

CENTER FOR PLANT CONSERVATION, INC.

Financial Statements
with
Independent Auditor's Report

DECEMBER 31, 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Center for Plant Conservation, Inc.
St. Louis, Missouri

Opinion

We have audited the accompanying financial statements of Center for Plant Conservation, Inc. (the "Center"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Plant Conservation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center for Plant Conservation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Plant Conservation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter – Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented on pages 26 - 28 is 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.

Other Matter - Prior Year Financial Statements

The financial statements as of December 31, 2020, and 2019, were audited by Brown Smith Wallace, LLP, whose practice became part of Armanino LLP as of August 1, 2021, and whose report dated July 27, 2021, expressed an unmodified opinion on those statements.

Armanino LLP
Armanino^{LLP}
St. Louis, Missouri

July 18, 2022

CENTER FOR PLANT CONSERVATION, INC.

Statements of Financial Position

December 31, 2021, 2020 and 2019

	2021	2020	2019
ASSETS			
Current Assets			
Cash and cash equivalents - operating	\$ 1,007,288	\$ 594,343	\$ 333,586
Cash and cash equivalents - CA Biodiversity overhead	30,000	30,000	30,000
Accounts receivable, net	24,807	1,847	1,032
Grants receivable	20,065	39,985	28,019
Prepaid expenses and other assets	16,797	11,123	12,354
Total Current Assets	1,098,957	677,298	404,991
Cash and cash equivalents - endowment	37,630	58,093	106,021
Cash and cash equivalents - restricted funds held on behalf of others	1,012,512	756,299	1,040,254
Certificates of deposit - restricted funds held on behalf of others	1,272,703	2,000,000	2,000,000
Cash and cash equivalents - CA Biodiversity overhead	30,000	60,000	90,000
Property and equipment, net	2,893	4,590	3,374
Endowment investments, at fair value	7,130,311	5,580,510	5,482,835
TOTAL ASSETS	\$ 10,585,006	\$ 9,136,790	\$ 9,127,475
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued expenses	\$ 114,390	\$ 69,738	\$ 25,173
Accounts payable and accrued expenses to related party	71,017	103,692	62,658
Accrued employee related expenses	6,599	8,841	7,158
Deferred revenue	13,151	13,351	17,522
Paycheck Protection Program loan	-	51,967	-
Total Current Liabilities	205,157	247,589	112,511
Funds held on behalf of others	2,285,215	2,756,299	3,040,000
TOTAL LIABILITIES	2,490,372	3,003,888	3,152,511
Net Assets			
Without donor restrictions			
Undesignated	766,693	404,299	266,108
Designated by the Board for an endowment	608,744	608,744	608,744
Accumulated endowment investment earnings	374,914	171,001	127,837
Total without donor restrictions	1,750,351	1,184,044	1,002,689
With donor restrictions			
Donor restricted - temporary in nature	160,000	90,000	120,000
Endowment - perpetual in nature	2,209,485	2,163,410	2,161,010
Accumulated endowment investment earnings - temporary in nature	3,974,798	2,695,448	2,691,265
Total with donor restrictions	6,344,283	4,948,858	4,972,275
Total Net Assets	8,094,634	6,132,902	5,974,964
TOTAL LIABILITIES AND NET ASSETS	\$ 10,585,006	\$ 9,136,790	\$ 9,127,475

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

CENTER FOR PLANT CONSERVATION, INC.

