



FLORESTA U.S.A.
INCORPORATED, DBA
PLANT WITH PURPOSE

Financial Statements
With Independent Auditors' Report

June 30, 2022 and 2021

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose
San Diego, California

Opinion

We have audited the accompanying financial statements of Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose
San Diego, California

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose's ability to continue as a going concern for a reasonable period of time.

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

Capin Crouse LLP

San Diego, California
October 14, 2022

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
ASSETS:		
Unreserved cash and cash equivalents	\$ 931,113	\$ 558,554
Unconditional promises to give, net	2,723,948	1,962,700
Prepaid expenses and other assets	124,580	61,436
Operating reserves - cash	-	217,288
Operating reserves - investments	3,155,734	2,801,736
Property and equipment - net	42,005	36,271
Investment - other	28,307	28,307
Endowment investments, at fair value	74,880	83,274
Total Assets	<u>\$ 7,080,567</u>	<u>\$ 5,749,566</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 163,793	\$ 58,134
Accrued expenses	194,380	142,251
Total liabilities	<u>358,173</u>	<u>200,385</u>
Net assets:		
Without donor restrictions	3,545,605	3,114,618
With donor restrictions	3,176,789	2,434,563
Total net assets	<u>6,722,394</u>	<u>5,549,181</u>
Total Liabilities and Net Assets	<u>\$ 7,080,567</u>	<u>\$ 5,749,566</u>

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statements of Activities

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 3,857,897	\$ 5,775,285	\$ 9,633,182	\$ 2,791,200	\$ 4,032,945	\$ 6,824,145
Federal grant	-	-	-	-	31,247	31,247
	<u>3,857,897</u>	<u>5,775,285</u>	<u>9,633,182</u>	<u>2,791,200</u>	<u>4,064,192</u>	<u>6,855,392</u>
Special events:						
Gala income	583,736	54,229	637,965	332,249	285,036	617,285
Less: Costs of direct benefits to donor	(55,372)	-	(55,372)	(49,949)	-	(49,949)
Net revenues from special events	<u>528,364</u>	<u>54,229</u>	<u>582,593</u>	<u>282,300</u>	<u>285,036</u>	<u>567,336</u>
Other income	26,288	-	26,288	398	-	398
Investment income (loss)	(60,605)	-	(60,605)	25,702	-	25,702
Net assets released from:						
Purpose restrictions	3,091,442	(3,091,442)	-	3,669,400	(3,669,400)	-
Time restrictions	1,995,846	(1,995,846)	-	602,700	(602,700)	-
Total Support, Revenue, and Reclassifications	<u>9,439,232</u>	<u>742,226</u>	<u>10,181,458</u>	<u>7,371,700</u>	<u>77,128</u>	<u>7,448,828</u>

(continued)

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statements of Activities
(continued)

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program activities:						
Haiti	893,931	-	893,931	587,111	-	587,111
Dominican Republic	741,316	-	741,316	574,482	-	574,482
Burundi	816,918	-	816,918	659,668	-	659,668
Tanzania	771,412	-	771,412	609,471	-	609,471
Mexico	758,123	-	758,123	654,769	-	654,769
Ethiopia	1,179,962	-	1,179,962	317,558	-	317,558
Congo	841,477	-	841,477	927,281	-	927,281
Thailand	293,790	-	293,790	228,348	-	228,348
Malawi	37,517	-	37,517	-	-	-
Constituency education	726,756	-	726,756	520,928	-	520,928
Total program activities	<u>7,061,202</u>	<u>-</u>	<u>7,061,202</u>	<u>5,079,616</u>	<u>-</u>	<u>5,079,616</u>
Supporting activities:						
Fundraising	1,309,458	-	1,309,458	929,283	-	929,283
General and administration	637,585	-	637,585	542,282	-	542,282
Total supporting activities	<u>1,947,043</u>	<u>-</u>	<u>1,947,043</u>	<u>1,471,565</u>	<u>-</u>	<u>1,471,565</u>
Total expenses	<u>9,008,245</u>	<u>-</u>	<u>9,008,245</u>	<u>6,551,181</u>	<u>-</u>	<u>6,551,181</u>
Change in Net Assets	430,987	742,226	1,173,213	820,519	77,128	897,647
Net Assets, Beginning of Year	<u>3,114,618</u>	<u>2,434,563</u>	<u>5,549,181</u>	<u>2,294,099</u>	<u>2,357,435</u>	<u>4,651,534</u>
Net Assets, End of Year	<u>\$ 3,545,605</u>	<u>\$ 3,176,789</u>	<u>\$ 6,722,394</u>	<u>\$ 3,114,618</u>	<u>\$ 2,434,563</u>	<u>\$ 5,549,181</u>

