

NATIVE PLANT TRUST, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017



CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**NATIVE PLANT TRUST, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CHANGES IN NET ASSETS	6
STATEMENTS OF FUNCTIONAL EXPENSES	7
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Native Plant Trust, Inc. (a Massachusetts corporation, nonprofit), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

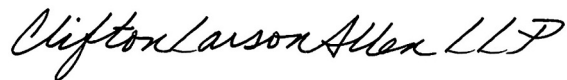
Board of Trustees
Native Plant Trust, Inc.

Opinion

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, 2018 and 2017, 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.

Effect of Adopting New Accounting Standard

As described in Note 1, Native Plant Trust, Inc. adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-For-Profit Entities*. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, Massachusetts
May 6, 2019

NATIVE PLANT TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 617,568	\$ 702,974
Short-Term Investments	588,182	279,389
Accounts Receivable, Net	23,673	96,822
Current Portion of Grants and Pledges Receivable, Net	200,000	210,000
Inventory	95,536	101,887
Prepaid Expenses	40,863	29,967
Total Current Assets	1,565,822	1,421,039
INVESTMENTS	5,947,006	6,332,720
GRANTS AND PLEDGES RECEIVABLE, Net of Current Portion	2,950,182	3,047,241
ASSETS HELD IN CHARITABLE REMAINDER TRUSTS	381,258	424,739
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	83,212	90,371
PROPERTY AND EQUIPMENT, Net	2,789,215	2,790,770
DEVELOPMENT OF WEBSITES, Net	150,168	133,375
Total Assets	\$ 13,866,863	\$ 14,240,255
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 92,969	\$ 54,104
Accrued Expenses and Deferred Revenue	148,927	145,599
Current Portion of Annuities Payable	1,800	6,784
Total Current Liabilities	243,696	206,487
ANNUITIES PAYABLE, Net	17,397	33,559
DUE TO OTHER BENEFICIARIES OF CHARITABLE REMAINDER TRUSTS	222,539	267,993
Total Liabilities	483,632	508,039
NET ASSETS		
Without Donor Restrictions	3,102,144	3,087,302
With Donor Restrictions	10,281,087	10,644,914
Total Net Assets	13,383,231	13,732,216
Total Liabilities and Net Assets	\$ 13,866,863	\$ 14,240,255

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	\$ 1,187,429	\$ 707,981	\$ 1,895,410
Membership Dues	296,865	-	296,865
Program Fees, Services, and Other Income	170,145	-	170,145
Investment Return Designated for Current Operations	230,401	-	230,401
Gross Margin on Plant and Merchandise Sales	368,667	-	368,667
Admissions	89,939	-	89,939
Net Assets Released from Restrictions	564,793	(564,793)	-
Total Operating Revenue and Support	2,908,239	143,188	3,051,427
OPERATING EXPENSES			
Program Services:			
Conservation	768,868	-	768,868
Education	313,550	-	313,550
Horticulture	660,097	-	660,097
Member Services	224,519	-	224,519
Retail Shops	290,734	-	290,734
Total Program Services	2,257,768	-	2,257,768
Supporting Services:			
General and Administrative	601,015	-	601,015
Fundraising	181,050	-	181,050
Total Supporting Services	782,065	-	782,065
Total Operating Expenses	3,039,833	-	3,039,833
CHANGES IN NET ASSETS FROM OPERATIONS	(131,594)	143,188	11,594
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	12,209	(521,017)	(508,808)
Contributions for Long-Term Purposes	-	139,918	139,918
Changes in Value of Split-Interest Agreements	13,947	(5,223)	8,724
Loss on Disposal of Property and Equipment	(413)	-	(413)
Net Assets Released from Capital and Equipment Restrictions	120,693	(120,693)	-
Total Nonoperating Revenues (Expenses), Net	146,436	(507,015)	(360,579)
CHANGES IN NET ASSETS	\$ 14,842	\$ (363,827)	\$ (348,985)

