

NATIVE PLANT TRUST, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Native Plant Trust, Inc.
Framingham, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Native Plant Trust, Inc. (a MA Nonprofit), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, changes in net assets, 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 Native Plant Trust, Inc. as of December 31, 2021 and 2020, and its changes in 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 for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Native Plant Trust, 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 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 Native Plant Trust, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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.

In performing an audit in accordance with GAAS, 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 Native Plant Trust, 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 Native Plant Trust, 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
August 15, 2022

NATIVE PLANT TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 871,195	\$ 942,496
Short-Term Investments	892,117	859,512
Accounts Receivable, Net	99,180	45,585
Current Portion of Grants and Pledges Receivable, Net	134,437	100,000
Inventory	69,853	105,128
Prepaid Expenses	53,168	32,013
Total Current Assets	2,119,950	2,084,734
INVESTMENTS	9,332,032	8,191,842
GRANTS AND PLEDGES RECEIVABLE, NET OF CURRENT PORTION	3,042,720	3,113,419
ASSETS HELD IN CHARITABLE REMAINDER TRUSTS	499,975	462,550
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	111,710	102,069
PROPERTY AND EQUIPMENT, NET	2,542,343	2,669,172
DEVELOPMENT OF WEBSITES, NET	490,172	230,049
Total Assets	\$ 18,138,902	\$ 16,853,835
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 93,998	\$ 70,889
Accrued Expenses	68,959	56,116
Deferred Revenue	138,690	111,901
Paycheck Protection Program Loan	-	332,900
Current Portion of Annuities Payable	1,800	1,800
Total Current Liabilities	303,447	573,606
ANNUITIES PAYABLE, NET	8,858	12,552
DUE TO OTHER BENEFICIARIES OF CHARITABLE REMAINDER TRUSTS	279,483	257,720
Total Liabilities	591,788	843,878
NET ASSETS		
Without Donor Restrictions	4,097,369	3,320,982
With Donor Restrictions	13,449,745	12,688,975
Total Net Assets	17,547,114	16,009,957
Total Liabilities and Net Assets	\$ 18,138,902	\$ 16,853,835

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	\$ 1,552,771	\$ 334,857	\$ 1,887,628
Contributed Services	528,461		528,461
Membership Dues	394,988	-	394,988
Program Fees, Services, and Other Income	289,418	-	289,418
Investment Return Designated for Current Operations	296,285	-	296,285
Sales of Plant and Merchandise, Net of Cost of Goods Sold of \$419,991	643,601	-	643,601
Admissions	138,428	-	138,428
Net Assets Released from Restrictions	424,009	(424,009)	-
Total Operating Revenue and Support	<u>4,267,961</u>	<u>(89,152)</u>	<u>4,178,809</u>
OPERATING EXPENSES			
Program Services:			
Conservation	1,188,718	-	1,188,718
Education	337,772	-	337,772
Horticulture	767,542	-	767,542
Member Services	247,256	-	247,256
Retail Shops	329,429	-	329,429
Total Program Services	<u>2,870,717</u>	<u>-</u>	<u>2,870,717</u>
Supporting Services:			
General and Administrative	743,218	-	743,218
Fundraising	232,798	-	232,798
Total Supporting Services	<u>976,016</u>	<u>-</u>	<u>976,016</u>
Total Operating Expenses	<u>3,846,733</u>	<u>-</u>	<u>3,846,733</u>
CHANGES IN NET ASSETS FROM OPERATIONS	421,228	(89,152)	332,076
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	1,655	741,784	743,439
Contributed Services for Website Development	82,897	-	82,897
Contributions for Long-Term Purposes	-	357,154	357,154
Changes in Value of Split-Interest Agreements	1,478	25,304	26,782
Loss on Disposal of Property and Equipment	(5,191)	-	(5,191)
Net Assets Released from Capital and Equipment Restrictions	274,320	(274,320)	-
Total Nonoperating Revenues, Net	<u>355,159</u>	<u>849,922</u>	<u>1,205,081</u>
CHANGES IN NET ASSETS	<u>\$ 776,387</u>	<u>\$ 760,770</u>	<u>\$ 1,537,157</u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	\$ 1,528,555	\$ 429,826	\$ 1,958,381
Membership Dues	340,023	-	340,023
Program Fees, Services, and Other Income	208,039	-	208,039
Investment Return Designated for Current Operations	257,364	-	257,364
Sales of Plant and Merchandise, Net of Cost of Goods Sold of \$265,323	416,293	-	416,293
Admissions	67,271	-	67,271
Net Assets Released from Restrictions	569,847	(569,847)	-
Total Operating Revenue and Support	3,387,392	(140,021)	3,247,371
OPERATING EXPENSES			
Program Services:			
Conservation	767,162	-	767,162
Education	284,648	-	284,648
Horticulture	718,547	-	718,547
Member Services	236,772	-	236,772
Retail Shops	308,479	-	308,479
Total Program Services	2,315,608	-	2,315,608
Supporting Services:			
General and Administrative	729,490	-	729,490
Fundraising	222,286	-	222,286
Total Supporting Services	951,776	-	951,776
Total Operating Expenses	3,267,384	-	3,267,384
CHANGES IN NET ASSETS FROM OPERATIONS	120,008	(140,021)	(20,013)
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	2,308	607,408	609,716
Contributions for Long-Term Purposes	-	598,031	598,031
Changes in Value of Split-Interest Agreements	3,429	22,283	25,712
Gain on Disposal of Property and Equipment	-	-	-
Net Assets Released from Capital and Equipment Restrictions	61,378	(61,378)	-
Total Nonoperating Revenues, Net	67,115	1,166,344	1,233,459
CHANGES IN NET ASSETS	\$ 187,123	\$ 1,026,323	\$ 1,213,446