Statements of Activities

Years ended December 31, 2021, 2020 and 2019

	2021	2020	2019
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
OPERATING REVENUES			
Grants and contributions	\$ 569,864	\$ 347,224	\$ 402,909
In-kind contributions from related party	406,327	459,116	549,386
Government grants and contracts	211,197	174,284	113,436
Participating Institution fees	75,925	70,825	41,825
National meeting	10,725	14,050	29,620
Draw of Plant Conservation Fund accumulated investment earnings to general operating	257,169	240,206	231,230
Other net assets released from donor-imposed restrictions	30,000	30,000	40,000
Gain on forgiveness of Paycheck Protection Program loan	51,967	-	-
Other income	44	639	10,942
TOTAL OPERATING REVENUES WITHOUT DONOR RESTRICTIONS	1,613,218	1,336,344	1,419,348
OPERATING EXPENSES			
Program services	842,229	845,584	1,075,535
Supporting services:			
Management and general	291,743	255,342	264,961
Fundraising	117,730	97,877	114,528
TOTAL OPERATING EXPENSES	1,251,702	1,198,803	1,455,024
NET OPERATING INCOME WITHOUT DONOR RESTRICTION	361,516	137,541	(35,676)
NON-OPERATING INCOME			
Investment earnings, net - operating	878	650	-
Investment earnings, net - board designated endowment	203,913	43,164	127,837
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	566,307	181,355	92,161
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS			
OPERATING			
Draw from accumulated investment earnings (released from donor-restricted endowment)	(257,169)	(240,206)	(231,230)
Other net assets released from donor restrictions	(30,000)	(30,000)	(40,000)
Government grants and contracts with donor restrictions	100,000	-	160,000
Contributions with donor restrictions - additions to endowment	46,075	2,400	10,220
TOTAL OPERATING ACTIVITY WITH DONOR RESTRICTIONS	(141,094)	(267,806)	(101,010)
NON-OPERATING INCOME			
Investment earnings, net - donor designated endowment	1,536,519	244,389	990,775
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	1,395,425	(23,417)	889,765
CHANGE IN NET ASSETS	1,961,732	157,938	981,926
NET ASSETS AT BEGINNING OF THE YEAR	6,132,902	5,974,964	4,993,038
NET ASSETS AT END OF THE YEAR	\$ 8,094,634	\$ 6,132,902	\$ 5,974,964

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

CENTER FOR PLANT CONSERVATION, INC.

Statement of Functional Expenses

Year ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 202,325	\$ 66,434	\$ 33,218	\$ 301,977
Salaries and wages - in-kind	115,823	38,031	19,016	172,870
	<u>318,148</u>	<u>104,465</u>	<u>52,234</u>	<u>474,847</u>
Employee benefits and taxes	52,093	17,106	8,553	77,752
Employee benefits and taxes - in-kind	35,328	11,600	5,800	52,728
	<u>87,421</u>	<u>28,706</u>	<u>14,353</u>	<u>130,480</u>
TOTAL PERSONNEL EXPENSES	405,569	133,171	66,587	605,327
OTHER EXPENSES				
National collection grants	138,000	-	-	138,000
Seed collecting grants	86,350	-	-	86,350
National meeting	5,219	-	-	5,219
Professional services:				
Accounting	-	54,400	-	54,400
Communication	13,911	-	-	13,911
Legal	-	25,559	-	25,559
Information technology	34,649	8,691	-	43,340
Other	25,099	641	12,082	37,822
Insurance	-	5,662	-	5,662
Bank and merchant fees	-	3,129	-	3,129
Board meetings	-	3,632	-	3,632
Membership and dues	-	1,382	-	1,382
Donor cultivation	-	-	5,210	5,210
Information technology supplies and maintenance	8,850	4,730	3,734	17,314
Postage and shipping	682	327	908	1,917
Printing and copying	1,026	2,495	6,814	10,335
Office expenses	934	746	2,326	4,006
Depreciation and amortization	1,137	373	187	1,697
Filing fees	-	1,509	-	1,509
Travel	-	3,169	-	3,169
In-kind expenses - other:				
Administrative and operating support	113,048	37,104	18,560	168,712
Occupancy	7,755	5,023	1,322	14,100
TOTAL OTHER EXPENSES	436,660	158,572	51,143	646,375
TOTAL EXPENSES	\$ 842,229	\$ 291,743	\$ 117,730	\$ 1,251,702

