ 1,599,861</b>	<b>\$ 391,010</b>
Cash and cash equivalents - operating	\$ 594,343	\$ 333,586	\$ 330,977
Cash and cash equivalents - endowment	58,093	106,021	60,033
Cash and cash equivalents - restricted funds held for others	756,299	1,040,254	-
Cash and cash equivalents - CA Biodiversity overhead	90,000	120,000	-
	<b>\$ 1,498,735</b>	<b>\$ 1,599,861</b>	<b>\$ 391,010</b>

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

# CENTER FOR PLANT CONSERVATION, INC.

## Notes to the Financial Statements

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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### Note 1 – Organization

The Center for Plant Conservation, Inc. (the Center) is a nonprofit organization established to promote the conservation and preservation of plant species, furthering scientific understanding of plant biology, encouraging the investigation of beneficial uses of plants, and broadening public awareness and understanding of all related matters.

The Center works in collaboration with the Zoological Society of San Diego (dba San Diego Zoo Global) (SDZG) to carry out its mission. SDZG provides facilities and equipment, funds certain staff positions, and provides various other support services. The assistance from SDZG is presented as in-kind contributions from related party within the statements of activities.

### Note 2 – Summary of Significant Accounting Policies

#### ***Basis of Presentation of Financial Statements***

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP). The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### ***Cash and Cash Equivalents***

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered cash and cash equivalents.

#### ***Certificates of Deposit***

Certificates of deposit held for investment that are not debt securities are included in the statements of financial position as certificates of deposit. Certificates of deposit are valued at cost, which approximates fair value.

#### ***Receivables***

Accounts receivable consists primarily of noninterest-bearing amounts due from participating institutions. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At December 31, 2020, 2019, and 2018, the allowance was \$0, \$0, and \$750, respectively.

# CENTER FOR PLANT CONSERVATION, INC.

## Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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### Note 2 – Summary of Significant Accounting Policies (Continued)

#### ***Grants Receivable***

Grants receivable consists of amounts due to the Center under various cost reimbursement grants. All receivables are deemed to be collectible; no allowance was deemed necessary by management at December 31, 2020, 2019, and 2018.

#### ***Property and Equipment***

Property and equipment additions over \$2,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets which is currently three years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

#### ***Investments***

Investments are recorded at cost, if purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

#### ***Funds held on behalf of others***

Funds held on behalf of others consists of grant funds that were received by the Center, for which the Center acts as an agent and passes the funds through to awarded organizations.

#### ***Paycheck Protection Program Loan***

During 2020, the Center applied and was awarded a loan in the amount of \$51,967 under the Paycheck Protection Program (PPP). The Center has elected to account for the loan using the debt-model under FASB ASC 470. The debt-model requires initial recording of the proceeds received as financing activities and the loan as a liability until the Center is legally released from the obligation to repay the loan.

# CENTER FOR PLANT CONSERVATION, INC.

## Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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### Note 2 – Summary of Significant Accounting Policies (Continued)

#### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets with Donor Restrictions* – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example contributed assets that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating that resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### ***Revenue and Revenue Recognition***

Revenue including fees and contracts revenue is recognized when satisfaction of the contractual performance obligation is met. The performance obligation is met upon completion of the service. Fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets are received, or an unconditional promise to give is made. Promises to give are considered conditional when a measurable barrier and right of return or release exists. The pledge receivable becomes unconditional and is recognized as revenue when the barriers upon which they depend are overcome. When the satisfaction of a barrier is accomplished in the same period that the contribution is made, conditional contributions are recorded as unconditional.

#### ***Donated Services and In-Kind Contributions***

SDZG provides personnel services, office space, and other support services to the Center. Since SDZG meets the criteria for an affiliate organization, the Center is required to recognize the direct personnel costs incurred by the affiliate at the fair market value of services provided. Contributed services and facilities received from an affiliate during the years ended December 31, 2020, 2019, and 2018, were \$459,116, \$549,386, and \$528,048, respectively.

## **CENTER FOR PLANT CONSERVATION, INC.**

### **Notes to the Financial Statements - Continued**

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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#### **Note 2 – Summary of Significant Accounting Policies (Continued)**

##### ***Advertising Costs***

Advertising costs are expensed as incurred.