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services					Supporting Services			Total
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	
Salaries and Benefits	\$ 502,326	\$ 183,846	\$ 482,146	\$ 160,008	\$ 195,542	\$ 1,523,868	\$ 463,291	\$ 170,235	\$ 2,157,394
Professional and Consultant Services	548,390	80,343	51,973	3,848	161	684,715	133,610	-	818,325
Operating Expenses	81,951	54,635	61,441	75,504	110,990	384,521	60,221	49,475	494,217
Property and Occupancy	34,740	9,095	55,409	7,385	14,083	120,712	16,136	8,048	144,896
Plant and Merchandise Expense	-	-	-	-	419,991	419,991	-	-	419,991
Insurance	-	-	-	-	-	-	46,965	-	46,965
Depreciation and Amortization	21,311	9,853	116,573	511	8,653	156,901	22,995	5,040	184,936
Subtotal	1,188,718	337,772	767,542	247,256	749,420	3,290,708	743,218	232,798	4,266,724
Less: Cost of Plant and Merchandise Sales	-	-	-	-	419,991	419,991	-	-	419,991
Total Operating Expenses	\$ 1,188,718	\$ 337,772	\$ 767,542	\$ 247,256	\$ 329,429	\$ 2,870,717	\$ 743,218	\$ 232,798	\$ 3,846,733

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services					Supporting Services			Total
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	
Salaries and Benefits	\$ 454,663	\$ 171,861	\$ 454,368	\$ 162,247	\$ 198,036	\$ 1,441,175	\$ 457,355	\$ 177,333	\$ 2,075,863
Professional and Consultant Services	233,327	49,113	27,314	981	2,278	313,013	124,277	-	437,290
Operating Expenses	39,911	44,253	67,904	66,279	89,120	307,467	57,251	32,011	396,729
Property and Occupancy	17,981	9,597	51,268	6,622	11,099	96,567	16,562	7,911	121,040
Plant and Merchandise Expense	-	-	-	-	263,750	263,750	-	-	263,750
Insurance	-	-	-	-	-	-	50,538	-	50,538
Depreciation and Amortization	21,280	9,824	117,693	643	7,946	157,386	23,507	5,031	185,924
Subtotal	767,162	284,648	718,547	236,772	572,229	2,579,358	729,490	222,286	3,531,134
Less: Cost of Plant and Merchandise Sales	-	-	-	-	263,750	263,750	-	-	263,750
Total Operating Expenses	<u>\$ 767,162</u>	<u>\$ 284,648</u>	<u>\$ 718,547</u>	<u>\$ 236,772</u>	<u>\$ 308,479</u>	<u>\$ 2,315,608</u>	<u>\$ 729,490</u>	<u>\$ 222,286</u>	<u>\$ 3,267,384</u>

See accompanying Notes to Financial Statements.