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

	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 172,612	\$ 56,678	\$ 28,339	\$ 257,629
Salaries and wages - in-kind	136,590	44,850	22,425	203,865
	<u>309,202</u>	<u>101,528</u>	<u>50,764</u>	<u>461,494</u>
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
	<u>109,707</u>	<u>36,023</u>	<u>18,012</u>	<u>163,742</u>
TOTAL PERSONNEL EXPENSES	418,909	137,551	68,776	625,236
OTHER EXPENSES				
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
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
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
TOTAL OTHER EXPENSES	426,675	117,791	29,101	573,567
TOTAL EXPENSES	\$ 845,584	\$ 255,342	\$ 97,877	\$ 1,198,803

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

	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
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>
TOTAL PERSONNEL EXPENSES	500,172	118,095	76,416	694,683
OTHER EXPENSES				
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
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
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
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
TOTAL OTHER EXPENSES	575,363	146,866	38,112	760,341
TOTAL EXPENSES	\$ 1,075,535	\$ 264,961	\$ 114,528	\$ 1,455,024

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

CENTER FOR PLANT CONSERVATION, INC.

Statements of Cash Flows

December 31, 2021, 2020, and 2019

	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 1,961,732	\$ 157,938	\$ 981,926
Adjustments to reconcile change in net assets to cash from operations			
Depreciation and amortization	1,697	3,375	7,150
Realized gain on investments	(55,310)	(128,910)	(131,726)
Unrealized gain on investments	(1,653,976)	(115,709)	(917,028)
Donated securities	(10,299)	(10,667)	(21,221)
Contributions with donor-imposed restrictions for long-term purposes	(46,075)	(2,400)	(10,220)
Forgiveness of Paycheck Protection Program Loan	(51,967)	-	-
Changes in assets and liabilities:			
Accounts receivable	(22,960)	(815)	(532)
Accounts receivable from related parties	-	-	4,006
Grants receivable	19,920	(11,966)	(28,019)
Contributions receivable	-	-	8,727
Prepaid expenses and other assets	(5,674)	1,231	17,895
Accounts payable and accrued expenses	44,652	44,565	12,380
Accounts payable and accrued expenses to related party	(32,675)	41,034	41,229
Accrued employee related expenses	(2,242)	1,683	-
Receipts in funds held on behalf of others	212,703	190,000	3,040,000
Disbursements from funds held on behalf of others	(683,787)	(473,701)	-
Deferred revenue	(200)	(4,171)	(24,006)
Net cash provided by (used in) operating activities	(324,461)	(308,513)	2,980,561
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	-	(4,591)	-
Proceeds from certificates of deposits	727,297	-	-
Purchases of certificates of deposits	-	-	(2,000,000)
Proceeds from sales of investments	249,438	184,426	264,169
Purchases of investments	(79,654)	(26,815)	(46,099)
Net cash provided by (used in) investing activities	897,081	153,020	(1,781,930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from contributions with donor-imposed restrictions for long-term purposes	46,075	2,400	10,220
Proceeds from Paycheck Protection Program Loan	-	51,967	-
Net cash provided by financing activities	46,075	54,367	10,220
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	618,695	(101,126)	1,208,851
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,498,735	1,599,861	391,010
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,117,430	\$ 1,498,735	\$ 1,599,861
Cash and cash equivalents - operating	\$ 1,007,288	\$ 594,343	\$ 333,586
Cash and cash equivalents - endowment	37,630	58,093	106,021
Cash and cash equivalents - restricted funds held for others	1,012,512	756,299	1,040,254
Cash and cash equivalents - CA Biodiversity overhead	60,000	90,000	120,000
	\$ 2,117,430	\$ 1,498,735	\$ 1,599,861

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

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements

December 31, 2021, 2020, and 2019

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 Wildlife Alliance) (the “SDZWA”) to carry out its mission. SDZWA provides facilities and equipment, funds certain staff positions, and provides various other support services. The assistance from SDZWA is presented as in-kind contributions from related party within the statements of activities. The primary operating revenues are contributions and grants, some of which contributors or grantors have restricted for program related activities, in-kind contributions, of which are donated utilized for professional services, facilities, and salaries and benefits, and an annual draw from accumulated investment earnings on the donor-restricted endowment for general expenditure pursuant to the Board’s annual budget and appropriation..