##### ***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, office expenses, information technology, occupancy, depreciation, and amortization, which are allocated on the basis of estimates of time, effort, and use.

##### ***Income Tax Status***

The Center is organized as a Massachusetts public benefit nonprofit corporation, but doing business in California as a foreign nonprofit, and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under Sections 509(a)(1) and (3), respectively. The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Center is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management has determined that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The Center's returns are subject to examination by federal and state taxing authorities, generally for three years, after they are filed.

##### ***Estimates***

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018  
(See Independent Auditor's Report)

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#### Note 2 – Summary of Significant Accounting Policies (Continued)

##### *Financial Instruments and Credit Risk*

The Center manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Center has not experienced any losses in any of these accounts.

##### *Reclassifications*

Certain amounts on the 2019 and 2018 financial statements have been reclassified, where appropriate, to conform to the financial statement presentation used in 2020. Changes in net assets are unchanged due to these reclassifications.

##### *Subsequent Events*

The Center has evaluated all subsequent events through July 27, 2021, the date the financial statements were available to be issued.

#### Note 3 – Liquidity and Availability of Resources

Financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash and cash equivalents – operating	\$ 594,343	\$ 333,586	\$ 330,977
Accounts receivable	1,847	1,032	500
Accounts receivable from related parties	-	-	4,006
Grants and contributions receivable	<u>39,985</u>	<u>28,019</u>	<u>8,727</u>
Total	<u>\$ 636,175</u>	<u>\$ 362,637</u>	<u>\$ 344,210</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes and not available for general expenditure.

As part of the Center's liquidity and investment management plan, there is a board-designated endowment (including Accumulated endowment investment earnings thereon) of \$779,745, \$736,581, and \$608,744 at December 31, 2020, 2019, and 2018, respectively. Although the Center does not intend to release or draw from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

To help manage unanticipated liquidity needs, the Center has a line of credit with a commercial bank and a credit facility with SDZG. As of December 31, 2020, 2019, and 2018, the entire line of credit and credit facility of \$300,000 and \$50,000, respectively, were available for borrowing.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

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(See Independent Auditor's Report)

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#### Note 4 – Fair Value Measurements and Disclosures

The Center applies fair value measurement of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether the price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the assets or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date.
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- **Level 3** inputs are unobservable inputs for the asset or liability. These inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to an asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk or liquidity profile of the asset or liability.



## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 4 – Fair Value Measurements and Disclosures (Continued)

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2020:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 3,639,900	\$ 3,639,900	\$ -	\$ -
Credit instruments	240,567	240,567	-	-
<b>Total investments at fair value</b>	<b>3,880,467</b>	<b>\$ 3,880,467</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Investments at net asset value (NAV)</b>	<b>1,700,043</b>			
<b>Total</b>	<b>\$ 5,580,510</b>			

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2019:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 3,583,369	\$ 3,583,369	\$ -	\$ -
Credit instruments	244,153	244,153	-	-
<b>Total investments at fair value</b>	<b>3,827,522</b>	<b>\$ 3,827,522</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Investments at net asset value (NAV)</b>	<b>1,655,313</b>			
<b>Total</b>	<b>\$ 5,482,835</b>			

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 4 – Fair Value Measurements and Disclosures (Continued)

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2018:

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Equities	\$ 3,029,599	\$ 3,029,599	\$ -	\$ -
Credit instruments	<u>239,739</u>	<u>239,739</u>	<u>-</u>	<u>-</u>
Total investments at fair value	3,269,338	<u>\$ 3,269,338</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at net asset value (NAV)	<u>1,361,883</u>			
Total	<u>\$ 4,631,221</u>			

The 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, 2020, 2019, and 2018.

Fair value for investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. 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.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 5 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Equipment	\$ 9,450	\$ 4,859	\$ 4,859
Website	<u>16,589</u>	<u>16,589</u>	<u>16,589</u>
	<b>26,039</b>	21,448	21,448
Less accumulated depreciation and amortization	<u>(21,449)</u>	<u>(18,074)</u>	<u>(10,924)</u>
Total	<u>\$ 4,590</u>	<u>\$ 3,374</u>	<u>\$ 10,524</u>

Depreciation and amortization expense for the years ended December 31, 2020, 2019, and 2018, was \$3,375, \$7,150, and \$7,149, respectively.