**NATIVE PLANT TRUST, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
NET ASSETS - DECEMBER 31, 2019	\$ 3,133,859	\$ 11,662,652	\$ 14,796,511
Changes in Net Assets	<u>187,123</u>	<u>1,026,323</u>	<u>1,213,446</u>
NET ASSETS - DECEMBER 31, 2020	3,320,982	12,688,975	16,009,957
Changes in Net Assets	<u>776,387</u>	<u>760,770</u>	<u>1,537,157</u>
NET ASSETS - DECEMBER 31, 2021	<u><u>\$ 4,097,369</u></u>	<u><u>\$ 13,449,745</u></u>	<u><u>\$ 17,547,114</u></u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,537,157	\$ 1,213,446
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	133,376	135,078
Amortization	51,560	50,846
Contributions for Endowment	(374,257)	(663,031)
Contributions for Property and Equipment	-	(35,000)
Contributed Services for Development of Website	(82,897)	-
Discount on Grants and Pledges Receivable	(29,892)	(40,894)
Net Realized and Unrealized Gains on Investments	(889,245)	(733,554)
Changes in Value of Split-Interest Agreements	(26,782)	(25,714)
Loss on Sale of Property and Equipment	5,191	-
Forgiveness of Paycheck Protection Program Loan	(332,900)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(53,595)	7,396
Grants and Pledges Receivable	66,154	300,000
Inventory	35,275	(8,021)
Prepaid Expenses	(21,155)	3,637
Accounts Payable	23,109	(34,223)
Accrued Expenses	12,843	10,413
Deferred Revenue	26,789	9,341
Annuity Payable	(2,215)	(2,215)
Net Cash Provided by Operating Activities	78,516	187,505
CASH FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(11,738)	(162,447)
Purchases for Development of Websites	(228,786)	(17,400)
Purchases of Investments	(672,546)	(1,516,368)
Proceeds from Sales of Investments	388,996	745,959
Net Cash Used by Investing Activities	(524,074)	(950,256)
CASH FROM FINANCING ACTIVITIES		
Contributions for Property and Equipment	-	35,000
Cash Collected for Endowment	374,257	663,031
Proceeds from Long Term Debt	-	332,900
Net Cash Provided by Financing Activities	374,257	1,030,931
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(71,301)	268,180
Cash and Cash Equivalents - Beginning of Year	942,496	674,316
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 871,195	\$ 942,496

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Native Plant Trust, Inc. (a Massachusetts nonprofit corporation) (“NPT,” or the “Organization”) was founded in 1900 and incorporated in March 1932. NPT conserves and promotes New England’s native plants to ensure healthy, biologically diverse landscapes. During 2018, the Organization changed its name from New England Wild Flower Society, Inc. to Native Plant Trust, Inc.

In February 2017, the board of trustees approved a new five-year strategic plan, which articulates NPT’s leadership role in all aspects of native plant conservation, horticulture, and education and places the goals within the context of both international treaties and national partnerships.

The primary goals are:

- Achieve tangible outcomes in the conservation and recovery of native plants
- Develop, demonstrate, and advance scientific and practical knowledge about the region’s native plants
- Inspire and educate people and develop resources to help them conserve, grow, and promote native plants
- Ensure our properties are models of stewardship
- Build an exemplary organization

Nonprofit Status

NPT is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). NPT is also exempt from state income taxes. Donors may deduct contributions made to NPT within the requirements of the IRC.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Program fees, services, and other income are recorded as services are provided. A portion of membership dues is considered to be a contribution to NPT. The portion of contribution revenue is recognized when the dues are paid and the portion related to dues are recognized ratably over the terms of the memberships. Membership dues revenue, including the contribution, are included in membership revenue on the statement of activities.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

Unearned membership revenue is reflected as deferred revenue on the statement of financial position. Revenue recognized over time includes admissions, course fees, lectures, tours, and rental of classroom space.

The following table shows NPT's program fees, services, and other income disaggregated according to the timing of the transfer of goods or services:

	<u>2021</u>	<u>2020</u>
Revenue Recognized Over Time:		
Course Fees	\$ 192,106	\$ 126,907
Membership Revenue	394,988	340,023
Total Revenue Recognized over Time	<u>\$ 587,094</u>	<u>\$ 466,930</u>
	<u>2021</u>	<u>2020</u>
Revenue Recognized at a Point in Time:		
Services and Lectures	\$ 86,899	\$ 70,370
Admissions	138,428	67,271
Tours	114	-
School Programs	-	720
Miscellaneous Revenue	10,299	10,042
Total Revenue Recognized at a Point in Time	<u>\$ 235,740</u>	<u>\$ 148,403</u>

The gross margin on plant and merchandise sales is recorded upon exchange of the goods sold and reported net of cost of sales as follows:

	<u>2021</u>		
	<u>Plants</u>	<u>Merchandise</u>	<u>Total</u>
Gross Sales	\$ 988,554	\$ 75,038	\$ 1,063,592
Cost of Sales	(379,127)	(40,864)	(419,991)
Total	<u>\$ 609,427</u>	<u>\$ 34,174</u>	<u>\$ 643,601</u>
	<u>2020</u>		
	<u>Plants</u>	<u>Merchandise</u>	<u>Total</u>
Gross Sales	\$ 670,361	\$ 11,255	\$ 681,616
Cost of Sales	(259,229)	(6,094)	(265,323)
Total	<u>\$ 411,132</u>	<u>\$ 5,161</u>	<u>\$ 416,293</u>

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

The following table shows the beginning and ending balances of contract assets and liabilities as of December 31:

	<u>2021</u>	<u>2020</u>
Accounts Receivables, Beginning Balance	\$ 45,585	\$ 52,981
Accounts Receivables, Ending Balance	99,180	45,585
	<u>2021</u>	<u>2020</u>
Deferred Revenue, Beginning Balance	\$ 111,901	\$ 102,560
Deferred Revenue, Ending Balance	138,690	111,901

A portion of the NPT's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditional based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when NPT has incurred expenditures in compliance with specific contract or grant provisions.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. NPT observes a policy of releasing net assets restricted for capital projects at the time the capital expenditures are incurred.