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. Certificates of deposit have a term of six months, with an interest rate of .05%, compounding daily, and due at maturity.

Receivables

Accounts receivable consist 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. On December 31, 2021, 2020, and 2019, the allowance was \$0, \$0, and \$0, respectively.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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 on December 31, 2021, 2020, and 2019.

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 are 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, 2021, 2020, and 2019

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

SDZWA provides personnel services, office space, and other support services to the Center. Since SDZWA 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, 2021, 2020, and 2019, were \$406,327, \$459,116, and \$549,386, respectively.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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, 2021, 2020, and 2019

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 2020 and 2019 financial statements have been reclassified, where appropriate, to conform to the financial statement presentation used in 2021. Changes in net assets are unchanged due to these reclassifications.

Subsequent Events

The Center has evaluated all subsequent events through July 18, 2022, 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>2021</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents – operating	\$ 1,007,390	\$ 594,343	\$ 333,586
Endowment appropriations	306,590	257,169	240,206
Accounts receivable	24,807	1,847	1,032
Grants receivable	<u>20,065</u>	<u>39,985</u>	<u>28,019</u>
Total	<u>\$ 1,358,852</u>	<u>\$ 893,344</u>	<u>\$ 602,843</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income regarding the accumulated investment earnings from donor-restricted endowments are available for general expenditure.

The endowment appropriations are estimates of what is calculated in accordance with the endowment draw policies described in Note 9 and are expected to be used in operations during the next fiscal year. The amounts of endowment appropriations are not reflected as current assets on the face of the balance sheet, because as of the end of each of the respective years, they remain as part of the endowment, comprising part of non-current assets on the face of the balance sheet. However, pursuant to board policy, the Center knows that these amounts will be drawn from endowment during the following year, thereby becoming part of cash and cash equivalents – operating, which are available for general expenditures.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

Note 3 – Liquidity and Availability of Resources (Continued)

As part of the Center's liquidity and investment management plan, there is a board-designated endowment (including accumulated endowment investment earnings thereon) of \$983,658, \$779,745, and \$736,581 on December 31, 2021, 2020, and 2019, respectively. Although the Center does not intend to release or draw from this board-designated endowment, 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 SDZWA. As of December 31, 2021, 2020, and 2019, the entire line of credit and credit facility of \$300,000 and \$50,000, respectively, were available for borrowing.

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, 2021, 2020, and 2019

Note 4 – Fair Value Measurements and Disclosures (Continued)

The following table presents assets that are measured at fair value on a recurring basis on December 31, 2021:

	<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	\$ 4,531,998	\$ 4,531,998	\$ -	\$ -
Credit instruments	<u>179,702</u>	<u>179,702</u>	<u>-</u>	<u>-</u>
Total investments at fair value	4,711,700	\$ 4,711,700	\$ -	\$ -
Investments at net asset value (NAV)	<u>2,418,611</u>			
Total	\$ 7,130,311			

The following table presents assets that are measured at fair value on a recurring basis on 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	<u>240,567</u>	<u>240,567</u>	<u>-</u>	<u>-</u>
Total investments at fair value	3,880,467	\$ 3,880,467	\$ -	\$ -
Investments at net asset value (NAV)	<u>1,700,043</u>			
Total	\$ 5,580,510			

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

Note 4 – Fair Value Measurements and Disclosures (Continued)

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

	Total	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)
Equities	\$ 3,583,369	\$ 3,583,369	\$ -	\$ -
Credit instruments	<u>244,153</u>	<u>244,153</u>	-	-
Total investments at fair value	3,827,522	<u>\$ 3,827,522</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at net asset value (NAV)	<u>1,655,313</u>			
Total	<u>\$ 5,482,835</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 on December 31, 2021, 2020, and 2019.

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.