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statement of Functional Expenses

Year Ended June 30, 2022

	<u>Overseas</u>	<u>Education</u>	<u>Total Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total Supporting</u>	<u>Total</u>
International grants	\$ 5,208,986	\$ -	\$ 5,208,986	\$ -	\$ -	\$ -	\$ 5,208,986
Salary, wages, taxes & benefits	938,522	568,141	1,506,663	545,512	986,321	1,531,833	3,038,496
Travel	69,506	45,392	114,898	33,222	63,134	96,356	211,254
Rent and occupancy	42,420	31,297	73,717	29,673	65,728	95,401	169,118
Services and professional fees	62,564	20,730	83,294	22,077	40,125	62,202	145,496
Development and events	5,717	42,434	48,151	2,005	75,348	77,353	125,504
Finance fees, taxes, state registrations	806	29	835	1,087	53,210	54,297	55,132
Printing and publications	897	14,572	15,469	555	17,986	18,541	34,010
Depreciation and amortization	5,028	4,161	9,189	3,454	7,606	11,060	20,249
Total Expenses	<u>\$ 6,334,446</u>	<u>\$ 726,756</u>	<u>\$ 7,061,202</u>	<u>\$ 637,585</u>	<u>\$ 1,309,458</u>	<u>\$ 1,947,043</u>	<u>\$ 9,008,245</u>

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statement of Functional Expenses

Year Ended June 30, 2021

	<u>Overseas</u>	<u>Education</u>	<u>Total Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total Supporting</u>	<u>Total</u>
International grants	\$ 3,795,901	\$ -	\$ 3,795,901	\$ -	\$ -	\$ -	\$ 3,795,901
Salary, wages, taxes & benefits	579,108	434,365	1,013,473	475,182	747,713	1,222,895	2,236,368
Travel	361	3,260	3,621	235	896	1,131	4,752
Rent and occupancy	31,154	23,846	55,000	25,217	42,142	67,359	122,359
Services and professional fees	146,855	14,471	161,326	37,012	28,141	65,153	226,479
Development and events	107	38,274	38,381	252	49,387	49,639	88,020
Finance fees, taxes, state registrations	1,310	27	1,337	1,128	45,237	46,365	47,702
Printing and publications	-	3,769	3,769	-	10,627	10,627	14,396
Depreciation and amortization	3,894	2,914	6,808	3,256	5,140	8,396	15,204
Total Expenses	<u>\$ 4,558,690</u>	<u>\$ 520,926</u>	<u>\$ 5,079,616</u>	<u>\$ 542,282</u>	<u>\$ 929,283</u>	<u>\$ 1,471,565</u>	<u>\$ 6,551,181</u>

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,173,213	\$ 897,647
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	20,249	15,204
Realized and unrealized (gain) loss on investments	61,125	(24,284)
Paycheck Protection Program loan forgiveness	-	(31,247)
Net change in:		
Unconditional promises to give, net	(761,248)	308,184
Prepaid expenses and other assets	(63,144)	(19,795)
Accounts payable	105,659	45,076
Accrued expenses	52,129	38,543
Net Cash Provided by Operating Activities	587,983	1,229,328
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(406,729)	(1,469,492)
Purchases of property and equipment	(25,983)	(20,382)
Net Cash (Used in) Provided by Investing Activities	(432,712)	(1,489,874)
Change in Cash and Cash Equivalents	155,271	(260,546)
Cash and Cash Equivalents, Beginning of Year	775,842	1,036,388
Cash and Cash Equivalents, End of Year	\$ 931,113	\$ 775,842
SUMMARY OF CASH AND CASH EQUIVALENTS		
Unreserved cash and cash equivalents	\$ 931,113	\$ 558,554
Operating reserves - cash	-	217,288
	\$ 931,113	\$ 775,842
NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURE:		
Paycheck Protection Program loan forgiveness	\$ -	\$ 31,247