The Organization is and may be named principal or income beneficiary of certain trusts and wills, in addition to those described in Note 6 and Note 7. The amounts to be received, if any, cannot be determined by NPT and, therefore, are not reflected in the accompanying financial statements.

Revenues are reported as increases in net assets without donor restrictions unless use of related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor-imposed restrictions whose restrictions are met in the same reporting period as the contribution is made are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due from program services and credit card sales. NPT determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible.

Inventory

Merchandise inventories are valued using the retail inventory method, which involves pricing individual items at current selling prices and reducing such amounts to the lower of cost or net realizable value by the application of markup rates. NPT records the plant inventories at the lower of cost or market using a first-in, first-out (FIFO) convention.

Inventory consists of the following at December 31:

	2021	2020
Merchandise	\$ 67,806	\$ 87,917
Plants	7,047	22,211
Subtotal	74,853	110,128
Less: Inventory Reserve	(5,000)	(5,000)
Total	\$ 69,853	\$ 105,128

Fair Value Measurements

NPT has adopted the *Fair Value Measurements and Disclosures* standards. These standards define fair value, establish a framework for measuring fair value under accounting principles generally accepted in the United States of America, and mandate disclosures about fair value measurements. These standards establish a fair value framework that prioritizes the inputs and assumptions used to measure fair value.

The three levels of the fair value framework under these standards are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost (see Note 4) if the asset is tangible and complete, used in operations, has a useful life greater than one year, and a value greater than \$2,500. Donated property and equipment are recorded at fair market value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. Long lived assets are reviewed for impairment and, if an impairment is identified, a loss would be recorded to reflect declines in the net realizable value of property and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Land Improvements	20 Years
Building	40 Years
Furniture, Fixtures, and Equipment	3 to 10 Years
Building Improvements	5 to 40 Years

Development of Websites

Website development costs are being amortized over a five-year period using the straight-line method. Amortization expense for the years ended December 31, 2021 and 2020 was \$51,560 and \$50,846, respectively.

Annuities Payable

Annuities payable represents obligations to donors under charitable gift agreements where donors receive fixed lifetime annuities in exchange for their gifts (see Note 8).

Advertising Costs

Advertising costs are expensed as incurred by NPT. Advertising costs for the years ended December 31, 2021 and 2020 were \$39,210 and \$37,000, respectively.

Contributed Services

NPT reports revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated. NPT received services for the horticultural and conservation programs which includes serving as tour guides, identifying and logging field samples, monitoring the status of rare and endangered plants, collecting seeds, reviewing data and setting conservation priorities. Contributed services in the amount of \$611,358 and \$280,606 were recorded for the years ended December 31, 2021 and 2020, respectively, including \$82,897 in 2021 for development of a conservation database and website.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. NPT has grouped its net assets without donor restrictions into the following categories:

- **Operating Net Assets** represents funds available to carry on the general operations of NPT.
- **Board-Designated Net Assets** represents funds set aside by the board for specific purposes according to the signed accounting policy. In both 2021 and 2020, board-designated amounts are for future capital improvements.
- **Property and Equipment Net Assets** reflects and accounts for the activities relating to NPT's property and equipment.
- **Development of Website's Net Assets** reflects and accounts for the activities relating to the development of NPT's website and Go Botany website.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature when the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released 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.

Functional Expenses

NPT reports certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, property, and occupancy, which are both allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Subsequent Events

Subsequent events have been evaluated through August 15, 2022, the date the financial statements were available to be issued.

Accounting for Uncertainty in Income Taxes

NPT follows the *Accounting for Uncertainty in Income Taxes* standard, which requires NPT to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of December 31, 2021 and 2020, NPT determined there are no material unrecognized tax benefits to report.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consist of program receivables and other receivables. NPT's accounts receivable at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Accounts Receivables	\$ 101,859	\$ 48,296
Less: Reserve for Bad Debt	<u>(2,679)</u>	<u>(2,711)</u>
Total	<u>\$ 99,180</u>	<u>\$ 45,585</u>

NOTE 3 GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable consist of grants and pledges made to NPT payable in future years. NPT's grants and pledges receivable at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Grants and Pledges Receivable	\$ 3,234,005	\$ 3,300,159
Less: Discount (Using Rates 1.51 - .93%)	<u>(56,848)</u>	<u>(86,740)</u>
Total	<u>\$ 3,177,157</u>	<u>\$ 3,213,419</u>

The reserve for bad debts is based on collection experience and other circumstances that may affect the ability of donors to meet their obligations. Amounts are written off when they are determined to be uncollectible.