#### Note 6 – Lines of Credit

The Center has a \$300,000 revolving line of credit with a bank, secured by a commercial pledge agreement. Borrowings under the line bears interest at 5%, 5%, and 4% at December 31, 2020, 2019, and 2018, respectively. The line of credit matures October 31, 2021. At December 31, 2020, 2019, and 2018, there was no outstanding balance on the revolving line of credit.

The Center also has an unsecured revolving credit facility with SDZG for \$50,000. The line bears interest at the rate in effect for SDZG's own credit facility at the time the principal is borrowed. At December 31, 2020, 2019, and 2018, there was no outstanding balance on this credit facility.

#### Note 7 – Funds Held on Behalf of Others

In 2019, the California state budget included funding of \$3,000,000 from the General Fund to support the collection of rare 1B plants through contracts with, or grants from, the California Plant Rescue Program under the California Biodiversity Initiative established by Executive Order B-54-18, to expand or upgrade facilities as needed for the preservation of germplasm and seeds, and to upgrade databases as needed to ensure data is available to agencies and other stakeholders. An additional \$200,000 from the Environmental License Plate Fund supported collections of California rare plants.

The resource provider, State of California, specified the California Plant Rescue Program as the beneficiary of these funds. The California Department of Food and Agriculture (CDFA) disbursed the 2019 funds directly to CPC, which provides fiscal management for the California Plant Rescue Program and disburses them according to consensus decisions of the California Plant Rescue consortium. CPC retains 5% of these funds to cover overhead incurred for the management of the funds.

In 2019, \$3,040,254 of the \$3,200,000 funding referred to above and disbursed to CPC as described in the immediately preceding paragraph was recorded as a liability denominated as "Funds held on behalf of others" and as asset line items denominated as "Cash and cash equivalents - restricted funds held on behalf of others" (in the amount of \$1,040,254) and "Certificates of deposit - restricted funds held on behalf of others" (in the amount of \$2,000,000).

## **CENTER FOR PLANT CONSERVATION, INC.**

### **Notes to the Financial Statements - Continued**

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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#### **Note 7 – Funds Held on Behalf of Others (Continued)**

The remaining \$160,000 of the aforementioned \$3,200,000 received in 2019 represents the 5% of funding to be used by CPC to cover its overhead in administering the funds in connection with the California Plant Rescue Program over the 5-year period of 2019 through 2023. This amount was recorded as “government grants and contracts with donor restrictions - operating” in the statement of activities.

Of that \$160,000, \$40,000 was reflected in the change in net assets with donor restrictions in the statement of activities as “other net assets released from donor restrictions” and included as such in operating revenues for 2019. The remaining \$120,000 was recorded in net assets as “donor restricted - temporary in nature”, and of that, \$30,000 was reflected as a current asset denominated as “cash and cash equivalents - CA Biodiversity” (for 2020) and \$90,000 as a (non-current) asset denominated as “cash and cash equivalents - CA Biodiversity overhead” (for 2021 through 2023).

In 2020, an additional \$200,000 was received from the California Plant Rescue Program, of which \$190,000 was recorded as a liability denominated as “funds held on behalf of others” and as an asset denominated as “cash and cash equivalents - restricted funds held for others”, while the remaining \$10,000 was recognized as grant revenue in the statement of activities to cover overhead in administering the funds.

During the year ended December 31, 2020, CPC disbursed \$473,701 of the funds.

#### **Note 8 – Paycheck Protection Program Loan**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law. The legislation includes provisions for expansion of the U.S. Small Business Administration’s 7(a) Loan Program to support the new Paycheck Protection Program (“PPP”). The Organization applied and was awarded a loan in the amount of \$51,967 under the PPP.

The loan bears interest at 1% with any accrued interest to be forgiven along with the principal balance. This loan is unsecured, and all unpaid principal and interest shall be due upon maturity on April 30, 2022, if not forgiven.

