

Center for Plant Conservation, Inc.

Financial Statements
and Supplementary Information

December 31, 2023, 2022 and 2021



TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 26
Supplementary Information	
Schedules of Activities – Operating and Non-Operating (Endowment)	28 - 30



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Center for Plant Conservation, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2023, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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, 2023, 2022 and 2021, 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.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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, including omissions, 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on pages 28 - 30 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.



Armanino^{LLP}
St. Louis, Missouri

October 15, 2024

CENTER FOR PLANT CONSERVATION, INC.

Statements of Financial Position

December 31, 2023, 2022 and 2021

	2023	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents - operating	\$ 569,750	\$ 1,165,941	\$ 1,007,288
Cash and cash equivalents - CA Biodiversity overhead	-	30,000	30,000
Investments - operating	727,559	-	-
Accounts receivable, net	10,829	6,264	24,807
Grants receivable	432,694	743,002	20,065
Prepaid expenses and other assets	58,329	64,569	16,797
Total Current Assets	1,799,161	2,009,776	1,098,957
Cash and cash equivalents - restricted funds held on behalf of others	259,968	517,476	1,012,512
Certificates of deposit - restricted funds held on behalf of others	-	1,273,339	1,272,703
Investments - restricted funds held on behalf of others	863,130	-	-
Cash and cash equivalents - CA Biodiversity overhead	-	-	30,000
Property and equipment, net	1,625	3,633	2,893
Cash and cash equivalents - endowment	98,802	50,764	37,630
Endowment investments, at fair value	7,481,847	6,596,226	7,130,311
TOTAL ASSETS	\$ 10,504,533	\$ 10,451,214	\$ 10,585,006
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued expenses	\$ 74,575	\$ 25,993	\$ 114,390
Accounts payable and accrued expenses to related party	41,539	41,428	71,017
Accrued employee related expenses	22,750	6,600	6,599
Deferred revenue	1,737	-	13,151
Total Current Liabilities	140,601	74,021	205,157
Funds held on behalf of others	1,123,098	1,790,815	2,285,215
TOTAL LIABILITIES	1,263,699	1,864,836	2,490,372
Net Assets			
Without donor restrictions			
Undesignated	1,176,526	1,095,564	766,693
Designated by the Board for an endowment	608,744	608,744	608,744
Accumulated endowment investment earnings - designated by the Board	446,474	327,625	374,914
Total without donor restrictions	2,231,744	2,031,933	1,750,351
With donor restrictions			
Donor restricted - temporary in nature	483,659	843,824	160,000
Endowment - perpetual in nature	2,561,376	2,316,271	2,209,485
Accumulated endowment investment earnings - temporary in nature	3,964,055	3,394,350	3,974,798
Total with donor restrictions	7,009,090	6,554,445	6,344,283
Total Net Assets	9,240,834	8,586,378	8,094,634
TOTAL LIABILITIES AND NET ASSETS	\$ 10,504,533	\$ 10,451,214	\$ 10,585,006

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

CENTER FOR PLANT CONSERVATION, INC.

Statements of Activities

Years ended December 31, 2023, 2022 and 2021

	2023	2022	2021
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
OPERATING REVENUES			
Grants and contributions	\$ 326,437	\$ 792,147	\$ 569,864
In-kind contributions	264,230	292,007	406,327
Government grants and contracts	298,863	454,574	211,197
Participating Institution fees	105,300	77,785	75,925
National Meeting - meeting registration fees	48,725	36,650	10,725
Special events revenue	12,400	-	-
Draw on Endowment from accumulated investment earnings to general operating	324,226	306,590	257,169
Other net assets released from donor-imposed restrictions	475,165	92,993	30,000
Gain on forgiveness of Paycheck Protection Program loan	-	-	51,967
Other income	1,148	6,428	44
TOTAL OPERATING REVENUES WITHOUT DONOR RESTRICTIONS	1,856,494	2,059,174	1,613,218
OPERATING EXPENSES			
Program services	1,307,835	1,267,600	842,229
Supporting services:			
Management and general	361,286	369,177	291,743
Fundraising	157,135	93,889	117,730
TOTAL OPERATING EXPENSES	1,826,256	1,730,666	1,251,702
NET OPERATING INCOME WITHOUT DONOR RESTRICTION	30,238	328,508	361,516
NON-OPERATING INCOME			
Investment earnings, net - operating	50,724	363	878
Investment earnings, net - board designated endowment	118,849	(47,289)	203,913
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	199,811	281,582	566,307
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS			
OPERATING			
Draw from accumulated investment earnings (released from donor-restricted endowment)	(324,226)	(306,590)	(257,169)
Other net assets released from donor restrictions	(475,165)	(92,993)	(30,000)
Grants and contributions with donor restrictions	115,000	776,817	100,000
Contributions with donor restrictions - additions to endowment	245,105	106,786	46,075
TOTAL OPERATING ACTIVITY WITH DONOR RESTRICTIONS	(439,286)	484,020	(141,094)
NON-OPERATING INCOME			
Investment earnings, net - donor designated endowment	893,931	(273,858)	1,536,519
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	454,645	210,162	1,395,425
CHANGE IN NET ASSETS	654,456	491,744	1,961,732
NET ASSETS AT BEGINNING OF THE YEAR	8,586,378	8,094,634	6,132,902
NET ASSETS AT END OF THE YEAR	\$ 9,240,834	\$ 8,586,378	\$ 8,094,634