In 2017, NPT was named a remainder man in a charitable remainder unitrust that upon termination, calls for a distribution of the residual to NPT. If the residual is not sufficient to cover \$3,000,000, then the original donor has pledged to fund the difference. Accordingly, NPT has reflected this transaction as contribution revenue and a pledge receivable to recognize the intended assets to be transferred to NPT at the end of the trust period.

Grants and pledges receivable are estimated to be collected as follows:

	<u>2021</u>	<u>2020</u>
One Year	\$ 134,437	\$ 100,000
Two to Five Years	<u>3,099,568</u>	<u>3,200,159</u>
Total	<u>\$ 3,234,005</u>	<u>\$ 3,300,159</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Land	\$ 962,966	\$ 962,966
Buildings	3,217,776	3,218,660
Furniture, Fixtures, and Equipment	602,283	599,363
Land Improvements	681,825	681,753
Subtotal	5,464,850	5,462,742
Less: Accumulated Depreciation	(2,922,507)	(2,793,570)
Total	\$ 2,542,343	\$ 2,669,172

Depreciation expense for the years ended December 31, 2021 and 2020 was \$133,376 and \$135,078 respectively.

NOTE 5 INVESTMENTS

NPT records its investments at fair value. Interest, dividends, and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred upon sale or based on fair value changes during the period. Investment income is allocated to the endowment funds based on beginning of the year asset allocation (see Note 11).

Investments include endowment funds. Accordingly, these investments have been classified as noncurrent assets in the accompanying statement of financial position regardless of maturity or liquidity, consistent with NPT's intent.

NPT's endowment has been invested in a portfolio of index mutual funds, exchange traded funds, money market, and stocks which are not insured and are subject to ongoing market fluctuations. The board approved the asset allocation recommendation of the investment committee that a consistent allocation of funds among asset classes would result in competitive performance and reduced costs.

The investment committee meets periodically to review the target allocation among asset classes and to decide the degree to which the total portfolio should be re-balanced toward those targets.

The target allocation is as follows:

Liquid Reserves	0% - 20%
Fixed Income	20% - 60%
Equities	40% - 80%
Alternative Investments	0% - 20%

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 INVESTMENTS (CONTINUED)

The following is a summary of the investment portfolio and unrealized appreciation as of December 31:

	2021		
	Cost	Fair Value	Unrealized Appreciation
EQUITY			
Mutual Funds:			
Fidelity Total Market Index Fund	\$ 1,776,819	\$ 4,364,623	\$ 2,587,804
Fidelity Internatl Index Fund	832,094	1,067,303	235,209
Vanguard Wellington Admiral	-	-	-
Total Mutual Funds - Equity	<u>2,608,913</u>	<u>5,431,926</u>	<u>2,823,013</u>
Exchange Traded Funds - Equity	2,272,273	2,522,576	250,303
Stocks	460	2,432	1,972
Total Equity	<u>4,881,646</u>	<u>7,956,934</u>	<u>3,075,288</u>
FIXED INCOME			
Mutual Funds:			
Vanguard Total Bond Market Index Admiral	402,515	437,757	35,242
Vanguard Intermed Trm Invst Gr Invest	94,873	102,212	7,339
T. Rowe Price International Bond	169,654	171,061	1,407
Total Mutual Funds - Fixed Income	667,042	711,030	43,988
MONEY MARKET ACCOUNTS	1,556,185	1,556,185	-
Total	<u>\$ 7,104,873</u>	<u>\$ 10,224,149</u>	<u>\$ 3,119,276</u>
	2020		
	Cost	Fair Value	Unrealized Appreciation
EQUITY			
Mutual Funds:			
Fidelity Total Market Index Fund	\$ 1,378,426	\$ 3,266,273	\$ 1,887,847
Fidelity Internatl Index Fund	670,685	856,472	185,787
Fidelity Internatl Index Fund	70,355	101,289	30,934
Total Mutual Funds - Equity	<u>2,119,466</u>	<u>4,224,034</u>	<u>2,104,568</u>
Exchange Traded Funds - Equity	1,393,283	1,557,997	164,714
Stocks	247,757	279,553	31,796
Total Equity	<u>3,760,506</u>	<u>6,061,584</u>	<u>2,301,078</u>
FIXED INCOME			
Mutual Funds:			
Vanguard Total Bond Market Index Admiral	393,335	445,154	51,819
Vanguard Intermed Trm Invst Gr Invest	90,942	103,473	12,531
T. Rowe Price International Bond	135,096	152,811	17,715
Total Mutual Funds - Fixed Income	<u>619,373</u>	<u>701,438</u>	<u>82,065</u>
MONEY MARKET ACCOUNTS	2,288,332	2,288,332	-
Total	<u>\$ 6,668,211</u>	<u>\$ 9,051,354</u>	<u>\$ 2,383,143</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 INVESTMENTS (CONTINUED)