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	Without Donor Restriction	With Donor Restriction	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	\$ 1,241,561	\$ 676,598	\$ 1,918,159
Membership Dues	250,730	-	250,730
Program Fees, Services, and Other Income	185,818	-	185,818
Investment Return Designated for Current Operations	231,815	-	231,815
Gross Margin on Plant and Merchandise Sales	306,345	-	306,345
Admissions	106,575	-	106,575
Net Assets Released from Restrictions	640,942	(640,942)	-
Total Operating Revenue and Support	<u>2,963,786</u>	<u>35,656</u>	<u>2,999,442</u>
OPERATING EXPENSES			
Program Services:			
Conservation	790,286	-	790,286
Education	349,288	-	349,288
Horticulture	593,616	-	593,616
Member Services	220,667	-	220,667
Retail Shops	255,307	-	255,307
Total Program Services	<u>2,209,164</u>	<u>-</u>	<u>2,209,164</u>
Supporting Services and Other:			
General and Administrative	523,786	-	523,786
Fundraising	136,212	-	136,212
Total Supporting Services and Other	<u>659,998</u>	<u>-</u>	<u>659,998</u>
Total Operating Expenses	<u>2,869,162</u>	<u>-</u>	<u>2,869,162</u>
CHANGES IN NET ASSETS FROM OPERATIONS	94,624	35,656	130,280
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	2,959	592,285	595,244
Contributions for Capital Expenditures	-	125,000	125,000
Endowment Contributions	-	2,854,397	2,854,397
Changes in Value of Split-Interest Agreements	(10,727)	26,805	16,078
Loss on Disposal of Property and Equipment	(83,184)	-	(83,184)
Net Assets Released from Capital and Equipment Restrictions	47,957	(47,957)	-
Total Nonoperating Revenues (Expenses), Net	<u>(42,995)</u>	<u>3,550,530</u>	<u>3,507,535</u>
CHANGES IN NET ASSETS	<u>\$ 51,629</u>	<u>\$ 3,586,186</u>	<u>\$ 3,637,815</u>

See accompanying Notes to Financial Statements.