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

CENTER FOR PLANT CONSERVATION, INC.

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 431,831	\$ 71,972	\$ 49,827	\$ 553,630
Salaries and wages - in-kind	-	-	-	-
	<u>431,831</u>	<u>71,972</u>	<u>49,827</u>	<u>553,630</u>
Employee benefits and taxes	145,082	24,180	16,740	186,002
Employee benefits and taxes - in-kind	-	-	-	-
	<u>145,082</u>	<u>24,180</u>	<u>16,740</u>	<u>186,002</u>
TOTAL PERSONNEL EXPENSES	576,913	96,152	66,567	739,632
OTHER EXPENSES				
Plant Sponsorship grants	138,675	-	-	138,675
Seed collecting grants	210,186	-	-	210,186
National meeting	69,902	-	-	69,902
Professional services:				
Accounting	-	75,850	-	75,850
Communication	-	6,450	7,376	13,826
Legal	-	1,914	-	1,914
Information technology	8,968	15,041	-	24,009
Other	91,952	48,058	23,095	163,105
Insurance	-	12,562	-	12,562
Bank and merchant fees	-	5,283	-	5,283
Board meetings	-	21,463	-	21,463
Membership and dues	-	2,984	-	2,984
Meals	-	752	67	819
Donor cultivation	-	-	9,291	9,291
Information technology supplies and maintenance	7,330	5,328	291	12,949
Meetings and conferences	-	3,610	-	3,610
Postage and shipping	-	1,096	1,025	2,121
Printing and copying	-	1,028	12,862	13,890
Bad debt expense	-	3,328	-	3,328
Office expenses	2,665	3,323	12,697	18,685
Depreciation and amortization	1,566	261	181	2,008
Filing fees	-	6,403	-	6,403
Travel	2,499	7,032	-	9,531
In-kind expenses - other:				
Administrative and operating support	-	-	-	-
Occupancy	18,529	3,088	2,138	23,755
Professional services	108,026	19,092	12,465	139,583
Outreach and marketing	70,624	21,188	9,080	100,892
TOTAL OTHER EXPENSES	730,922	265,134	90,568	1,086,624
TOTAL EXPENSES	\$ 1,307,835	\$ 361,286	\$ 157,135	\$ 1,826,256

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

CENTER FOR PLANT CONSERVATION, INC.