Loans made under the PPP can be forgiven if certain conditions are met. As of December 31, 2020, the Center had not received approval that the conditions were met, therefore no forgiveness has been recorded. Management believes that 100% of the loan will be forgiven. Subsequent to the year ended December 31, 2020, CPC received approval from the Small Business Administration and financial institution that its PPP loan has been forgiven in full.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 9 – Endowments

The Center's endowment, named the Plant Conservation Fund, includes funds established by donors to provide for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Trustees.

The Board of Trustees has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2020, 2019, and 2018, there were no such donor stipulations. As a result of this interpretation, the Center retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the donation date. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The accumulated investment earnings on the Endowment are available for allocation at the direction of the Board and the policies of the Center. Until drawn, the accumulated investment earnings are recorded as a component of donor restricted - temporary in nature net assets. UPMIFA states that an appropriation of investment earnings greater than 7% of the average fair market value (averaged over the last three years) of an endowment is presumptively imprudent. The Center's policy on investment earnings releases is further described below.

As of December 31, 2020, the Endowment was composed of the following net asset classification:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Board-designated endowment funds:</b>			
Original board designated gift amount intended to be held for perpetuity*	\$ 608,744	\$ -	\$ 608,744
Accumulated investment earnings - temporary in nature	171,001	-	171,001
<b>Donor-restricted endowment funds:</b>			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,163,410	2,163,410
Accumulated investment earnings - temporary in nature	-	2,695,448	2,695,448
<b>Total</b>	<u>\$ 779,745</u>	<u>\$ 4,858,858</u>	<u>\$ 5,638,603</u>

\* These funds, board designated in an endowment, are intended to be held in perpetuity, however the board has the authority to make the funds available as operating cash, as needed.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018  
(See Independent Auditor's Report)

#### Note 9 – Endowments (Continued)

As of December 31, 2019, the Endowment was composed of the following net asset classification:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds:			
Original board designated gift amount intended to be held for perpetuity*	\$ 608,744	\$ -	\$ 608,744
Accumulated investment earnings - temporary in nature	127,837	-	127,837
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,161,010	2,161,010
Accumulated investment earnings - temporary in nature	-	2,691,265	2,691,265
Total	<u>\$ 736,581</u>	<u>\$ 4,852,275</u>	<u>\$ 5,588,856</u>

\* These funds, board designated in an endowment, are intended to be held in perpetuity, however the board has the authority to make the funds available as operating cash, as needed.

As of December 31, 2018, the Endowment was composed of the following net asset classification:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds:			
Original board designated gift amount intended to be held for perpetuity*	\$ 608,744	\$ -	\$ 608,744
Accumulated investment earnings	-	-	-
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,150,790	2,150,790
Accumulated investment earnings temporary in nature	-	1,931,720	1,931,720
Total	<u>\$ 608,744</u>	<u>\$ 4,082,510</u>	<u>\$ 4,691,254</u>

\* These funds, board designated in an endowment, are intended to be held in perpetuity, however the board has the authority to make the funds available as operating cash, as needed.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018  
(See Independent Auditor's Report)

#### Note 9 – Endowments (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Center has interpreted UPMIFA to permit funding from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at December 31, 2020, 2019, or 2018.

#### *Investment and Draw Policies*

The Center has adopted investment and draw policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. The 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 fund 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 these long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (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 uses an endowment draw formula to determine the amount to transfer from the Endowment each year. The rate, determined and adjusted from time to time by the Board, is applied to the average fair value of the Endowment investments for the prior three years at December 31 of each year to determine the draw amount for the upcoming year. During 2020, 2019, and 2018 the draw rate was 5%. In establishing this policy, the Center considered the long-term expected return on the Endowment and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

Changes in Endowment net assets for the year ended December 31, 2020, were as follows:

	<u>Without Donor Restrictions</u>	<u>Accumulated Investment Earnings - Board Designated</u>	<u>With Donor Restrictions Perpetual in Nature</u>	<u>Accumulated Investment Earnings Temporary in Nature</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 608,744	\$ 127,837	\$ 2,161,010	\$ 2,691,265	\$ 5,588,856
Investment return, net	-	43,164	-	244,389	287,553
Contributions	-	-	2,400	-	2,400
Appropriation of endowment assets pursuant to draw policy	-	-	-	(240,206)	(240,206)
Endowment net assets, end of year	<u>\$ 608,744</u>	<u>\$ 171,001</u>	<u>\$ 2,163,410</u>	<u>\$ 2,695,448</u>	<u>\$ 5,638,603</u>