**NATIVE PLANT TRUST, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
NET ASSETS - DECEMBER 31, 2016	\$ 3,035,673	\$ 7,058,728	\$ 10,094,401
Changes in Net Assets	<u>51,629</u>	<u>3,586,186</u>	<u>3,637,815</u>
NET ASSETS - DECEMBER 31, 2017	3,087,302	10,644,914	13,732,216
Changes in Net Assets	<u>14,842</u>	<u>(363,827)</u>	<u>(348,985)</u>
NET ASSETS - DECEMBER 31, 2018	<u><u>\$ 3,102,144</u></u>	<u><u>\$ 10,281,087</u></u>	<u><u>\$ 13,383,231</u></u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services					Supporting Services			Total
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	
Salaries and Benefits	\$ 421,007	\$ 191,262	\$ 354,874	\$ 156,722	\$ 184,918	\$ 1,308,783	\$ 370,534	\$ 144,300	\$ 1,823,617
Professional and Consultant Services	239,138	59,035	32,723	-	-	330,896	126,981	-	457,877
Operating Expenses	46,160	48,378	104,176	61,228	92,202	352,144	31,238	27,923	411,305
Property and Occupancy	17,079	9,700	61,318	6,175	9,667	103,939	18,963	6,587	129,489
Insurance	-	-	-	-	-	-	44,820	-	44,820
Depreciation and Amortization	45,484	5,175	107,006	394	3,947	162,006	8,479	2,240	172,725
Total Expenses	<u>\$ 768,868</u>	<u>\$ 313,550</u>	<u>\$ 660,097</u>	<u>\$ 224,519</u>	<u>\$ 290,734</u>	<u>\$ 2,257,768</u>	<u>\$ 601,015</u>	<u>\$ 181,050</u>	<u>\$ 3,039,833</u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Program Services					Supporting Services			Total
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	
Salaries and Benefits	\$ 404,014	\$ 160,674	\$ 351,391	\$ 158,602	\$ 174,615	\$ 1,249,296	\$ 312,959	\$ 104,897	\$ 1,667,152
Professional and Consultant Services	226,444	122,998	43,759	290	606	394,097	78,354	-	472,451
Operating Expenses	58,451	36,798	73,265	55,618	66,496	290,628	23,088	24,888	338,604
Property and Occupancy	14,632	9,161	55,913	5,763	10,480	95,949	14,954	6,427	117,330
Insurance	-	-	-	-	-	-	46,003	-	46,003
Depreciation and Amortization	86,745	19,657	69,288	394	3,110	179,194	48,428	-	227,622
Total Expenses	<u>\$ 790,286</u>	<u>\$ 349,288</u>	<u>\$ 593,616</u>	<u>\$ 220,667</u>	<u>\$ 255,307</u>	<u>\$ 2,209,164</u>	<u>\$ 523,786</u>	<u>\$ 136,212</u>	<u>\$ 2,869,162</u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (348,985)	\$ 3,637,815
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	146,015	169,227
Amortization	26,710	58,395
Contributions for Endowment	(105,918)	-
Contributions for Property and Equipment	(34,000)	(125,000)
Discount on Grants and Pledges Receivable	(2,941)	141,701
Net Realized and Unrealized Losses (Gains) on Investments	424,930	(708,967)
Changes in Value of Split-Interest Agreements	(8,724)	(16,078)
Loss on Sale of Property and Equipment	413	83,184
Changes in Operating Assets and Liabilities:		
Accounts Receivable	73,149	(17,687)
Grants and Pledges Receivable	110,000	(2,685,000)
Inventory	6,351	(12,423)
Prepaid Expenses	(10,896)	(1,784)
Accounts Payable	38,865	(16,002)
Accrued Expenses and Deferred Revenue	3,328	(9,982)
Annuity Payable	(7,236)	(7,305)
Net Cash Provided by Operating Activities	311,061	490,094
CASH FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(153,143)	(35,295)
Purchases of Development of Websites	(35,233)	(54,198)
Purchases of Investments	(678,070)	(459,720)
Proceeds from Sales of Investments	330,061	225,845
Net Cash Used by Investing Activities	(536,385)	(323,368)
CASH FROM FINANCING ACTIVITIES		
Contributions for Property and Equipment	34,000	125,000
Cash Collected for Endowment	105,918	-
Net Cash Provided by Financing Activities	139,918	125,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,406)	291,726
Cash and Cash Equivalents - Beginning of Year	702,974	411,248
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 617,568	\$ 702,974

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Native Plant Trust, Inc. (a Massachusetts nonprofit corporation) (NPT) founded in 1900 and incorporated in March 1932. NPT conserves and promotes New England's native plants to ensure healthy, biologically diverse landscapes. In 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). The 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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

Revenue Recognition

Program fees, services, and other income are recorded as earned or as services are provided. Membership dues are recognized ratably over the term of the membership. The gross margin on plant and merchandise sales is recorded upon exchange of the goods sold and reported net of cost of sales (see inventory below) as follows:

	2018		
	Plants	Merchandise	Total
Gross Sales	\$ 507,056	\$ 143,581	\$ 650,637
Cost of Sales	(206,190)	(75,780)	(281,970)
Total	\$ 300,866	\$ 67,801	\$ 368,667
	2017		
	Plants	Merchandise	Total
Gross Sales	\$ 443,181	\$ 106,923	\$ 550,104
Cost of Sales	(184,103)	(59,656)	(243,759)
Total	\$ 259,078	\$ 47,267	\$ 306,345

