

NATIVE PLANT TRUST, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018



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**NATIVE PLANT TRUST, INC.
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YEARS ENDED DECEMBER 31, 2019 AND 2018**

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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 nonprofit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

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, 2019 and 2018, 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.

Effects of Adopting New Accounting Standards

As discussed in Note 1 to the financial statements, the Organization has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The adoption of this standard did not have a significant impact on the Organization's reported historical revenue. Our opinion is not modified with respect to that matter.

As described in Note 1, the Organization adopted Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. The accounting change has not been retrospectively applied to prior periods presented but applied prospectively. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Boston, Massachusetts
May 4, 2020

**NATIVE PLANT TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 674,316	\$ 617,568
Short-Term Investments	789,086	588,182
Accounts Receivable, Net	52,981	23,673
Current Portion of Grants and Pledges Receivable, Net	300,000	200,000
Inventory	97,107	95,536
Prepaid Expenses	35,650	40,863
Total Current Assets	1,949,140	1,565,822
INVESTMENTS	6,758,305	5,947,006
GRANTS AND PLEDGES RECEIVABLE, Net of Current Portion	3,172,525	2,950,182
ASSETS HELD IN CHARITABLE REMAINDER TRUSTS	432,288	381,258
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	94,908	83,212
PROPERTY AND EQUIPMENT, Net	2,770,879	2,789,215
DEVELOPMENT OF WEBSITES, Net	134,419	150,168
Total Assets	\$ 15,312,464	\$ 13,866,863
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 105,112	\$ 92,969
Accrued Expenses and Deferred Revenue	148,263	148,927
Current Portion of Annuities Payable	1,800	1,800
Total Current Liabilities	255,175	243,696
ANNUITIES PAYABLE, Net	18,195	17,397
DUE TO OTHER BENEFICIARIES OF CHARITABLE REMAINDER TRUSTS	242,583	222,539
Total Liabilities	515,953	483,632
NET ASSETS		
Without Donor Restrictions	3,133,859	3,102,144
With Donor Restrictions	11,662,652	10,281,087
Total Net Assets	14,796,511	13,383,231
Total Liabilities and Net Assets	\$ 15,312,464	\$ 13,866,863

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	\$ 1,337,909	\$ 352,518	\$ 1,690,427
Membership Dues	299,954	-	299,954
Program Fees, Services, and Other Income	271,111	-	271,111
Investment Return Designated for Current Operations	239,213	-	239,213
Sales of Plant and Merchandise, Net of Cost of Goods Sold of \$308,954	437,184	-	437,184
Admissions	102,091	-	102,091
Net Assets Released from Restrictions	620,789	(620,789)	-
Total Operating Revenue and Support	3,308,251	(268,271)	3,039,980
OPERATING EXPENSES			
Program Services:			
Conservation	736,638	-	736,638
Education	314,801	-	314,801
Horticulture	673,679	-	673,679
Member Services	229,161	-	229,161
Retail Shops	310,249	-	310,249
Total Program Services	2,264,528	-	2,264,528
Supporting Services:			
General and Administrative	881,822	-	881,822
Fundraising	224,109	-	224,109
Total Supporting Services	1,105,931	-	1,105,931
Total Operating Expenses	3,370,459	-	3,370,459
CHANGES IN NET ASSETS FROM OPERATIONS	(62,208)	(268,271)	(330,479)
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	19,125	943,839	962,964
Contributions for Long-Term Purposes	24,600	717,461	742,061
Changes in Value of Split-Interest Agreements	(3,013)	42,682	39,669
Loss on Disposal of Property and Equipment	(935)	-	(935)
Net Assets Released from Capital and Equipment Restrictions	54,146	(54,146)	-
Total Nonoperating Revenues, Net	93,923	1,649,836	1,743,759
CHANGES IN NET ASSETS	\$ 31,715	\$ 1,381,565	\$ 1,413,280