See notes to financial statements

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

1. NATURE OF ORGANIZATION:

Floresta U.S.A. Incorporated, d.b.a. Plant With Purpose (the Organization) is a nonprofit California Corporation, which incorporated on July 1, 1984. As a nonprofit organization, the Organization is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3). As such, it is also exempt from state income taxes. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization has been classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the IRC.

The purpose of the Organization is to reverse deforestation and poverty around the world by transforming the lives of the rural poor. The Organization has over thirty-five years of experience partnering with indigenous community groups and organizations to mobilize farming families to regenerate entire watersheds, reverse rural poverty, and gain a broader sense of hope.

The Organization currently works in Burundi, the Democratic Republic of the Congo, the Dominican Republic, Ethiopia, Haiti, Mexico, Tanzania, and Thailand. The Organization works through a closely-knit, global collaboration of independent organizations led by Plant With Purpose. This structure allows them to be locally responsive, cost effective, and ensure the maximum impact in each unique location. The Organization is primarily funded by private foundations and individuals within the United States.

The Organization has measured substantial reversals of deforestation, increased crop yields, and progressively healthier ecosystems. This watershed restoration also sequesters large amounts of additional carbon stored in trees, vegetation, and soil.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies adopted by the Organization are described below.

CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents consist primarily of cash on hand and cash on deposit. At June 30, 2022 and 2021, the Organization's cash balances exceeded insured limits by approximately \$400,000 and \$349,000, respectively. The Organization does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

The Organization accounts for investments pursuant to U.S. generally accepted accounting principles (GAAP) under which investments with readily determinable fair values are reported at their fair values in the statements of financial position. Donated securities are recorded at fair value on the date of the gift. The realized and unrealized gains and losses are reflected in without donor restriction in investment income in the statements of activities unless a donor restricts its use.

UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, including contributions and foundation grants that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount rate was 1.00% as of June 30, 2022 and 2021, respectively. Conditional promises to give are not included as support until such time as the conditions are substantially met. Unconditional promises to give are reviewed for collectability and reserves for uncollectible amounts are recorded based on established policies. Management expects all unconditional promises to be fully collectible as of June 30, 2022 and 2021, respectively.

PAYCHECK PROTECTION PROGRAM LOAN

The Organization was approved for a Paycheck Protection Program (PPP) loan of approximately \$313,000 through the Coronavirus Aid, Relief, and Economic Security Act. The loan accrued interest at 1.00% per annum and was to mature two years from the date it was funded. The Organization received notice from the Small Business Administration (SBA) in May 2021 that the full amount of the PPP loan was forgiven because relevant SBA requirements were met.

NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in the Organization's operations.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or projects or time restrictions.

All contributions are considered available for use without donor restriction unless specifically restricted by the donor.

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises to give have been received, or ownership of donated assets is transferred to the Organization. Conditional promises to give are recognized as revenue when the conditions on which they depend are substantially met.

Contributions are recorded as with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis on the statement of expenses by functional and natural classification. Costs are directly applied to the related program and supporting activity category when identified. The expenses that are allocated include depreciation, supplies and equipment, and office and occupancy, as well as salaries and benefits, which are all allocated on the basis of estimates of time and benefit to each department. General operating costs across nearly all natural categories are allocated on the basis of estimates of time and effort. Currently, there are no joint costs that have been allocated among program, general and administration, and fundraising functions.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the financial assets of the Organization as of the balance sheet date, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due, with a goal to maintain financial assets to meet 90 days of operating expenditures. Board designated funds may be drawn upon for general expenditure with approval of the board.