Grants are recorded over the period covered by the grant as services are provided. Contributions are recorded when unconditionally pledged by the donors or upon receipt. Bequests are recognized when amounts to be received are known or reasonably estimable and collection is assured. NPT 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 and are therefore 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; net assets released from restrictions. Donor-imposed restrictions whose restrictions are met in the same reporting period as the contribution is made are reported as net assets without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional contributions are recognized when the conditions on which they depend are substantially met. NPT observes a policy of releasing net assets restricted for capital projects at the time the capital expenditures are incurred.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due from program services and credit card sales. We determine 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 so determined to lower of cost or net realizable value by the application of markup rates. NPT records its 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:

	2018	2017
Merchandise	\$ 83,220	\$ 81,347
Plants	17,316	25,540
Subtotal	100,536	106,887
Less: Inventory Reserve	(5,000)	(5,000)
Total	<u>\$ 95,536</u>	<u>\$ 101,887</u>

Fair Value Measurement

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, 2018 AND 2017**

**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 \$1,000. 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. Building impairment loss is 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 for the Go Botany website is amortized over a five-year period using the straight-line method. Amortization expense for the years ended December 31, 2018 and 2017 was \$26,710 and \$58,395, respectively. Additional website development costs relate to NPT's new website, which is currently in progress, therefore, there is no amortization expense for the years ended December 31, 2018 and 2017.

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.

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 \$207,372 and \$230,078 were recorded for the years ended December 31, 2018 and 2017, respectively.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

**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 2018 and 2017, 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.

Change in Accounting Principles

NPT has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to donors, granters, creditors, and other users. These include qualitative and quantitative requirements in the following areas: net asset classes, investment return, expenses, and liquidity. Adoption of the new standard had no effect on the previously reported total change in net assets or net assets balance.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

New Accounting Pronouncements

In May 2014, FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for NPT for the year ending December 31, 2019. Management continues to evaluate the impact of the adoption of this standard, but based on the latest industry guidance, management believes this standard will not have a material impact on the financial statements.

In June 2018, FASB issued an ASU to clarify and improve accounting guidance for contributions received and made. The ASU provides guidance on distinguishing between contributions and exchange transactions. If a contribution is unconditional, the entity must determine whether it is donor restricted for limited purpose or timing. These contributions should be recognized immediately and classified as net assets with or without donor restrictions. If a contribution is conditional and assets are received in advance, the entity should record a liability and not recognize revenue until conditions are met. Guidance is further provided regarding reciprocal and nonreciprocal transactions. If both parties receive similar value, the transaction is considered reciprocal.

For nonreciprocal transactions, an entity must determine the conditions needed to be met. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for NPT for the year ended December 31, 2019. Management continues to evaluate the impact of the adoption of this standard, but based on the latest industry guidance, management believes this standard will not have a material impact on the financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement presentation. Such reclassifications had no effect on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through May 6, 2019, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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

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, 2018 and 2017, NPT determined there are no material unrecognized tax benefits to report.

NOTE 2 ACCOUNTS RECEIVABLE

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

	2018	2017
Program Receivables	\$ 30,807	\$ 101,972
Other Receivables	-	1,984
Less: Reserve for Bad Debt	(7,134)	(7,134)
Total	\$ 23,673	\$ 96,822

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:

	2018	2017
Grants and Pledges Receivable	\$ 3,300,000	\$ 3,410,000
Less: Discount (Using Rates 1.0-2.18%)	(149,818)	(152,759)
Total	\$ 3,150,182	\$ 3,257,241

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 remainderman 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. For the year ended December 31, 2017, NPT recognized donor-restricted contribution income in the amount of \$2,854,397 related to this pledge.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 GRANTS AND PLEDGES RECEIVABLE (CONTINUED)

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

Year One	\$ 200,000
Years Two through Five	100,000
Over Five Years	<u>3,000,000</u>
Total	<u><u>\$ 3,300,000</u></u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 962,966	\$ 962,966
Buildings	3,116,459	3,021,176
Furniture, Fixtures, and Equipment	605,909	597,884
Land Improvements	<u>640,860</u>	<u>602,891</u>
Subtotal	5,326,194	5,184,917
Less: Accumulated Depreciation	<u>(2,536,979)</u>	<u>(2,394,147)</u>
Total	<u><u>\$ 2,789,215</u></u>	<u><u>\$ 2,790,770</u></u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$146,015 and \$169,227, 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 10).