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 9 – Endowments (Continued)

Changes in Endowment net assets for the year ended December 31, 2019, were as follows:

	Without Donor Restrictions	Accumulated Investment Earnings - Board Designated	With Donor Restrictions Perpetual in Nature	Accumulated Investment Earnings Temporary in Nature	Total
Endowment net assets, beginning of year	\$ 608,744	\$ -	\$ 2,150,790	\$ 1,931,720	\$ 4,691,254
Investment return, net	-	127,837	-	990,775	1,118,612
Contributions	-	-	10,220	-	10,220
Appropriation of endowment assets pursuant to draw policy	-	-	-	(231,230)	(231,230)
Endowment net assets, end of year	<u>\$ 608,744</u>	<u>\$ 127,837</u>	<u>\$ 2,161,010</u>	<u>\$ 2,691,265</u>	<u>\$ 5,588,856</u>

Changes in Endowment net assets for the year ended December 31, 2018, were as follows:

	Without Donor Restrictions	Accumulated Investment Earnings - Board Designated	With Donor Restrictions Perpetual in Nature	Accumulated Investment Earnings Temporary in Nature	Total
Endowment net assets, beginning of year	\$ 608,744	\$ -	\$ 2,150,560	\$ 2,390,736	\$ 5,150,040
Investment return, net	-	-	-	(240,744)	(240,744)
Contributions	-	-	230	-	230
Appropriation of endowment assets pursuant to draw policy	-	-	-	(218,272)	(218,272)
Endowment net assets, end of year	<u>\$ 608,744</u>	<u>\$ -</u>	<u>\$ 2,150,790</u>	<u>\$ 1,931,720</u>	<u>\$ 4,691,254</u>

The following table is total endowment net assets by custodian/depository/investment at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commerce Bank - cash	\$ -	\$ 230	\$ 230
Eaton Vance Investment Counsel – Managed Portfolio of Investment Securities	3,277,604	3,238,623	2,737,976
Eaton Vance Investment Counsel – cash	32,960	72,044	36,587
Fourthstone Offshore Opportunity Fund Ltd. – Investment Fund	548,746	544,611	449,066
Gates Capital Management L.P. – Investment Fund	513,317	435,589	331,692
Hot Creek Capital, L.L.C. – Investment Fund	637,980	675,112	581,126
Midland States Bank - cash	9,771	20,471	10,779
UBS Financial Services – Custodian – cash	15,362	13,276	12,436
UBS Financial Services – Custodian – Berkshire Hathaway Common Stock	602,863	588,900	531,362
Total endowment net assets	<u>\$ 5,638,603</u>	<u>\$ 5,588,856</u>	<u>\$ 4,691,254</u>



## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:			
Administration of California Plant Rescue Program	\$ 90,000	\$ 120,000	\$ -
Subject to endowment draw policy and appropriation:			
Endowment accumulated investment earnings – temporary in nature	2,695,448	2,691,265	1,931,720
Plant conservation – donor corpus perpetual in nature	2,163,410	2,161,010	2,150,790
Total	<u>\$ 4,948,858</u>	<u>\$ 4,972,275</u>	<u>\$ 4,082,510</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:			
Endangered plants native to Missouri	\$ -	\$ -	\$ 25,000
Administration of California Plant Rescue Program	30,000	40,000	-
	<u>30,000</u>	<u>40,000</u>	<u>25,000</u>
Restricted-purpose draw policy distributions and appropriation:			
National collection grants	137,500	137,500	137,500
General use	102,706	93,730	80,772
	<u>240,206</u>	<u>231,230</u>	<u>218,272</u>
Total	<u>\$ 270,206</u>	<u>\$ 271,230</u>	<u>\$ 243,272</u>

#### Note 11 – Revenue from Contracts with Customers

A description of the Center's revenue streams accounted for under ASC 606 are as follows:

Participation Institution Fees: The Center earns fees from participating institutions for membership in the Center. The fees are charged annually and are recognized as revenue over time throughout the membership term.