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	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
Sales of Plant and Merchandise, Net of Cost of Goods Sold of \$281,970	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 FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services					Total Program Services	Supporting Services		Total
	Conservation	Education	Horticulture	Member Services	Retail Shops		General and Administrative	Fundraising	
Salaries and Benefits	\$ 378,221	\$ 162,857	\$ 393,718	\$ 150,864	\$ 184,673	\$ 1,270,333	\$ 420,012	\$ 174,761	\$ 1,865,106
Professional and Consultant Services	276,225	83,389	25,897	372	5,360	391,243	274,894	-	666,137
Operating Expenses	39,155	45,356	67,443	70,939	87,955	310,848	95,670	36,417	442,935
Property and Occupancy	23,735	14,880	67,480	6,409	25,728	138,232	25,786	8,809	172,827
Plant and Merchandise Expense	-	-	-	-	308,954	308,954	-	-	308,954
Insurance	-	-	-	-	-	-	46,909	-	46,909
Depreciation and Amortization	19,302	8,319	119,141	577	6,533	153,872	18,551	4,122	176,545
Subtotal	736,638	314,801	673,679	229,161	619,203	2,573,482	881,822	224,109	3,679,413
Less: Cost of Plant and Merchandise Sales	-	-	-	-	308,954	308,954	-	-	308,954
Total Functional Expenses	<u>\$ 736,638</u>	<u>\$ 314,801</u>	<u>\$ 673,679</u>	<u>\$ 229,161</u>	<u>\$ 310,249</u>	<u>\$ 2,264,528</u>	<u>\$ 881,822</u>	<u>\$ 224,109</u>	<u>\$ 3,370,459</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
Plant and Merchandise Expense	-	-	-	-	281,970	281,970	-	-	281,970
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
Subtotal	768,868	313,550	660,097	224,519	572,704	2,539,738	601,015	181,050	3,321,803
Less: Cost of Plant and Merchandise Sales	-	-	-	-	281,970	281,970	-	-	281,970
Total Functional 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.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</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	3,102,144	10,281,087	13,383,231
Changes in Net Assets	<u>31,715</u>	<u>1,381,565</u>	<u>1,413,280</u>
NET ASSETS - DECEMBER 31, 2019	<u>\$ 3,133,859</u>	<u>\$ 11,662,652</u>	<u>\$ 14,796,511</u>

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,413,280	\$ (348,985)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	140,103	146,015
Amortization	36,442	26,710
Contributions for Endowment	(682,461)	(105,918)
Contributions for Property and Equipment	(59,600)	(34,000)
Discount on Grants and Pledges Receivable	(22,184)	(2,941)
Net Realized and Unrealized Losses (Gains) on Investments	(1,126,926)	424,930
Changes in Value of Split-Interest Agreements	(39,669)	(8,724)
Loss on Sale of Property and Equipment	935	413
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(29,308)	73,149
Grants and Pledges Receivable	(300,159)	110,000
Inventory	(1,571)	6,351
Prepaid Expenses	5,213	(10,896)
Accounts Payable	12,143	38,865
Accrued Expenses and Deferred Revenue	(664)	3,328
Annuity Payable	(2,215)	(7,236)
Net Cash Provided (Used) by Operating Activities	(656,641)	311,061
CASH FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(122,702)	(153,143)
Purchases of Development of Websites	(20,693)	(35,233)
Purchases of Investments	(1,204,704)	(678,070)
Proceeds from Sales of Investments	1,319,427	330,061
Net Cash Used by Investing Activities	(28,672)	(536,385)
CASH FROM FINANCING ACTIVITIES		
Contributions for Property and Equipment	59,600	34,000
Cash Collected for Endowment	682,461	105,918
Net Cash Provided by Financing Activities	742,061	139,918
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56,748	(85,406)
Cash and Cash Equivalents - Beginning of Year	617,568	702,974
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 674,316	\$ 617,568

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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., and publicly launched the new branding and website in April 2019.