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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 5 INVESTMENTS (CONTINUED)

The target allocation is as follows:

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

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

	2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
EQUITY			
Mutual Funds:			
Fidelity Total Market Index Fund	\$ 1,312,985	\$ 2,428,849	\$ 1,115,863
Fidelity Internatl Index Fund	611,356	636,532	25,175
Total Mutual Funds - Equity	<u>1,924,342</u>	<u>3,065,380</u>	<u>1,141,039</u>
Exchange Traded Funds - Equity	885,389	887,517	2,129
Stocks	262,835	267,976	5,141
Total Equity	<u>3,072,566</u>	<u>4,220,873</u>	<u>1,148,308</u>
FIXED INCOME			
Mutual Funds:			
Vanguard Bond Index Total MKT Investor	657,927	672,303	14,375
Vanguard Intermed TRV INVST GR INVEST	226,073	233,021	6,947
T. Rowe Price International Bond	134,939	134,357	(582)
Total Mutual Funds - Fixed Income	<u>1,018,939</u>	<u>1,039,680</u>	<u>20,741</u>
MONEY MARKET ACCOUNTS	<u>1,274,634</u>	<u>1,274,634</u>	<u>-</u>
Total	<u>\$ 5,366,139</u>	<u>\$ 6,535,188</u>	<u>\$ 1,169,049</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 5 INVESTMENTS (CONTINUED)

	2017		
	Cost	Fair Value	Unrealized Appreciation
EQUITY			
Mutual Funds:			
Spartan Total Index FID Advantage	\$ 1,394,243	\$ 2,854,503	\$ 1,460,260
Spartan Intl Index FID Advantage	560,116	705,510	145,395
Total Mutual Funds - Equity	<u>1,954,359</u>	<u>3,560,013</u>	<u>1,605,655</u>
Exchange Traded Funds - Equity	719,289	821,914	102,625
Stocks	<u>256,047</u>	<u>273,749</u>	<u>17,701</u>
Total Equity	<u>2,929,695</u>	<u>4,655,676</u>	<u>1,725,980</u>
FIXED INCOME			
Mutual Funds:			
Vanguard Bond Index Total MKT Investor	699,432	735,238	35,805
Vanguard Intermed TRV INVST GR INVEST	235,121	251,932	16,811
T. Rowe Price International Bond	<u>127,282</u>	<u>133,655</u>	<u>6,373</u>
Total Mutual Funds - Fixed Income	<u>1,061,834</u>	<u>1,120,824</u>	<u>58,990</u>
MONEY MARKET ACCOUNTS	<u>835,610</u>	<u>835,610</u>	<u>-</u>
Total	<u>\$ 4,827,139</u>	<u>\$ 6,612,109</u>	<u>\$ 1,784,970</u>

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

	2018	2017
Interest and Dividends	\$ 146,523	\$ 118,092
Net Realized Gains	11,486	20,745
Net Unrealized Gains (Losses)	<u>(436,416)</u>	<u>688,222</u>
Total Investment Returns	<u>(278,407)</u>	<u>827,059</u>
Less: Investment Return Designated for Operations	230,401	231,815
Investment Returns, Net of Spending Policy	<u>\$ (508,808)</u>	<u>\$ 595,244</u>

NOTE 6 ASSETS HELD UNDER CHARITABLE REMAINDER TRUSTS

NPT has been designated as trustee for two trusts, which are presented in the statement 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.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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.

The interest in the charitable remainder trust is valued using investment market values, 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, 2018 and 2017 was \$19,197 and \$40,343, 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 2.00%.