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 253,928	\$ 76,178	\$ 32,648	\$ 362,754
Salaries and wages - in-kind	45,575	13,672	5,860	65,107
	299,503	89,850	38,508	427,861
Employee benefits and taxes	83,555	25,066	10,743	119,364
Employee benefits and taxes - in-kind	18,076	5,422	2,324	25,822
	101,631	30,488	13,067	145,186
TOTAL PERSONNEL EXPENSES	401,134	120,338	51,575	573,047
OTHER EXPENSES				
Plant Sponsorship grants	139,675	-	-	139,675
Seed collecting grants	362,315	-	-	362,315
National meeting	53,456	-	-	53,456
Professional services:				
Accounting	-	60,225	-	60,225
Communication	9,086	-	1,381	10,467
Legal	-	18,461	-	18,461
Information technology	58,068	1,148	-	59,216
Other	79,234	75,737	4,712	159,683
Insurance	-	8,901	-	8,901
Bank and merchant fees	-	4,947	-	4,947
Board meetings	-	9,672	-	9,672
Membership and dues	-	50	-	50
Meals	-	163	-	163
Donor cultivation	-	-	875	875
Information technology supplies and maintenance	9,418	7,870	442	17,730
Meetings and conferences	885	535	133	1,553
Postage and shipping	194	214	856	1,264
Printing and copying	-	2,594	10,592	13,186
Bad debt expense	-	-	-	-
Office expenses	809	729	4,040	5,578
Depreciation and amortization	1,188	356	153	1,697
Filing fees	-	8,247	-	8,247
Travel	11,384	6,763	1,033	19,180
In-kind expenses - other:				
Administrative and operating support	-	-	-	-
Occupancy	11,529	3,459	1,482	16,470
Professional services:	95,836	28,751	12,322	136,909
Outreach and marketing	33,389	10,017	4,293	47,699
TOTAL OTHER EXPENSES	866,466	248,839	42,314	1,157,619
TOTAL EXPENSES	\$ 1,267,600	\$ 369,177	\$ 93,889	\$ 1,730,666

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
	318,148	104,465	52,234	474,847
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
	87,421	28,706	14,353	130,480
TOTAL PERSONNEL EXPENSES	405,569	133,171	66,587	605,327
OTHER EXPENSES				
Plant Sponsorship 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
Bad debt expense	-	-	-	-
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.

Statements of Cash Flows

December 31, 2023, 2022, and 2021

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 654,456	\$ 491,744	\$ 1,961,732
Adjustments to reconcile change in net assets to cash from operations			
Depreciation and amortization	2,008	1,697	1,697
Realized gain on investments	(223,557)	(245,073)	(55,310)
Unrealized (gain) loss on investments	(801,055)	597,965	(1,653,976)
Donated securities	-	(25,699)	(10,299)
Contributions with donor-imposed restrictions for long-term purposes	(245,105)	(106,786)	(46,075)
Forgiveness of Paycheck Protection Program Loan	-	-	(51,967)
Changes in assets and liabilities:			
Accounts receivable	(4,565)	18,543	(22,960)
Grants receivable	310,308	(722,937)	19,920
Prepaid expenses and other assets	6,240	(47,772)	(5,674)
Accounts payable and accrued expenses	48,582	(88,397)	44,652
Accounts payable and accrued expenses to related party	111	(29,589)	(32,675)
Accrued employee related expenses	16,150	1	(2,242)
Receipts in funds held on behalf of others	-	-	212,703
Disbursements from funds held on behalf of others	(667,717)	(494,400)	(683,787)
Deferred revenue	1,737	(13,151)	(200)
Net cash used in operating activities	(902,407)	(663,854)	(324,461)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	-	(2,437)	-
Proceeds from certificates of deposits	1,273,339	(636)	727,297
Purchases of certificates of deposits	-	-	-
Proceeds from sales of investments	2,279,980	653,055	249,438
Purchases of investments	(3,731,678)	(446,163)	(79,654)
Net cash provided by (used in) investing activities	(178,359)	203,819	897,081
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from contributions with donor-imposed restrictions for long-term purposes	245,105	106,786	46,075
Proceeds from Paycheck Protection Program Loan	-	-	-
Net cash provided by financing activities	245,105	106,786	46,075
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(835,661)	(353,249)	618,695
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,764,181	2,117,430	1,498,735
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 928,520	\$ 1,764,181	\$ 2,117,430
Cash and cash equivalents - operating	\$ 569,750	\$ 1,165,941	\$ 1,007,288
Cash and cash equivalents - endowment	98,802	50,764	37,630
Cash and cash equivalents - restricted funds held for others	259,968	517,476	1,012,512
Cash and cash equivalents - CA Biodiversity overhead	-	30,000	60,000
	\$ 928,520	\$ 1,764,181	\$ 2,117,430