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31:

	2021	2020
Interest and Dividends	\$ 150,479	\$ 133,526
Net Realized Gains	272,986	505,081
Net Unrealized Gains	616,259	228,473
Total Investment Returns	1,039,724	867,080
Less: Investment Return Designated for Operations	296,285	257,364
Investment Returns, Net of Spending Policy	\$ 743,439	\$ 609,716

NOTE 6 ASSETS HELD UNDER CHARITABLE REMAINDER TRUSTS

NPT has been designated as trustee for two trusts, which are presented in the statements of financial position as Assets Held in Charitable Remainder Trusts. The fair value of assets held by the trusts is reported as an asset. The asset is offset by a liability presented in the statement of financial position as Due to Other Beneficiaries of Charitable Remainder Trusts for the estimated payments due to those other beneficiaries.

The interests in the charitable remainder trusts are valued using investment market values, as well as discount rates and assumptions about donor life expectancies.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF THIRD-PARTY TRUST

NPT has an interest in a trust managed by an independent third-party trustee, which is presented in the statement of financial position as Beneficial Interest in Third-Party Trust. NPT has legally enforceable rights or claims to such assets, including the right to income therefrom. However, the trust documents governing the distributions of income provide that should NPT depart from its original exempt purposes, the trustee could remove NPT as beneficiary. NPT does not have variance power over the trust's portfolio.

The interest in the charitable remainder trust is estimated based on the fair value of the underlying investments held by the trust, as well as a discount rate and assumption about the donor's life expectancy.

NOTE 8 ANNUITIES PAYABLE

NPT has entered into several charitable gift annuity agreements where donors make contributions to NPT in exchange for fixed lifetime annuities (also see Note 1). The estimated present value of the future payments to the donors is recorded as a liability. The balance of the liability as of December 31, 2021 and 2020 was \$10,658 and \$14,352, respectively.

The value and future minimum payments of annuities payable are determined based upon the life expectancy of the donor and discounted using a rate of 1.80%.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 RESTRICTIONS AND LIMITATION ON NET ASSET BALANCES

As of December 31, NPT's net assets without donor restrictions were allocated as follows:

	<u>2021</u>	<u>2020</u>
Operating	\$ 968,549	\$ 315,137
Board-Designated for Capital Expenditures	96,305	106,624
Property and Equipment	2,542,343	2,669,172
Development of Websites, Net	490,172	230,049
Total	<u>\$ 4,097,369</u>	<u>\$ 3,320,982</u>

As of December 31, NPT's net assets with donor restrictions were allocated as follows:

	<u>2021</u>	<u>2020</u>
Donor Restricted Net Assets not Invested in Perpetuity:		
Conservation Restrictions	\$ 352,081	\$ 503,820
Horticulture Restrictions	6,595	3,595
Capital Restrictions	87,500	34,922
Communications and Branding	37,467	73,798
Public Programs	263,743	132,081
Technology	7,959	8,764
Time Restrictions	-	-
Accumulated Earnings on Endowment Funds	3,582,473	2,840,689
Assets Held Under Trusts	187,811	172,881
Total	<u>\$ 4,525,629</u>	<u>\$ 3,770,550</u>

Donor Restricted Net Assets Invested in Perpetuity
the Income from Which is Expended for:

General Endowment Fund	\$ 1,058,660	\$ 1,058,660
Conservation Endowment Fund	2,131,408	2,131,408
Garden in the Woods Endowment Fund	735,593	726,328
Seed Ark Endowment Fund	600,698	444,204
Intern Endowment Funds	958,385	958,385
The Future Fund	100,044	100,044
Sanctuaries Endowment Funds	55,731	55,631
Other:		
Charitable Remainder Trusts	240,877	230,503
Pledge Receivable	3,042,720	3,213,262
Total	<u>\$ 8,924,116</u>	<u>\$ 8,918,425</u>

Donors have established funds for NPT in community foundations around New England, which are not included in the accompanying statements of financial position, because the community foundations generally maintain variance power over usage and distribution of funds. These funds generally receive small donations on an annual basis.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 RESTRICTIONS AND LIMITATION ON NET ASSET BALANCES (CONTINUED)

Net assets during the years ended December 31 were released from donor restrictions for the following purposes:

	2021	2020
Purpose Restriction	\$ 393,720	\$ 479,808
Time Restriction	100,000	100,000
Capital and Equipment Restrictions	204,609	51,417
Total	<u>\$ 698,329</u>	<u>\$ 631,225</u>

NOTE 10 FAIR VALUE MEASUREMENTS

NPT uses fair value measurements to record fair value adjustments to assets to determine fair value disclosures. The assets and liabilities recorded at fair value are adjusted and disclosed based on the measurements disclosed in Note 1.