National meeting revenue: The Center earns registration fees for attendance at their national meeting. The fees are recognized as revenue at the point in time when the meeting occurs.

## CENTER FOR PLANT CONSERVATION, INC.

### Notes to the Financial Statements - Continued

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

#### Note 11 – Revenue from Contracts with Customers (Continued)

##### *Disaggregation of Revenue*

The following tables presents revenue disaggregated by revenue source and pattern of revenue recognition:

	Year Ended December 31, 2020	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 70,825	\$ -
National meeting	-	14,050
Other income	-	638
Total ASC 606 Revenue	<u>\$ 70,825</u>	<u>\$ 14,688</u>

  

	Year Ended December 31, 2019	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 41,825	\$ -
National meeting	-	29,620
Other income	-	10,942
Total ASC 606 Revenue	<u>\$ 41,825</u>	<u>\$ 40,562</u>

  

	Year Ended December 31, 2018	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 35,250	\$ -
National meeting	-	25,685
Other income	-	2,082
Total ASC 606 Revenue	<u>\$ 35,250</u>	<u>\$ 27,767</u>

## **CENTER FOR PLANT CONSERVATION, INC.**

### **Notes to the Financial Statements - Continued**

December 31, 2020, 2019, and 2018

(See Independent Auditor's Report)

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#### **Note 12 – Related Party Transactions**

The Center pays expenses associated with Board of Trustees meetings and then certain expenses are reimbursed by the individual Trustees. At December 31, 2020, 2019, and 2018, meeting expense reimbursements due from Trustees were \$0, \$0 and \$4,006, respectively.

As part of the Center's agreement with SDZG, the Center reimburses SDZG for certain expenses paid on the Center's behalf. During the year ended December 31, 2020, the Center incurred such expenses totaling \$329,336 and had \$103,692 due at year end. During the year ended December 31, 2019, the Center incurred such expenses totaling \$375,417 and had \$62,658 due at year end. During the year ended December 31, 2018, the Center incurred such expenses totaling \$396,836 and had \$21,429 due at year end.

The Center also received from SDZG donated personnel services, office space, and other support services which do not require reimbursement and which are reflected in the statement of activities as in-kind contributions from related party.

#### **Note 13 – Concentrations**

During the year ended December 31, 2020, grant revenue from one grantor comprised 25% of total operating revenue and support, excluding in-kind contributions. During the year ended December 31, 2019, grant revenue from two grantors comprised 32% of total operating revenue and support, excluding in-kind contribution. During the year ended December 31, 2018, grant revenue from two grantors comprised 30% of total operating revenue and support, excluding in-kind contribution.

#### **Note 14 – Risk and Uncertainties**

The Center's financial performance, estimates, reserves, contracts, and operations in the next 12 months may be affected by the ongoing outbreak of the coronavirus disease ("COVID-19"), which was declared a pandemic by the World Health Organization. The full extent and duration of the impact of COVID-19 on the Center's operations and financial performance is currently unknown and depends on uncertain and unpredictable developments.

## **Supplemental Information**

CENTER FOR PLANT CONSERVATION, INC.