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

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements

December 31, 2023, 2022, and 2021

Note 1 – Organization

The Center for Plant Conservation, Inc. (the “Center” or “CPC”) 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. At the start of the collaboration, SDZWA provided facilities and equipment, funded certain staff positions, and provided various other support services. The donated assistance from SDZWA is presented as in-kind contributions from related party within the statements of activities. Beginning in April 2022, SDZWA began providing an annual salary support grant, so long as the Memorandum of Understanding (“MOU”) is in effect, that is to be used to replace the in-kind salary support provided in previous years, but the salary support grant may also be used for other purposes at the discretion of the Center. The primary operating revenues are contributions and grants, in some of which cases contributors or grantors have restricted for program related activities, in-kind contributions of which, in some cases, comprise donated professional services, facilities, and salaries and benefits, and an annual draw from accumulated investment earnings on both donor-restricted and board-designated 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.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due from participating institutions. The allowance for credit losses is based on historical experience, an assessment of current economic conditions and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. On December 31, 2023, 2022, and 2021, the allowance was \$0, \$0, and \$0, respectively.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable consists of amounts due to the Center under various cost reimbursement grants and other contribution receivables. All grants receivable are deemed to be collectible; no allowance was deemed necessary by management on December 31, 2023, 2022, and 2021.

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 elected to account for the loan using the debt-model under FASB ASC 470. The debt-model required initial recording of the proceeds received as financing activities and the loan as a liability until the Center was legally released from the obligation to repay the loan.

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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Recognition

Revenue includes Participating Institution fees and registration fees and is recognized when satisfaction of the contractual performance obligation is met. The performance obligation is met upon completion of the service or at the time of the event.

Grant revenues and 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. 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.

In-Kind Contributions

The Center receives various forms of gifts-in-kind (“GIK”) from related and unrelated parties including personnel services, office space, ad space, and other goods and services. GIK are reported as in-kind contributions on the statement of activities at their estimated fair value on the date of receipt and reported as expense when utilized. The Center did not monetize any GIK and unless otherwise noted, GIK did not have any donor restrictions.

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, 2023, 2022, and 2021, were \$162,250, \$244,308, and \$406,327, respectively. GIK from third parties were \$101,980, \$47,699, and \$0, during the years ended December 31, 2023, 2022, and 2021, respectively.

Advertising Costs

Advertising costs are expensed as incurred.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Change in Accounting Principle

In 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through the change in net assets. The most significant change in this standard will shift from the incurred cost model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to the guidance are accounts receivable. The Center adopted the standard effective January 1, 2023 which had a nominal impact on CPC's financial statements.

Subsequent Events

The Center has evaluated all subsequent events through October 15, 2024, 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>2023</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents – operating	\$ 569,750	\$ 1,165,941	\$ 1,007,288
Investments – operating	727,559	-	-
Endowment appropriations	342,352	324,226	306,590
Accounts receivable	10,829	6,264	24,807
Grants receivable, due in 1 year	<u>432,694</u>	<u>366,011</u>	<u>20,065</u>
Total	<u>\$ 2,083,184</u>	<u>\$ 1,862,442</u>	<u>\$ 1,358,750</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 10 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 statement of financial position, 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 statement of financial position.

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, 2023, 2022, and 2021

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 \$1,055,218, \$936,369, and \$983,658 on December 31, 2023, 2022, and 2021, 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. As of December 31, 2023, 2022, and 2021, the entire line of credit of \$300,000 was available for borrowing.

Note 4 – Grants Receivable

Grants receivable are for cost reimbursement grants or unconditional multi-year grants made by grantors but not yet received. At December 31, the Center had the following grants receivables:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Due in 1 year	\$ 432,694	\$ 366,011	\$ 20,065
Due in 2 years	-	376,991	-
Total	<u>\$ 432,694</u>	<u>\$ 743,002</u>	<u>\$ 20,065</u>

Note 5 – Fair Value and Net Asset 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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 5 – Fair Value and Net Asset Value Measurements and Disclosures (Continued)

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.

The following table presents assets that are measured at fair value and net asset value on a recurring basis on December 31, 2023:

		<u>Measurements at Reporting Date Using</u>		
	<u>Total</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	\$ 4,951,293	\$ 4,951,293	\$ -	\$ -
Government securities	1,590,689	1,590,689	-	-
Exchange traded products	394,400	394,400	-	-
Credit instruments	172,535	172,535	-	-
Total investments at fair value	7,108,917	\$ 7,108,917	\$ -	\$ -
Investments at net asset value (NAV)	1,963,619			
Total	\$ 9,072,536			

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 5 – Fair Value and Net Asset Value Measurements and Disclosures (Continued)

The following table presents assets that are measured at fair value and net asset value on a recurring basis on December 31, 2022:

		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	\$ 4,077,558	\$ 4,077,558	\$ -	\$ -
Credit instruments	<u>169,146</u>	<u>169,146</u>	<u>-</u>	<u>-</u>
Total investments at fair value	4,246,704	<u>\$ 4,246,704</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at net asset value (NAV)	<u>2,349,522</u>			
Total	<u>\$ 6,596,226</u>			

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

		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	\$ 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	<u>\$ 4,711,700</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at net asset value (NAV)	<u>2,418,611</u>			
Total	<u>\$ 7,130,311</u>			

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 5 – Fair Value and Net Asset Value Measurements and Disclosures (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value and net asset value. There have been no changes in the methodologies used on December 31, 2023, 2022, and 2021.

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 quarterly basis and have various redemption restrictions as disclosed in their respective audited financial statements. Additionally, there are no unfunded commitments.

Note 6 – Property and Equipment

Property and equipment are summarized as follows on December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Equipment	\$ 11,887	\$ 11,887	\$ 9,450
Website	16,589	16,589	16,589
	<u>28,476</u>	<u>28,476</u>	<u>26,039</u>
Less accumulated depreciation and amortization	(26,851)	(24,843)	(23,146)
Total	<u>\$ 1,625</u>	<u>\$ 3,633</u>	<u>\$ 2,893</u>

Depreciation and amortization expense for the years ended December 31, 2023, 2022, and 2021, was \$2,008, \$1,697, and \$1,697, respectively.

Note 7 – Lines of Credit

The Center has a \$300,000 revolving line of credit with a bank, secured by a commercial pledge agreement. The line of credit will mature on October 27, 2024. On December 31, 2023, 2022, and 2021, there was no outstanding balance on the revolving line of credit. Although, there have been no borrowings, the agreement terms for the interest rate are variable interest rate based on the Wall Street Journal prime rate + .50%.

The Center also had an unsecured revolving credit facility with SDZWA for \$50,000 and was not renewed in 2022. The line bore interest at the rate in effect for SDZWA's own credit facility at the time the principal is borrowed. On December 31, 2021, there was no outstanding balance on this credit facility.

Note 8 – 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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 8 – Funds Held on Behalf of Others (Continued)

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.

\$3,040,254 of the \$3,200,254 initial 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”, “Certificates of deposit - restricted funds held on behalf of others”, and “Investments – restricted funds held on behalf of others”. The liability and assets described above are reduced over time as the CPC administers the funds to the beneficiaries.

The remaining \$160,000 of the aforementioned \$3,200,254 received in 2019 represented 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 and is released over the 5-year period to net assets without donor restrictions.

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.

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, 2023, 2022, and 2021, CPC disbursed \$667,717, \$494,400, and \$683,797, respectively, of the forgoing funds held for others.

Note 9 – 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.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 10 – 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, 2023, 2022, and 2021, 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, 2023, 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	446,474	-	446,474
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,561,376	2,561,376
Accumulated investment earnings - temporary in nature	-	3,964,055	3,964,055
Total	\$ 1,055,218	\$ 6,525,431	\$ 7,580,649

* 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, 2023, 2022, and 2021

Note 10 – Endowments (Continued)

As of December 31, 2022, 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	327,625	-	327,625
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,316,271	2,316,271
Accumulated investment earnings - temporary in nature	-	3,394,350	3,394,350
Total	<u>\$ 936,369</u>	<u>\$ 5,710,621</u>	<u>\$ 6,646,990</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, 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 – temporary in nature	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	<u>\$ 983,658</u>	<u>\$ 6,184,283</u>	<u>\$ 7,167,941</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, 2023, 2022, and 2021

Note 10 – 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 on December 31, 2023, 2022, or 2021.

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 to 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 2023, 2022 and 2021, the draw rate was 5%. Historically, and most recently with respect to 2021, 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 2023 (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, 2023, 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	\$ 327,625	\$ 2,316,271	\$ 3,394,350	\$ 6,646,990
Investment return, net	-	118,849	-	893,931	1,012,780
Contributions	-	-	245,105	-	245,105
Appropriation of endowment assets pursuant to draw policy	-	-	-	(324,226)	(324,226)
Endowment net assets, end of year	<u>\$ 608,744</u>	<u>\$ 446,474</u>	<u>\$ 2,561,376</u>	<u>\$ 3,964,055</u>	<u>\$ 7,580,649</u>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 10 – Endowments (Continued)