Note 5 – Property and Equipment

Property and equipment are summarized as follows on December 31:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Equipment	\$ 9,450	\$ 9,450	\$ 4,859
Website	<u>16,589</u>	<u>16,589</u>	<u>16,589</u>
	<u>26,039</u>	26,039	21,448
Less accumulated depreciation and amortization	<u>(23,146)</u>	<u>(21,449)</u>	<u>(18,074)</u>
Total	<u>\$ 2,893</u>	<u>\$ 4,590</u>	<u>\$ 3,374</u>

Depreciation and amortization expense for the years ended December 31, 2021, 2020, and 2019, was \$1,697, \$3,375, and \$7,150, respectively.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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 5% on December 31, 2021, 2020, and 2019, respectively. The line of credit will mature on October 30, 2022. On December 31, 2021, 2020, and 2019, there was no outstanding balance on the revolving line of credit.

The Center also has an unsecured revolving credit facility with SDZWA for \$50,000. The line bears interest at the rate in effect for SDZWA's own credit facility at the time the principal is borrowed. On December 31, 2021, 2020, and 2019, 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).

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 statements of activities.

Of that \$160,000, \$30,000, \$30,000, and \$40,000 were reflected in the change in net assets with donor restrictions in the statements of activities as "other net assets released from donor restrictions" and included as such in operating revenues for 2021, 2020, and 2019, respectively. The remaining \$60,000, \$90,000, and \$120,000 were 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 2021, 2020, and 2019) and \$30,000, \$60,000, and \$90,000, respectively, as a (non-current) asset denominated as "cash and cash equivalents - CA Biodiversity overhead" for the years 2021, 2020, and 2019.

In November of 2021, \$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 statements of activities to cover overhead in administering the funds.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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

In September of 2020, \$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 statements of activities to cover overhead in administering the funds.

During the years ended December 31, 2021, 2020, and 2019, CPC disbursed \$683,787, \$473,701, and \$0, respectively, of the forgoing funds held for others.

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 Center applied and was awarded a loan in the amount of \$51,967 under the PPP.

The loan bore interest at 1% with any accrued interest to be forgiven along with the principal balance. This loan was unsecured, and all unpaid principal and interest were to 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, 2021, CPC received approval from the Small Business Administration and financial institution that its PPP loan had been forgiven in full.

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. On December 31, 2021, 2020, and 2019, 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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

Note 9 – Endowments (Continued)

As of December 31, 2021, 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	374,914	-	374,914
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,209,485	2,209,485
Accumulated investment earnings - temporary in nature	-	3,974,798	3,974,798
Total	\$ 983,658	\$ 6,184,283	\$ 7,167,941

* 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, 2020, 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	171,001	-	171,001
Donor-restricted endowment funds:			
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
Total	\$ 779,745	\$ 4,858,858	\$ 5,638,603

* 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, 2021, 2020, and 2019

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	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.

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 on December 31, 2021, 2020, or 2019.

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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

Note 9 – Endowments (Continued)

The Center uses an endowment draw formula to determine the amount to transfer from the Endowment general operating revenues each year. The draw rate is determined and adjusted from time-to-time by the Board. Historically, and most recently with respect to 2021, 2020, and 2019, the draw rate was 5%. Historically, and most recently with respect to 2021, 2020, and 2019, the draw rate has been applied to the average of the year-end values of the Endowment net assets for each year of the three-year period ending one-year before the beginning of the year with respect to which the draw is calculated and made. With respect to the draw for 2022 (and, it is expected, to continue in the future) the draw rate is applied to the average of the year-end values of Endowment net assets for each year of the three-year period ending immediately before the beginning of the year with respect to which the draw is calculated and made. In establishing this policy, the Center considered the long-term expected return on the Endowment and has set the draw rate with the objective of providing an appropriate level of support for the operations of the Center while maintaining the value of the Endowment, adjusted for inflation, over time.