The following tables present NPT's fair value hierarchy for those assets and (liabilities) measured at fair value on a recurring basis as of December 31:

	2021		
	Level 1	Level 2	Level 3
Investments (See Note 5)	<u>\$ 10,224,149</u>	<u>\$ -</u>	<u>\$ -</u>
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 299,977	\$ -	\$ -
Fixed Income	183,950	-	-
Money Market	16,048	-	-
Assets Held Under Charitable Remainder Trusts Total	<u>\$ 499,975</u>	<u>\$ -</u>	<u>\$ -</u>
Due to Other Beneficiaries of Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279,483)</u>
Beneficial Interest in Third-Party Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,710</u>
Annuities Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,658)</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

	2020		
	Level 1	Level 2	Level 3
Investments (See Note 5)	\$ 9,051,354	\$ -	\$ -
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 274,737	\$ -	\$ -
Fixed Income	171,411	-	-
Money Market	16,402	-	-
Assets Held Under Charitable Remainder Trusts Total	<u>\$ 462,550</u>	<u>\$ -</u>	<u>\$ -</u>
Due to Other Beneficiaries of Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (257,720)</u>
Beneficial Interest in Third-Party Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,069</u>
Annuities Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,352)</u>

The following summarizes changes in the fair value of NPT's assets and liabilities classified as Level 3:

Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2019	\$ 242,583
Changes in Value of Split-Interest Agreements	<u>15,137</u>
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2020	257,720
Changes in Value of Split-Interest Agreements	<u>21,763</u>
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2021	<u>\$ 279,483</u>
Beneficial Interest in Third-Party Trust - December 31, 2019	\$ 94,908
Changes in Value of Split-Interest Agreements	<u>7,161</u>
Beneficial Interest in Third-Party Trust - December 31, 2020	102,069
Changes in Value of Split-Interest Agreements	<u>9,641</u>
Beneficial Interest in Third-Party Trust - December 31, 2021	<u>\$ 111,710</u>
Annuities Payable - December 31, 2019	\$ 19,995
Changes in Value of Split-Interest Agreements	(3,428)
Payments	<u>(2,215)</u>
Annuities Payable - December 31, 2020	14,352
Changes in Value of Split-Interest Agreements	(1,479)
Payments	<u>(2,215)</u>
Annuities Payable - December 31, 2021	<u>\$ 10,658</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

An income approach valuation technique is used for assets held under charitable remainder trusts, due to other beneficiaries of charitable remainder trusts, and beneficial interest in net assets of third parties.

NOTE 11 ENDOWMENT FUNDS

The NPT Endowment Fund consists of various donor-restricted endowment funds (See Note 9). Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

NPT is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds.

NPT has adopted an investment policy for endowment assets. Under this policy, as approved by the board, the primary long-term financial objective is to preserve the value of the endowment investment portfolio.

NPT has also adopted an investment spending policy related to its endowment assets. The board designates only a portion of NPT's cumulative investment return for support of operations. The remainder is retained to support operations of future years and to offset potential market declines. Massachusetts state law allows the trustees to appropriate as much of the net asset appreciation of donor-restricted endowments as is prudent considering NPT's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Under NPT's spending policy, up to 5% of the most recent 13 quarters' average of the fair value of the investments is appropriated to support operations. However, the board may approve spending in excess of the spending policy based on individual facts and circumstances as deemed prudent.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires NPT to retain as a fund of perpetual duration. NPT had no such deficiencies of this nature for the years ended December 31, 2021 and 2020.

The endowment net assets include a beneficial interest in a third-party trust which is not subject to UPMIFA. In addition, NPT has not included endowment assets that are included in pledges receivable in the endowment fund disclosures as they have not yet been collected by NPT.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets by class are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment</u>
Endowment Net Assets, December 31, 2019	\$ -	\$ 7,028,688	\$ 7,028,688
Contributions	-	657,137	657,137
Reclassification of Endowment Funds	-	246,912	246,912
Change in Value of Interest in Charitable Remainder Trust	-	5,707	5,707
Investment Income:			
Interest and Dividends	-	131,218	131,218
Net Realized and Unrealized Losses	-	733,554	733,554
Appropriation of Endowment Assets for Spending Policy	-	<u>(257,364)</u>	<u>(257,364)</u>
Endowment Net Assets, December 31, 2020	-	8,545,852	8,545,852
Contributions	-	165,859	165,859
Change in Value of Interest in Charitable Remainder Trust	-	10,374	10,374
Investment Income:			
Interest and Dividends	-	148,824	148,824
Net Realized and Unrealized Gains	-	889,245	889,245
Appropriation of Endowment Assets for Spending Policy	-	<u>(296,285)</u>	<u>(296,285)</u>
Endowment Net Assets, December 31, 2021	<u>\$ -</u>	<u>\$ 9,463,869</u>	<u>\$ 9,463,869</u>

NOTE 12 COLLECTIONS AND PATENTS

The botanic collection at NPT's Garden in the Woods (the Garden) consists of approximately 1,500 varieties of plants native to North America, with a focus on plants from the ecoregions of New England. The Garden also has a nationally accredited collection of 21 species of trilliums. At Garden in the Woods, plants are displayed in naturalistic arrangements intended to inspire in visitors a greater appreciation of wild flora and to educate them about the conservation of native plants.