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 earned or 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, 2019 AND 2018

**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 at a point in 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:

	2019	2018
Revenue Recognized at a Point in Time		
Services & Lectures	\$ 147,602	\$ 79,889
Course Fees	106,150	78,485
Admissions	102,091	89,939
Tours	3,676	774
School Programs	4,548	4,514
Postage Revenue	332	510
Rental Income	3,700	2,500
Miscellaneous Revenue	5,103	3,473
Total Revenue Recognized at a Point in Time	\$ 373,202	\$ 260,084
Revenue Recognized over Time		
Membership Revenue	\$ 299,954	\$ 296,865
Total Revenue Recognized over Time	\$ 299,954	\$ 296,865

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:

	2019		
	Plants	Merchandise	Total
Gross Sales	\$ 615,111	\$ 131,027	\$ 746,138
Cost of Sales	(228,226)	(80,728)	(308,954)
Total	\$ 386,885	\$ 50,299	\$ 437,184
	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

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.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Revenue Recognition (Continued)

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.

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.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

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:

	2019	2018
Merchandise	\$ 89,406	\$ 83,220
Plants	12,701	17,316
Subtotal	102,107	100,536
Less: Inventory Reserve	(5,000)	(5,000)
Total	\$ 97,107	\$ 95,536

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.

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 loss is recorded to reflect declines in the net realizable value of property and equipment.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

Property and Equipment and Depreciation (Continued)

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, 2019 and 2018 was \$4,159 and \$26,710, respectively. Additional website development costs relate to NPT's new website, which launched in 2019, are being amortized over a five-year period using the straight-line method. Amortization expense for the years ended December 31, 2019 and 2018 was \$32,283 and \$-0-, 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, 2019 and 2018 were \$39,756 and \$40,024, 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 \$214,953 and \$207,372 were recorded for the years ended December 31, 2019 and 2018, respectively.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**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 2019 and 2018, 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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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

Change in Accounting Principles

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred 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 updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

NPT's financial statements reflect the application of ASC 606 guidance beginning in 2018. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly NPT's reported historical revenue.

Additionally in June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

These financial statements reflect the application of ASU 2018-08 beginning January 1, 2018. The new guidance does not require prior period results to be restated.

Subsequent Events

Subsequent events have been evaluated through May 4, 2020, the date the financial statements were available to be issued. Refer to Note 15 for subsequent events identified.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

**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, 2019 and 2018, 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:

	2019	2018
Program Receivables	\$ 55,692	\$ 30,807
Less: Reserve for Bad Debt	(2,711)	(7,134)
Total	\$ 52,981	\$ 23,673

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:

	2019	2018
Grants and Pledges Receivable	\$ 3,600,159	\$ 3,300,000
Less: Discount (Using Rates 1.0-2.18%)	(127,634)	(149,818)
Total	\$ 3,472,525	\$ 3,150,182

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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 GRANTS AND PLEDGES RECEIVABLE (CONTINUED)

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

One Year	\$ 300,000
Two to Five Years	<u>3,300,159</u>
Total	<u><u>\$ 3,600,159</u></u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 962,966	\$ 962,966
Buildings	3,183,174	3,116,459
Furniture, Fixtures, and Equipment	594,414	605,909
Land Improvements	680,007	640,860
Construction in Progress	8,811	-
Subtotal	<u>5,429,372</u>	<u>5,326,194</u>
Less: Accumulated Depreciation	<u>(2,658,493)</u>	<u>(2,536,979)</u>
Total	<u><u>\$ 2,770,879</u></u>	<u><u>\$ 2,789,215</u></u>

Depreciation expense for the years ended December 31, 2019 and 2018 was \$140,103 and \$146,015 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.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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:

	2019		
	Cost	Fair Value	Unrealized Appreciation
EQUITY			
Mutual Funds:			
Fidelity Total Market Index Fund	\$ 1,420,980	\$ 3,176,532	\$ 1,755,552
Fidelity Internatl Index Fund	649,363	791,659	142,297
Total Mutual Funds - Equity	<u>2,070,343</u>	<u>3,968,192</u>	<u>1,897,849</u>
Exchange Traded Funds - Equity	973,427	1,100,194	126,768
Stocks	<u>256,693</u>	<u>276,621</u>	<u>19,928</u>
Total Equity	<u>3,300,462</u>	<u>5,345,007</u>	<u>2,044,544</u>
FIXED INCOME			
Mutual Funds:			
Vanguard Total Bond Market Index Admiral	588,665	635,471	46,806
Vanguard Intermed TRV INVST GR INVEST	204,716	225,301	20,585
T. Rowe Price International Bond	139,172	144,477	5,305
United States Treas Nts Note	<u>148,821</u>	<u>149,924</u>	<u>1,103</u>
Total Mutual Funds - Fixed Income	<u>1,081,374</u>	<u>1,155,172</u>	<u>73,799</u>
MONEY MARKET ACCOUNTS	<u>1,047,212</u>	<u>1,047,212</u>	<u>-</u>
Total	<u><u>\$ 5,429,048</u></u>	<u><u>\$ 7,547,391</u></u>	<u><u>\$ 2,118,343</u></u>

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 INVESTMENTS (CONTINUED)

	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	<u>262,835</u>	<u>267,976</u>	<u>5,141</u>
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	<u>134,939</u>	<u>134,357</u>	<u>(582)</u>
Total Mutual Funds - Fixed Income	<u>1,018,939</u>	<u>1,039,680</u>	<u>20,741</u>
MONEY MARKET ACCOUNTS			
Total	<u>1,274,634</u> <u>\$ 5,366,139</u>	<u>1,274,634</u> <u>\$ 6,535,188</u>	<u>-</u> <u>\$ 1,169,049</u>

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

	2019	2018
Interest and Dividends	\$ 75,251	\$ 146,523
Net Realized Gains	89,983	11,486
Net Unrealized Gains (Losses)	<u>1,036,943</u>	<u>(436,416)</u>
Total Investment Returns	<u>1,202,177</u>	<u>(278,407)</u>
Less: Investment Return Designated for Operations	<u>239,213</u>	<u>230,401</u>
Investment Returns, Net of Spending Policy	<u>\$ 962,964</u>	<u>\$ (508,808)</u>

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.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018 was \$19,995 and \$19,197, 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:

	2019	2018
Operating	\$ 120,437	\$ (53,707)
Board-Designated for Capital Expenditures	108,124	216,468
Property and Equipment	2,770,879	2,789,215
Development of Websites, Net	134,419	150,168
Total	\$ 3,133,859	\$ 3,102,144

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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:

	2019	2018
Donor Restricted Net Assets Not Invested in Perpetuity:		
Conservation Restrictions	\$ 548,810	\$ 615,320
Horticulture Restrictions	34,291	70,918
Capital Restrictions	35,767	2,502
Communications and Branding	168,146	280,014
Public Programs	60,682	76,737
Technology	10,674	-
Time Restrictions	100,000	200,000
Accumulated Earnings on Endowment Funds	2,233,290	1,289,750
Assets Held Under Trusts	156,305	134,745
Total	\$ 3,347,965	\$ 2,669,986
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	2,121,408	2,108,635
Garden in the Woods Endowment Fund	726,328	721,828
Seed Ark Campaign Endowment Fund	636,645	-
Intern Endowment Fund	608,327	608,327
Sanctuaries Endowment Fund	55,581	55,581
Other:		
Charitable Remainder Trusts	224,796	203,673
Pledge Receivable	2,882,942	2,854,397
Total	\$ 8,314,687	\$ 7,611,101

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.