	June 30,	
	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 931,113	\$ 775,842
Operating reserves - investments	3,155,734	2,801,736
Unconditional promises to give, net	2,723,948	1,962,700
Investment - other	28,307	28,307
Endowment investments, at fair value	<u>74,880</u>	<u>83,274</u>
Financial assets, at year-end	6,913,982	5,651,859
Less those unavailable for general expenditure within one year, due to:		
Unconditional promises to give due in greater than one year, net	(1,282,717)	(1,397,701)
Operating reserves - cash	-	(217,288)
Operating reserves - investments	(3,155,734)	(2,801,736)
Investment - other	(28,307)	(28,307)
Endowment investments, at fair value	<u>(74,880)</u>	<u>(83,274)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,372,344</u>	<u>\$ 1,123,553</u>

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

4. UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give consist of:

	June 30,	
	<u>2022</u>	<u>2021</u>
Unconditional promises to give before discount for present value of cash flows	\$ 2,741,231	\$ 1,990,000
Less discount for present value of cash flows	<u>(17,283)</u>	<u>(27,300)</u>
Total promises to give	<u>\$ 2,723,948</u>	<u>\$ 1,962,700</u>

Amounts as of June 30, 2022, are due in:

Less than one year	\$ 1,441,231
One to five years	<u>1,300,000</u>
	<u>\$ 2,741,231</u>

Based on past history and assessment of the donors involved, management expects all of the unconditional promises to give to be collected as promised. Therefore, no allowance for uncollectible receivables has been established.

5. FURNITURE AND EQUIPMENT:

Furniture and equipment consists of:

	June 30,	
	<u>2022</u>	<u>2021</u>
Office equipment	\$ 209,645	\$ 183,662
Less accumulated depreciation and amortization	<u>(167,640)</u>	<u>(147,391)</u>
Furniture and equipment, net	<u>\$ 42,005</u>	<u>\$ 36,271</u>

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

6. INVESTMENTS:

Investments consist of:

	June 30,	
	2022	2021
Money market	\$ 504,126	\$ 510,661
Mutual funds	2,651,608	2,291,075
Investment in Los Arbolitos	28,307	28,307
Endowment investments	74,880	83,274
	<u>\$ 3,258,921</u>	<u>\$ 2,913,317</u>
Summary of investments per statement of financial position:		
Operating reserves - investments	\$ 3,155,734	\$ 2,801,736
Investment - other	28,307	28,307
Endowment investments, at fair value	74,880	83,274
	<u>\$ 3,258,921</u>	<u>\$ 2,913,317</u>

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Level 1 Fair Value Measurements

The fair values of money market and mutual funds are based on quoted market prices, when available.

Level 2 Fair Value Measurements

Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments whose fair value is estimated using other securities, the parameters of which can be directly observed.

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

6. INVESTMENTS, continued:

	Total	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2022:				
Money market	\$ 504,126	\$ 504,126	\$ -	\$ -
Mutual funds	2,651,608	2,651,608	-	-
Total investments at fair value	3,155,734	\$ 3,155,734	\$ -	\$ -
Assets not measured at fair value:				
Investment in Los Arbolitos				
-measured at cost	28,307			
Endowment investments				
-measured at net asset value	74,880			
Total investments	\$ 3,258,921			
June 30, 2021:				
Money market	\$ 510,661	\$ 510,661	\$ -	\$ -
Mutual funds	2,291,075	2,291,075	-	-
Total investments at fair value	2,801,736	\$ 2,801,736	\$ -	\$ -
Assets not measured at fair value:				
Investment in Los Arbolitos				
-measured at cost	28,307			
Endowment investments				
-measured at net asset value	83,274			
Total investments	\$ 2,913,317			

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

7. COMMITMENTS:

The Organization leases its main office space and additional office space under an operating lease agreement extending through October 31, 2024. This lease requires monthly rental payments of \$8,254 with annual increases thereafter. Rent expense, excluding other costs of occupancy, under this lease was \$93,758 and \$90,554, for the years ended June 30, 2022 and 2021, respectively.