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

December 31, 2020

	Operating			Non-Operating (Endowment)			TOTAL
	Undesignated	With Donor Restrictions	Total Operating	Board Designated	With Donor Restrictions	Total Non-Operating	
<b>OPERATING</b>							
<b>REVENUE AND SUPPORT</b>							
Grants and contributions	\$ 347,224	\$ -	\$ 347,224	\$ -	\$ 2,400	\$ 2,400	\$ 349,624
In-kind contributions from related party	459,116	-	459,116	-	-	-	459,116
Government grants and contracts	174,284	-	174,284	-	-	-	174,284
Participating Institution fees	70,825	-	70,825	-	-	-	70,825
National meeting	14,050	-	14,050	-	-	-	14,050
Other income	639	-	639	-	-	-	639
Draw of Plant Conservation Fund accumulated investment earnings to general operating	240,206	-	240,206	-	(240,206)	(240,206)	-
Net assets released from donor-imposed restrictions	30,000	(30,000)	-	-	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,336,344</b>	<b>(30,000)</b>	<b>1,306,344</b>	<b>-</b>	<b>(237,806)</b>	<b>(237,806)</b>	<b>1,068,538</b>
<b>EXPENSES</b>							
Program services	845,584	-	845,584	-	-	-	845,584
Supporting services:							-
Management and general	255,342	-	255,342	-	-	-	255,342
Fundraising	97,877	-	97,877	-	-	-	97,877
Total supporting services	353,219	-	353,219	-	-	-	353,219
<b>TOTAL EXPENSES</b>	<b>1,198,803</b>	<b>-</b>	<b>1,198,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,198,803</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES</b>	<b>137,541</b>	<b>(30,000)</b>	<b>107,541</b>	<b>-</b>	<b>(237,806)</b>	<b>(237,806)</b>	<b>(130,265)</b>
<b>NON-OPERATING</b>							
Interest and dividends	650	-	650	11,174	63,115	74,289	74,939
Realized gain on investments, net	-	-	-	19,337	109,573	128,910	128,910
Unrealized gain on investments, net	-	-	-	17,356	98,353	115,709	115,709
Management fees	-	-	-	(4,703)	(26,652)	(31,355)	(31,355)
<b>TOTAL NON-OPERATING LOSS, NET</b>	<b>650</b>	<b>-</b>	<b>650</b>	<b>43,164</b>	<b>244,389</b>	<b>287,553</b>	<b>288,203</b>
<b>CHANGE IN NET ASSETS</b>	<b>138,191</b>	<b>(30,000)</b>	<b>108,191</b>	<b>43,164</b>	<b>6,583</b>	<b>49,747</b>	<b>157,938</b>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	<b>266,108</b>	<b>120,000</b>	<b>386,108</b>	<b>736,581</b>	<b>4,852,275</b>	<b>5,588,856</b>	<b>5,974,964</b>
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 404,299</b>	<b>\$ 90,000</b>	<b>\$ 494,299</b>	<b>\$ 779,745</b>	<b>\$ 4,858,858</b>	<b>\$ 5,638,603</b>	<b>\$ 6,132,902</b>

**CENTER FOR PLANT CONSERVATION, INC.**

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

December 31, 2019

	Operating			Non-Operating (Endowment)			TOTAL
	Undesignated	With Donor Restrictions	Total Operating	Board Designated	With Donor Restrictions	Total Non-Operating	
<b>OPERATING</b>							
<b>REVENUE AND SUPPORT</b>							
Grants and contributions	\$ 402,909	\$ -	\$ 402,909	\$ -	\$ 10,220	\$ 10,220	\$ 413,129
In-kind contributions from related party	549,386	-	549,386	-	-	-	549,386
Government grants and contracts	113,436	160,000	273,436	-	-	-	273,436
Participating Institution fees	41,825	-	41,825	-	-	-	41,825
National meeting	29,620	-	29,620	-	-	-	29,620
Other income	10,942	-	10,942	-	-	-	10,942
Draw of Plant Conservation Fund accumulated investment earnings to general operating	231,230	-	231,230	-	(231,230)	(231,230)	-
Net assets released from donor-imposed restrictions	40,000	(40,000)	-	-	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,419,348</b>	<b>120,000</b>	<b>1,539,348</b>	<b>-</b>	<b>(221,010)</b>	<b>(221,010)</b>	<b>1,318,338</b>
<b>EXPENSES</b>							
Program services	1,075,535	-	1,075,535	-	-	-	1,075,535
Supporting services:							-
Management and general	264,961	-	264,961	-	-	-	264,961
Fundraising	114,528	-	114,528	-	-	-	114,528
Total supporting services	379,489	-	379,489	-	-	-	379,489
<b>TOTAL EXPENSES</b>	<b>1,455,024</b>	<b>-</b>	<b>1,455,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,455,024</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES</b>	<b>(35,676)</b>	<b>120,000</b>	<b>84,324</b>	<b>-</b>	<b>(221,010)</b>	<b>(221,010)</b>	<b>(136,686)</b>
<b>NON-OPERATING</b>							
Interest and dividends	-	-	-	12,959	100,434	113,393	113,393
Realized gain on investments, net	-	-	-	15,054	116,672	131,726	131,726
Unrealized gain on investments, net	-	-	-	104,800	812,228	917,028	917,028
Management fees	-	-	-	(4,976)	(38,559)	(43,535)	(43,535)
<b>TOTAL NON-OPERATING LOSS, NET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,837</b>	<b>990,775</b>	<b>1,118,612</b>	<b>1,118,612</b>
<b>CHANGE IN NET ASSETS</b>	<b>(35,676)</b>	<b>120,000</b>	<b>84,324</b>	<b>127,837</b>	<b>769,765</b>	<b>897,602</b>	<b>981,926</b>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	<b>301,784</b>	<b>-</b>	<b>301,784</b>	<b>608,744</b>	<b>4,082,510</b>	<b>4,691,254</b>	<b>4,993,038</b>
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 266,108</b>	<b>\$ 120,000</b>	<b>\$ 386,108</b>	<b>\$ 736,581</b>	<b>\$ 4,852,275</b>	<b>\$ 5,588,856</b>	<b>\$ 5,974,964</b>