Changes in Endowment net assets for the year ended December 31, 2021, 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	\$ 171,001	\$ 2,163,410	\$ 2,695,448	\$ 5,638,603
Investment return, net	-	203,913	-	1,536,519	1,740,432
Contributions	-	-	46,075	-	46,075
Appropriation of endowment assets pursuant to draw policy	-	-	-	(257,169)	(257,169)
Endowment net assets, end of year	\$ 608,744	\$ 374,914	\$ 2,209,485	\$ 3,974,798	\$ 7,167,941

Changes in Endowment net assets for the year ended December 31, 2020, 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	\$ 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	\$ 608,744	\$ 171,001	\$ 2,163,410	\$ 2,695,448	\$ 5,638,603

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
JPMorgan Chase Bank - cash	\$ 8,245	\$ -	\$ -
Commerce Bank – cash	-	-	230
Eaton Vance Investment Counsel – Managed Portfolio of Investment Securities	3,934,300	3,277,604	3,238,623
Eaton Vance Investment Counsel – cash	6,985	32,960	72,044
Fourthstone Offshore Opportunity Fund Ltd. – Investment Fund	850,352	548,746	544,611
Gates Capital Management L.P. – Investment Fund	675,630	513,317	435,589
Hot Creek Capital, L.L.C. – Investment Fund	892,629	637,980	675,112
Midland States Bank - cash	10,341	9,771	20,471
UBS Financial Services – Custodian – cash	12,059	15,362	13,276
UBS Financial Services – Custodian – Berkshire Hathaway Common Stock	777,400	602,863	588,900
Total endowment net assets	<u>\$ 7,167,941</u>	<u>\$ 5,638,603</u>	<u>\$ 5,588,856</u>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

Note 10 – Net Assets with Donor Restrictions

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:			
Administration of California Plant Rescue Program	\$ 60,000	\$ 90,000	\$ 120,000
Safeguarding Florida's Imperiled Plant Species	100,000	-	-
Subject to endowment draw policy and appropriation:			
Endowment accumulated investment earnings – temporary in nature	3,974,798	2,695,448	2,691,265
Plant conservation – donor corpus perpetual in nature	2,209,485	2,163,410	2,161,010
Total	<u>\$ 6,344,283</u>	<u>\$ 4,948,858</u>	<u>\$ 4,972,275</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>2021</u>	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:			
Administration of California Plant Rescue Program	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 40,000</u>
Restricted-purpose draw policy distributions and appropriation:			
National collection grants	137,500	137,500	137,500
General use	119,669	102,706	93,730
Total	<u>\$ 287,169</u>	<u>\$ 270,206</u>	<u>\$ 271,230</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, 2021, 2020, and 2019

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, 2021	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 75,925	\$ -
National meeting	-	10,725
Other income	-	44
Total ASC 606 Revenue	<u>\$ 75,925</u>	<u>\$ 10,769</u>
	Year Ended December 31, 2020	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 70,825	\$ -
National meeting	-	14,050
Other income	-	639
Total ASC 606 Revenue	<u>\$ 70,825</u>	<u>\$ 14,689</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>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2021, 2020, and 2019

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. On December 31, 2021, 2020, and 2019, meeting expense reimbursements due from Trustees were \$0, \$0, and \$0, respectively.

As part of the Center's agreement with SDZWA, the Center reimburses SDZWA for certain expenses paid on the Center's behalf. During the year ended December 31, 2021, the Center incurred such expenses totaling \$406,423 and had \$71,017 due at year end. 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.

The Center also received from SDZWA 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, 2021, grant revenue from two grantors comprised 74% of total operating revenue and support, excluding in-kind contributions. 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 contributions.

Supplemental Information

CENTER FOR PLANT CONSERVATION, INC.