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

	2019	2018
Purpose Restriction	\$ 520,789	\$ 464,793
Time Restriction	100,000	100,000
Capital and Equipment Restrictions	54,146	120,693
Total	\$ 674,935	\$ 685,486

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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:

	2019		
	Level 1	Level 2	Level 3
Investments (See Note 5)	\$ 7,547,391	\$ -	\$ -
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 259,403	\$ -	\$ -
Fixed Income	156,163	-	-
Money Market	16,722	-	-
Assets Held Under Charitable Remainder Trusts Total	\$ 432,288	\$ -	\$ -
Due to Other Beneficiaries of Charitable Remainder Trusts	\$ -	\$ -	\$ (242,583)
Beneficial Interest in Third-Party Trust	\$ -	\$ -	\$ 94,908
Annuities Payable	\$ -	\$ -	\$ (19,995)
	2018		
	Level 1	Level 2	Level 3
Investments (See Note 5)	\$ 6,535,188	\$ -	\$ -
Assets Held Under Charitable Remainder Trusts			
Equity	\$ 231,559	\$ -	\$ -
Fixed Income	128,529	-	-
Money Market	21,170	-	-
Total Assets Held Under Charitable Remainder Trusts	\$ 381,258	\$ -	\$ -
Due to Other Beneficiaries of Charitable Remainder Trusts	\$ -	\$ -	\$ (222,539)
Beneficial Interest in Third-Party Trust	\$ -	\$ -	\$ 83,212
Annuities Payable	\$ -	\$ -	\$ (19,197)

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 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	222,539
Changes in Value of Split-Interest Agreements	<u>20,044</u>
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2019	<u><u>\$ 242,583</u></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	83,212
Changes in Value of Split-Interest Agreements	<u>11,696</u>
Beneficial Interest in Third-Party Trust - December 31, 2019	<u><u>\$ 94,908</u></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	19,197
Changes in Value of Split-Interest Agreements	3,013
Payments	<u>(2,215)</u>
Annuities Payable - December 31, 2019	<u><u>\$ 19,995</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, 2019 AND 2018

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.

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, 2019 and 2018.

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, 2019 AND 2018

NOTE 11 ENDOWMENT (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, 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
Contributions	-	17,273	17,273
Change in Value of Interest in Charitable Remainder Trust	-	21,122	21,122
Investment Income:			
Interest and Dividends	-	55,458	55,458
Net Realized and Unrealized Gains	-	1,127,594	1,127,594
Appropriation of Endowment Assets for Spending Policy	-	(239,213)	(239,213)
Endowment Net Assets, December 31, 2019	<u>\$ -</u>	<u>\$ 7,028,688</u>	<u>\$ 7,028,688</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. 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, 2019 and 2018.

NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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. For each of the years ended December 31, 2019 and 2018, amortization expense of \$16 was included in the depreciation expenses 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 \$39,383 and \$46,418 for the years ended December 31, 2019 and 2018, 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, 2019, 32% of total grant and contribution revenue was from two donors, with 65% from a single donor's pledge to the endowment.

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Both domestic and international equity markets experienced large declines. These losses are not included in the financial statements for the year ended December 31, 2019. COVID-19 may impact various parts of NPT's 2020 operations and financial results.

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 Payroll Protection Program, which can be used for specific allowable costs under the regulation. The terms of repayment under that program include a two-year loan period (due in 2022), at an interest rate of 1%, with monthly payments due during the last 18 months of the loan term. Certain allowable costs may be forgiven, however the amount of forgiveness under the program is uncertain as of May 4, 2020.

**NATIVE PLANT TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 15 SUBSEQUENT EVENTS (CONTINUED)

Management believes that NPT is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

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, 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, 2019 and 2018, 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:

	2019	2018
Financial Assets:		
Cash and Cash Equivalents	\$ 674,316	\$ 617,568
Accounts Receivable, Net	52,981	23,673
Current Portion of Grants and Pledges Receivable, Net	300,000	200,000
Investments Convertible to Cash in the Next 12 Months	7,547,391	6,535,188
Total	\$ 8,574,688	\$ 7,376,429
Financial Assets Available to Meet General Expenditures Over the Next 12 Months:		
Cash and Cash Equivalents	\$ 674,316	\$ 617,568
Accounts Receivable, Net	52,981	23,673
Current Portion of Grants and Pledges Receivable, Net	300,000	200,000
Appropriated Earnings from Donor Restricted Endowment	239,213	230,401
Total	\$ 1,266,510	\$ 1,071,642