NOTE 9 RESTRICTIONS AND LIMITATION ON NET ASSET BALANCES

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

	2018	2017
Operating	\$ (53,707)	\$ (102,832)
Board-Designated for Capital Expenditures	216,468	265,989
Property and Equipment	2,789,215	2,790,770
Development of Websites, Net	150,168	133,375
Total	\$ 3,102,144	\$ 3,087,302

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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

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

	<u>2018</u>	<u>2017</u>
Donor Restricted Net Assets Not Invested in Perpetuity:		
Conservation Restrictions	\$ 615,320	469,209
Horticulture Restrictions	70,918	139,510
Capital Restrictions	2,502	53,137
Communications and Branding	280,014	53,292
Public Programs	76,737	70,020
Time Restrictions	200,000	402,844
Accumulated Earnings on Endowment Funds	1,289,750	1,810,767
Assets Held Under Trusts	134,745	142,871
Total	<u>\$ 2,669,986</u>	<u>\$ 3,141,650</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	2,108,635	2,108,635
Garden in the Woods Endowment Fund	721,828	717,328
Intern Endowment Fund	608,327	506,909
Sanctuaries Endowment Fund	55,581	55,581
Other:		
Charitable Remainder Trusts	203,673	201,754
Pledge Receivable	2,854,397	2,854,397
Total	<u>\$ 7,611,101</u>	<u>\$ 7,503,264</u>

Donors have established funds for NPT in community foundations around New England, which are not included in the accompanying statement 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.

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

	<u>2018</u>	<u>2017</u>
Purpose Restriction	\$ 464,792	\$ 401,397
Charitable Remainder Trust	-	24,545
Time Restriction	100,000	215,000
Capital and Equipment Restrictions	120,694	47,957
Total	<u>\$ 685,486</u>	<u>\$ 688,899</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 10 FAIR VALUE MEASUREMENTS

NPT uses fair value measurements to record fair value adjustments to assets to determine fair value disclosures. For additional information on how NPT measures fair value refer to 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:

	2018		
	Level 1	Level 2	Level 3
Investments (See Note 5)	<u>\$ 6,535,188</u>	<u>\$ -</u>	<u>\$ -</u>
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 231,559	\$ -	\$ -
Fixed Income	128,529	-	-
Money Market	<u>21,170</u>	<u>-</u>	<u>-</u>
Assets Held Under Charitable Remainder Trusts Total	<u>\$ 381,258</u>	<u>\$ -</u>	<u>\$ -</u>
Due to Other Beneficiaries of Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222,539)</u>
Beneficial Interest in Third-Party Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,212</u>
Annuities Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,197)</u>
	2017		
	Level 1	Level 2	Level 3
Investments (See Note 5)	<u>\$ 6,612,109</u>	<u>\$ -</u>	<u>\$ -</u>
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 271,966	\$ -	\$ -
Fixed Income	130,074	-	-
Money Market	<u>22,699</u>	<u>-</u>	<u>-</u>
Total Assets Held Under Charitable Remainder Trusts	<u>\$ 424,739</u>	<u>\$ -</u>	<u>\$ -</u>
Due to Other Beneficiaries of Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (267,993)</u>
Beneficial Interest in Third-Party Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,371</u>
Annuities Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,343)</u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

The following summarizes changes in fair value of NPT's assets and liabilities classified as Level 3 for the years ended December 31:

Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2016	\$ 258,797
Changes in Value of Split-Interest Agreements	<u>9,196</u>
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2017	267,993
Changes in Value of Split-Interest Agreements	<u>(45,454)</u>
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2018	<u><u>\$ 222,539</u></u>
Beneficial Interest in Third-Party Trust - December 31, 2016	\$ 81,716
Changes in Value of Split-Interest Agreements	<u>8,655</u>
Beneficial Interest in Third-Party Trust - December 31, 2017	90,371
Changes in Value of Split-Interest Agreements	<u>(7,159)</u>
Beneficial Interest in Third-Party Trust - December 31, 2018	<u><u>\$ 83,212</u></u>
Annuities Payable - December 31, 2016	\$ 36,921
Changes in Value of Split-Interest Agreements	10,727
Payments	<u>(7,305)</u>
Annuities Payable - December 31, 2017	40,343
Changes in Value of Split-Interest Agreements	(13,947)
Payments	<u>(7,199)</u>
Annuities Payable - December 31, 2018	<u><u>\$ 19,197</u></u>

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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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 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 by the board.