Changes in Endowment net assets for the year ended December 31, 2022, were as follows:

	Without Donor <u>Restrictions</u>	Accumulated Investment Earnings - Board <u>Designated</u>	With Donor Restrictions Perpetual in <u>Nature</u>	Accumulated Investment Earnings Temporary in <u>Nature</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 608,744	\$ 374,914	\$ 2,209,485	\$ 3,974,798	\$ 7,167,941
Investment return, net	-	(47,289)	-	(273,858)	(321,147)
Contributions	-	-	106,786	-	106,786
Appropriation of endowment assets pursuant to draw policy	-	-	-	(306,590)	(306,590)
Endowment net assets, end of year	<u>\$ 608,744</u>	<u>\$ 327,625</u>	<u>\$ 2,316,271</u>	<u>\$ 3,394,350</u>	<u>\$ 6,646,990</u>

Changes in Endowment net assets for the year ended December 31, 2021, were as follows:

	Without Donor <u>Restrictions</u>	Accumulated Investment Earnings - Board <u>Designated</u>	With Donor Restrictions Perpetual in <u>Nature</u>	Accumulated Investment Earnings Temporary in <u>Nature</u>	<u>Total</u>
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	<u>\$ 608,744</u>	<u>\$ 374,914</u>	<u>\$ 2,209,485</u>	<u>\$ 3,974,798</u>	<u>\$ 7,167,941</u>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 10 – Endowments (Continued)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
JPMorgan Chase Bank - cash	\$ 33,400	\$ 26,452	\$ 8,245
Corient –			
Managed Portfolio of Investment Securities	3,638,012	3,347,960	3,934,300
Corient – cash	43,502	11,997	6,985
Fourthstone Offshore Opportunity Fund Ltd. –			
Investment Fund	969,956	926,955	850,352
Gates Capital Management L.P. –			
Investment Fund	29,083	492,060	675,630
Hot Creek Capital, L.L.C. – Investment Fund	964,581	930,506	892,629
Midland States Bank – cash	9,282	9,826	10,341
UBS Financial Services – Custodian – cash & cash equivalents	12,618	2,489	12,059
UBS Financial Services – Custodian –			
Berkshire Hathaway Common Stock	980,815	849,475	777,400
UBS Financial Services – Custodian –			
Copper Property Common Stock	505,000	-	-
UBS Financial Services – Custodian –			
Pershing Square Holdings LTD Common Stock	394,400	49,270	-
Total endowment net assets	<u>\$ 7,580,649</u>	<u>\$ 6,646,990</u>	<u>\$ 7,167,941</u>

Note 11 – Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Subject to expenditure for timing:			
SDZWA grant	\$ 376,991	\$ 743,002	\$ -
Subject to expenditure for specified purpose:			
Administration of California Plant Rescue Program	-	30,000	60,000
Safeguarding Florida’s Imperiled Plant Species	106,668	70,822	100,000
Subject to endowment draw policy and appropriation:			
Endowment accumulated investment earnings – temporary in nature	3,964,055	3,394,350	3,974,798
Plant conservation – donor corpus perpetual in nature	2,561,376	2,316,271	2,209,485
Total	<u>\$ 7,009,090</u>	<u>\$ 6,554,445</u>	<u>\$ 6,344,283</u>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 11 – Net Assets with Donor Restrictions

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>2023</u>	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:			
Administration of California Plant Rescue Program	\$ 30,000	\$ 30,000	\$ 30,000
Florida Rare Plant Project	<u>79,154</u>	<u>62,993</u>	<u>-</u>
	<u>109,154</u>	<u>92,993</u>	<u>30,000</u>
Satisfaction of timing restrictions:			
SDZWA grant	<u>366,011</u>	<u>-</u>	<u>-</u>
Restricted-purpose draw policy distributions and appropriation:			
Plant Sponsorship grants	<u>137,500</u>	<u>137,500</u>	<u>137,500</u>
General use	<u>186,726</u>	<u>169,090</u>	<u>119,669</u>
	<u>324,226</u>	<u>306,590</u>	<u>257,169</u>
Total	<u>\$ 799,391</u>	<u>\$ 399,583</u>	<u>\$ 287,169</u>

Note 12 – 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.