NPT has a library of approximately 3,500 volumes of material related to botany and horticulture; approximately 35,000 images of native plants, regional flora, and habitats; approximately 3,740 specimen sheets of New England native plants; and 320 plant taxa in the seed bank.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 12 COLLECTIONS AND PATENTS (CONTINUED)

These materials serve the members of NPT, the staff, and the general public. In accordance with accounting principles generally accepted in the United States of America, none of these collections are capitalized, and there were no acquisitions expensed during the years ended December 31, 2021 and 2020.

NPT holds a U.S. Plant Patent No. U.S. PP15187 P3 for Polemonium Reptans named "Stairway to Heaven." The patent is dated September 28, 2004 and is being amortized over 15 years. The cost of the patent was \$10,516 and is included in property and equipment. For each of the years ended December 31, 2021 and 2020, amortization expense of \$16 was included in depreciation expense in the accompanying statements of functional expenses.

NOTE 13 PENSION PLAN

NPT has a defined contribution pension plan covering eligible employees under Section 403(b) of the IRC. Any employee at least 21 years of age is eligible to participate. Upon completion of two years of service, NPT matches 100% of employee contributions, up to 5% of employee compensation. Employees are eligible to make voluntary contributions to the plan within statutory limits. All contributions to the plan are immediately vested. Pension costs charged to operations amounted to \$55,741 and \$52,320 for the years ended December 31, 2021 and 2020, respectively.

NOTE 14 CONCENTRATIONS

NPT maintains cash and cash equivalents in a Massachusetts bank and is insured up to the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances may exceed the insured amount. NPT has not experienced any losses in such accounts, and management does not believe there is exposure to significant credit risk related to the cash and cash equivalents.

For the year ended December 31, 2021, 11% of total grant and contribution revenue was from one donor.

NOTE 15 AVAILABLE RESOURCES AND LIQUIDITY

NPT regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. NPT has various sources of liquidity at its disposal, including cash and cash equivalents, money market accounts, indexed mutual funds, and stocks.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, NPT considers all expenditures related to its ongoing activities of conservation, education, horticulture, member services, retail shops, as well as the conduct of services undertaken to support those activities, to be general expenditures.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 15 AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

In addition to financial assets available to meet general expenditures over the next 12 months, NPT operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. NPT considers the following to be available to meet cash needs for general expenditures: investment income without donor restrictions, investment return designated for current operations, contributions without donor restrictions, and contributions with donor restrictions for use in current programs.

As of December 31, 2021 and 2020, the following shows the total liquid financial assets held by NPT and the amounts of those financial assets that could be readily made available within one year of the balance sheet date to meet general expenditures:

	2021	2020
Financial Assets:		
Cash and Cash Equivalents	\$ 871,195	\$ 942,496
Accounts Receivable, Net	99,180	45,585
Current Portion of Grants and Pledges Receivable, Net	134,437	100,000
Investments Convertible to Cash in the Next 12 Months	10,224,149	9,051,354
Total Financial Assets	11,328,961	10,139,435
Less: Donor Imposed Restricted Funds	(755,345)	(756,980)
Less: Endowment Funds	(9,222,992)	(8,315,349)
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	\$ 1,350,624	\$ 1,067,106

Donor-imposed restricted funds includes financial assets that may be utilized within one year of the balance sheet dates for program expenses.

NOTE 16 PAYCHECK PROTECTION PROGRAM LOAN

In connection with the pandemic, NPT received a loan in the amount of \$332,900 under the Coronavirus Aid, Relief and Economic Security Act (CARES Act)'s Paycheck Protection Program, to be used for specific allowable costs under the regulation. The PPP loan was formally forgiven by the U.S. Business Administration (SBA) as of April 14, 2021, with the entire balance being recognized as revenue in fiscal year 2021. Funding recognized as revenue and is included in grants and contributions income on the statement of activities dated December 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 17 RISKS AND UNCERTAINTIES

The ongoing COVID-19 pandemic, supply chain and inflation issues, and volatility in the stock market create a generally uncertain business and philanthropic environment. Impacts on NPT could include employee absences, higher costs for goods and materials, and loss of revenue. Management believes that NPT is taking appropriate actions to mitigate potential negative impact.