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, 2018 and 2017.

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

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 11 ENDOWMENT (CONTINUED)

Changes in endowment net assets by class are as follows for the years ended December 31:

	Without Donor Restriction	With Donor Restriction	Total Endowment
Endowment Net Assets, December 31, 2016	\$ -	\$ 5,854,305	\$ 5,854,305
Contributions	-	-	-
Change in Value of Interest in Charitable Remainder Trust	-	12,712	12,712
Investment Income:			
Interest and Dividends	-	116,206	116,206
Net Realized and Unrealized Gains	-	708,226	708,226
Appropriation of Endowment Assets for Spending Policy	-	(231,815)	(231,815)
Endowment Net Assets, December 31, 2017	-	6,459,634	6,459,634
Contributions	-	105,918	105,918
Change in Value of Interest in Charitable Remainder Trust	-	1,919	1,919
Investment Income:			
Interest and Dividends	-	135,420	135,420
Net Realized and Unrealized Losses	-	(426,036)	(426,036)
Appropriation of Endowment Assets for Spending Policy	-	(230,401)	(230,401)
Endowment Net Assets, December 31, 2018	\$ -	\$ 6,046,454	\$ 6,046,454

NOTE 12 COLLECTIONS AND PATENTS

The botanic collection at NPT's Garden in the Woods 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. These materials serve the members of NPT, the staff, and 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, 2018 and 2017.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 12 COLLECTIONS AND PATENTS (CONTINUED)

NPT holds a U.S. Plant Patent No. US 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. Amortization of \$-0- and \$16 is included in depreciation expense in the accompanying statements of functional expenses for the years ended December 31, 2018 and 2017, respectively.

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 \$46,418 and \$40,948 for the years ended December 31, 2018 and 2017, respectively.

NOTE 14 CONCENTRATIONS

NPT maintains its cash balances in various banks in Massachusetts and is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances exceeded the insured amounts. NPT has not experienced any losses in such accounts. NPT's management believes NPT is not exposed to any significant credit risk on cash and cash equivalents.

For the year ended December 31, 2017, the nonoperating revenues of contributions for long-term investment that are donor-restricted were from a single donor. The full amount is also reflected in long-term grants and pledges receivable as of December 31, 2017. For the year ended December 31, 2018, 14% of total grant and contribution revenue were from a single donor, with a one-time donation for the branding initiative.

NOTE 15 CONDITIONAL GRANT

At December 31, 2018, NPT has a conditional contribution receivable in the amount of \$100,000 which has not yet been recorded. NPT will recognize the contribution revenue when the conditions are substantially met.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 16 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 and 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.

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, 2018 and 2017, the following tables show the total liquid financial assets held by NPT and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2018	2017
Financial Assets:		
Cash and Cash Equivalents	\$ 617,568	\$ 702,974
Accounts Receivable, Net	23,673	96,822
Grants and Pledges Receivable, Net	3,150,182	3,257,241
Investments Convertible to Cash in the Next 12 Months	6,535,188	6,612,109
Total	\$ 10,326,611	\$ 10,669,146
Financial Assets Available to Meet General Expenditures Over the Next 12 Months:		
Cash and Cash Equivalents	\$ 617,568	\$ 702,974
Accounts Receivable, Net	23,673	96,822
Current Portion of Grants and Pledges Receivable, Net	200,000	210,000
Appropriated Earnings from Donor Restricted Endowment	230,401	231,815
Total	\$ 1,071,642	\$ 1,241,611