Disaggregation of Revenue

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

	<u>Year Ended December 31, 2023</u>	
	<u>Over Period of Time</u>	<u>Point In Time</u>
Participation Institution fees	\$ 105,300	\$ -
National meeting	-	48,725
Other income	<u>-</u>	<u>1,148</u>
Total ASC 606 Revenue	<u>\$ 105,300</u>	<u>\$ 49,873</u>

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 12 – Revenue from Contracts with Customers (Continued)

	Year Ended December 31, 2022	
	Over Period of Time	Point In Time
Participation Institution fees	\$ 77,785	\$ -
National meeting	-	36,650
Other income	-	6,428
Total ASC 606 Revenue	<u>\$ 77,785</u>	<u>\$ 43,078</u>

	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>

Note 13 – In-kind Contributions

In-kind contributions consisted of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Google ad grant	\$ 101,980	\$ 47,699	\$ -
Professional services from SDZWA	138,495	136,909	166,629
Facilities use from SDZWA	23,755	16,470	14,100
Personnel costs from SDZWA	-	90,929	225,598
Total	<u>\$ 264,230</u>	<u>\$ 292,007</u>	<u>\$ 406,327</u>

Note 14 – 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, 2023, 2022, and 2021, meeting expense reimbursements due from Trustees were \$0, \$0, and \$0, respectively.

The relationship between CPC and SDZWA is governed by an agreement that was revised in April 2022 with a termination date in October 2025. Prior to the revision of the agreement through April 2022, SDZWA provided support or staff salaries for two positions, CEO and Senior Scientist, and CPC reimbursed SDZWA payroll expenses for all other staff members. After the agreement revision, SDZWA no longer provided staff salaries in kind, and CPC began prepaying SDZWA for all staff salaries on a monthly basis. In 2022, SDZWA provided direct support for CPC through grant installments paid in April 2022 and December 2022 of \$193,200 and \$355,350, respectively. In 2023, SDZWA provided direct support for CPC through a grant installment of \$366,011. SDZWA will provide the final annual installments of \$376,991 during the year ending December 31, 2024. SDZWA also reimbursed CPC for the portion of the fringe and benefits allocated to the SDZWA incentive pool in November 2022.

CENTER FOR PLANT CONSERVATION, INC.

Notes to the Financial Statements - Continued

December 31, 2023, 2022, and 2021

Note 14 – Related Party Transactions (Continued)

During the year ended December 31, 2023, the Center incurred expenses from SDZWA totaling \$430,979 and had \$41,539 due at year end. During the year ended December 31, 2022, the Center incurred expenses from SDZWA totaling \$468,807 and had \$41,428 due at year end. During the year ended December 31, 2021, the Center incurred expenses from SDZWA totaling \$406,423 and had \$71,017 due at year end. At December 31, 2023 and 2022, the Center has prepaid \$50,000 of these expenses to SDZWA and have included such amounts as prepaid expenses and other assets in the statement of financial position.

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.

Note 15 – Concentrations

During the year ended December 31, 2023, grant revenue from four grantors comprised 63% of total operating revenue and support, excluding in-kind contributions. During the year ended December 31, 2022, grant revenue from two grantors comprised 60% of total operating revenue and support, excluding in-kind contributions. During the year ended December 31, 2021, grant revenue from two grantor comprised 74% of total operating revenue and support, excluding in-kind contributions.

SUPPLEMENTARY INFORMATION

CENTER FOR PLANT CONSERVATION, INC.