CENTER FOR PLANT CONSERVATION, INC.

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

December 31, 2018

	Operating			Non-Operating (Endowment)			TOTAL
	Undesignated	With Donor Restrictions	Total Operating	Board Designated	With Donor Restrictions	Total Non-Operating	
<b>OPERATING</b>							
<b>REVENUE AND SUPPORT</b>							
Grants and contributions	\$ 464,485	\$ -	\$ 464,485	\$ -	\$ 230	\$ 230	\$ 464,715
In-kind contributions from related party	528,048	-	528,048	-	-	-	528,048
Government grants and contracts	151,259	-	151,259	-	-	-	151,259
Participating Institution fees	35,250	-	35,250	-	-	-	35,250
National meeting	25,685	-	25,685	-	-	-	25,685
Other income	2,082	-	2,082	-	-	-	2,082
Draw of Plant Conservation Fund accumulated investment earnings to general operating	218,272	-	218,272	-	(218,272)	(218,272)	-
Net assets released from donor-imposed restrictions	25,000	(25,000)	-	-	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,450,081</b>	<b>(25,000)</b>	<b>1,425,081</b>	<b>-</b>	<b>(218,042)</b>	<b>(218,042)</b>	<b>1,207,039</b>
<b>EXPENSES</b>							
Program services	1,069,046	-	1,069,046	-	-	-	1,069,046
Supporting services:							-
Management and general	215,782	-	215,782	-	-	-	215,782
Fundraising	101,448	-	101,448	-	-	-	101,448
Total supporting services	317,230	-	317,230	-	-	-	317,230
<b>TOTAL EXPENSES</b>	<b>1,386,276</b>	<b>-</b>	<b>1,386,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,386,276</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES</b>	<b>63,805</b>	<b>(25,000)</b>	<b>38,805</b>	<b>-</b>	<b>(218,042)</b>	<b>(218,042)</b>	<b>(179,237)</b>
<b>NON-OPERATING</b>							
Interest and dividends	-	-	-	-	73,120	73,120	73,120
Realized gain on investments, net	-	-	-	-	189,091	189,091	189,091
Unrealized loss on investments, net	-	-	-	-	(458,762)	(458,762)	(458,762)
Management fees	-	-	-	-	(44,193)	(44,193)	(44,193)
<b>TOTAL NON-OPERATING LOSS, NET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,744)</b>	<b>(240,744)</b>	<b>(240,744)</b>
<b>CHANGE IN NET ASSETS</b>	<b>63,805</b>	<b>(25,000)</b>	<b>38,805</b>	<b>-</b>	<b>(458,786)</b>	<b>(458,786)</b>	<b>(419,981)</b>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	<b>237,979</b>	<b>25,000</b>	<b>262,979</b>	<b>608,744</b>	<b>4,541,296</b>	<b>5,150,040</b>	<b>5,413,019</b>
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 301,784</b>	<b>\$ -</b>	<b>\$ 301,784</b>	<b>\$ 608,744</b>	<b>\$ 4,082,510</b>	<b>\$ 4,691,254</b>	<b>\$ 4,993,038</b>