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

December 31, 2021

	Operating			Non-Operating (Endowment)			TOTAL
	Undesignated	With Donor Restrictions	Total Operating	Board Designated	With Donor Restrictions	Total Non-Operating	
OPERATING							
REVENUE AND SUPPORT							
Grants and contributions	\$ 569,864	\$ 100,000	\$ 669,864	\$ -	\$ 46,075	\$ 46,075	\$ 715,939
In-kind contributions from related party	406,327	-	406,327	-	-	-	406,327
Government grants and contracts	211,197	-	211,197	-	-	-	211,197
Participating Institution fees	75,925	-	75,925	-	-	-	75,925
National meeting	10,725	-	10,725	-	-	-	10,725
Gain on forgiveness of Paycheck Protection Program loan	51,967	-	51,967	-	-	-	51,967
Other income	44	-	44	-	-	-	44
Draw of Plant Conservation Fund accumulated investment earnings to general operating	257,169	-	257,169	-	(257,169)	(257,169)	-
Net assets released from donor-imposed restrictions	30,000	(30,000)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,613,218	70,000	1,683,218	-	(211,094)	(211,094)	1,472,124
EXPENSES							
Program services	842,229	-	842,229	-	-	-	842,229
Supporting services:							
Management and general	291,743	-	291,743	-	-	-	291,743
Fundraising	117,730	-	117,730	-	-	-	117,730
Total supporting services	409,473	-	409,473	-	-	-	409,473
TOTAL EXPENSES	1,251,702	-	1,251,702	-	-	-	1,251,702
EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES	361,516	70,000	431,516	-	(211,094)	(211,094)	220,422
NON-OPERATING							
Interest and dividends	878	-	878	4	79,873	79,877	80,755
Realized gain on investments, net	-	-	-	8,756	46,554	55,310	55,310
Unrealized gain on investments, net	-	-	-	203,079	1,450,999	1,654,078	1,654,078
Management fees	-	-	-	(7,926)	(40,907)	(48,833)	(48,833)
TOTAL NON-OPERATING INCOME, NET	878	-	878	203,913	1,536,519	1,740,432	1,741,310
CHANGE IN NET ASSETS	362,394	70,000	432,394	203,913	1,325,425	1,529,338	1,961,732
NET ASSETS AT BEGINNING OF THE YEAR	404,299	90,000	494,299	779,745	4,858,858	5,638,603	6,132,902
NET ASSETS AT END OF THE YEAR	\$ 766,693	\$ 160,000	\$ 926,693	\$ 983,658	\$ 6,184,283	\$ 7,167,941	\$ 8,094,634

CENTER FOR PLANT CONSERVATION, INC.

SCHEDULE 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	
OPERATING							
REVENUE AND SUPPORT							
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)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,336,344	(30,000)	1,306,344	-	(237,806)	(237,806)	1,068,538
EXPENSES							
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
TOTAL EXPENSES	1,198,803	-	1,198,803	-	-	-	1,198,803
EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES	137,541	(30,000)	107,541	-	(237,806)	(237,806)	(130,265)
NON-OPERATING							
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)
TOTAL NON-OPERATING INCOME, NET	650	-	650	43,164	244,389	287,553	288,203
CHANGE IN NET ASSETS	138,191	(30,000)	108,191	43,164	6,583	49,747	157,938
NET ASSETS AT BEGINNING OF THE YEAR	266,108	120,000	386,108	736,581	4,852,275	5,588,856	5,974,964
NET ASSETS AT END OF THE YEAR	\$ 404,299	\$ 90,000	\$ 494,299	\$ 779,745	\$ 4,858,858	\$ 5,638,603	\$ 6,132,902

CENTER FOR PLANT CONSERVATION, INC.

SCHEDULE 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	
OPERATING							
REVENUE AND SUPPORT							
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)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,419,348	120,000	1,539,348	-	(221,010)	(221,010)	1,318,338
EXPENSES							
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
TOTAL EXPENSES	1,455,024	-	1,455,024	-	-	-	1,455,024
EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES	(35,676)	120,000	84,324	-	(221,010)	(221,010)	(136,686)
NON-OPERATING							
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)
TOTAL NON-OPERATING INCOME, NET	-	-	-	127,837	990,775	1,118,612	1,118,612
CHANGE IN NET ASSETS	(35,676)	120,000	84,324	127,837	769,765	897,602	981,926
NET ASSETS AT BEGINNING OF THE YEAR	301,784	-	301,784	608,744	4,082,510	4,691,254	4,993,038
NET ASSETS AT END OF THE YEAR	\$ 266,108	\$ 120,000	\$ 386,108	\$ 736,581	\$ 4,852,275	\$ 5,588,856	\$ 5,974,964