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

December 31, 2023

	Operating			Non-Operating (Endowment)			
	Undesignated	With Donor Restrictions	Total Operating	Board Designated	With Donor Restrictions	Total Non-Operating	TOTAL
OPERATING							
REVENUE AND SUPPORT							
Grants and contributions	\$ 326,437	\$ 115,000	\$ 441,437	\$ -	\$ 245,105	\$ 245,105	\$ 686,542
In-kind contributions	264,230	-	264,230	-	-	-	264,230
Government grants and contracts	298,863	-	298,863	-	-	-	298,863
Participating Institution fees	105,300	-	105,300	-	-	-	105,300
Special events revenue	12,400	-	12,400	-	-	-	12,400
National Meeting - meeting registration fees	48,725	-	48,725	-	-	-	48,725
Other income	1,148	-	1,148	-	-	-	1,148
Draw of Plant Conservation Fund accumulated investment earnings to general operating	324,226	-	324,226	-	(324,226)	(324,226)	-
Net assets released from donor-imposed restrictions	475,165	(475,165)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,856,494	(360,165)	1,496,329	-	(79,121)	(79,121)	1,417,208
EXPENSES							
Program services	1,307,835	-	1,307,835	-	-	-	1,307,835
Supporting services:							
Management and general	361,286	-	361,286	-	-	-	361,286
Fundraising	157,135	-	157,135	-	-	-	157,135
Total supporting services	518,421	-	518,421	-	-	-	518,421
TOTAL EXPENSES	1,826,256	-	1,826,256	-	-	-	1,826,256
EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES							
	30,238	(360,165)	(329,927)	-	(79,121)	(79,121)	(409,048)
NON-OPERATING							
Interest and dividends	125	-	125	10,689	80,277	90,966	91,091
Realized gain on investments	8,013	-	8,013	25,193	190,351	215,544	223,557
Unrealized gain on investments	42,586	-	42,586	89,100	669,369	758,469	801,055
Management fees	-	-	-	(6,133)	(46,066)	(52,199)	(52,199)
TOTAL NON-OPERATING INCOME, NET	50,724	-	50,724	118,849	893,931	1,012,780	1,063,504
CHANGE IN NET ASSETS	80,962	(360,165)	(279,203)	118,849	814,810	933,659	654,456
NET ASSETS AT BEGINNING OF THE YEAR	1,095,564	843,824	1,939,388	936,369	5,710,621	6,646,990	8,586,378
NET ASSETS AT END OF THE YEAR	\$ 1,176,526	\$ 483,659	\$ 1,660,185	\$ 1,055,218	\$ 6,525,431	\$ 7,580,649	\$ 9,240,834

CENTER FOR PLANT CONSERVATION, INC.

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

December 31, 2022

	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	\$ 792,147	\$ 776,817	\$ 1,568,964	\$ -	\$ 106,786	\$ 106,786	\$ 1,675,750
In-kind contributions	292,007	-	292,007	-	-	-	292,007
Government grants and contracts	454,574	-	454,574	-	-	-	454,574
Participating Institution fees	77,785	-	77,785	-	-	-	77,785
National Meeting - meeting registration fees	36,650	-	36,650	-	-	-	36,650
Other income	6,428	-	6,428	-	-	-	6,428
Draw of Plant Conservation Fund accumulated investment earnings to general operating	306,590	-	306,590	-	(306,590)	(306,590)	-
Net assets released from donor-imposed restrictions	92,993	(92,993)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	2,059,174	683,824	2,742,998	-	(199,804)	(199,804)	2,543,194
EXPENSES							
Program services	1,267,600	-	1,267,600	-	-	-	1,267,600
Supporting services:							
Management and general	369,177	-	369,177	-	-	-	369,177
Fundraising	93,889	-	93,889	-	-	-	93,889
Total supporting services	463,066	-	463,066	-	-	-	463,066
TOTAL EXPENSES	1,730,666	-	1,730,666	-	-	-	1,730,666
EXCESS (DEFICIENCY) OF REVENUE AND SUPPORT OVER EXPENSES BEFORE NON-OPERATING INCOME AND EXPENSES	328,508	683,824	1,012,332	-	(199,804)	(199,804)	812,528
NON-OPERATING							
Interest and dividends	363	-	363	12,509	72,448	84,957	85,320
Realized gain on investments	-	-	-	36,087	208,986	245,073	245,073
Unrealized loss on investments	-	-	-	(88,050)	(509,915)	(597,965)	(597,965)
Management fees	-	-	-	(7,835)	(45,377)	(53,212)	(53,212)
TOTAL NON-OPERATING INCOME, NET	363	-	363	(47,289)	(273,858)	(321,147)	(320,784)
CHANGE IN NET ASSETS	328,871	683,824	1,012,695	(47,289)	(473,662)	(520,951)	491,744
NET ASSETS AT BEGINNING OF THE YEAR	766,693	160,000	926,693	983,658	6,184,283	7,167,941	8,094,634
NET ASSETS AT END OF THE YEAR	\$ 1,095,564	\$ 843,824	\$ 1,939,388	\$ 936,369	\$ 5,710,621	\$ 6,646,990	\$ 8,586,378

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	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 - meeting registration fees	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	-	-	-	8,756	46,554	55,310	55,310
Unrealized gain on investments	-	-	-	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