Future minimum payments under the non-cancelable operating leases are as follows:

<u>Year Ending June 30,</u>		
2023	\$	104,825
2024		107,970
2025		36,889
		36,889
	\$	249,684

The Organization makes commitments to certain charitable organizations for future program grants, which are contingent future installments of a current grant. The grants are contingent upon the continued fulfillment of the original conditions in the grant request. As of June 30, 2022, there were no such commitments for future program grants.

8. NET ASSETS:

Net assets consist of:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions		
Undesignated	\$ 389,871	\$ 95,594
Board designated		
Operating reserves - cash	-	217,288
Operating reserves - investments	3,155,734	2,801,736
	\$ 3,545,605	\$ 3,114,618
Net assets with donor restrictions:		
Time restricted unconditional promises to give	\$ 2,723,948	\$ 1,962,700
Net assets restricted for specific purpose:		
Congo	377,961	373,322
Unappropriated endowment earnings	18,330	26,724
Dominican Republic	-	15,267
In perpetuity:		
Endowment	56,550	56,550
	\$ 3,176,789	\$ 2,434,563

FLORESTA U.S.A. INCORPORATED, d.b.a. PLANT WITH PURPOSE

Notes to Financial Statements

June 30, 2022 and 2021

9. ENDOWMENT FUNDS:

The Organization's endowment consists of a fund established for the expansion and enlargement of the ministry of the Organization. Its endowment includes donor-restricted endowment funds to function as the endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restriction (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of the institution and the endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the institution
7. The investment policy of the institution

The endowment net asset composition by type of fund consists of:

	<u>Donor</u>	<u>With Donor Restrictions:</u>		<u>Total</u>
		<u>Amount</u>	<u>Gains (Losses)</u>	
June 30, 2022:				
Donor restricted endowment funds	\$ -	\$ 56,550	\$ 18,330	\$ 74,880
June 30, 2021:				
Donor restricted endowment funds	\$ -	\$ 56,550	\$ 26,724	\$ 83,274

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Notes to Financial Statements

June 30, 2022 and 2021

9. ENDOWMENT FUNDS, continued:

Changes in endowment net assets were:

	Donor	With Donor Restrictions:		Total
		Amount	Gains (Losses)	
Year ended June 30, 2022:				
Endowment net assets,				
beginning of year	\$ -	\$ 56,550	\$ 26,724	\$ 83,274
Investment loss	-	-	(8,394)	(8,394)
	\$ -	\$ 56,550	\$ 18,330	\$ 74,880
Endowment net assets, end of year	\$ -	\$ 56,550	\$ 26,724	\$ 83,274
Year ended June 30, 2021:				
Endowment net assets,				
beginning of year	\$ -	\$ 56,550	\$ 9,803	\$ 66,353
Contributions	-	-	-	-
Investment gain	-	-	16,921	16,921
	\$ -	\$ 56,550	\$ 26,724	\$ 83,274
Endowment net assets, end of year	\$ -	\$ 56,550	\$ 26,724	\$ 83,274

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no funds with deficiencies for the years ending June 30, 2022 and 2021, respectively.

RETURN OBJECTIVES AND RISK PARAMETERS

The Organization has adopted investment and spending policies for endowment assets to provide a predictable stream of revenues for operating activities and to preserve the purchasing power of the endowment assets. Under these policies, endowment assets are invested to produce a steady and secure rate of return that is expected to meet or exceed the rate of inflation as measured by the Consumer Price Index. Actual results during any period may vary from these expectations. The Organization relies on a total return strategy which allows the earnings objective to be achieved through both capital appreciation and current yield. The Organization's spending policy was established considering the long-term expected return on assets and the long-term growth of the assets.

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June 30, 2022 and 2021

9. ENDOWMENT FUNDS, continued:

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

The Organization relies on a total return strategy which allows the earnings objective to be achieved through both capital appreciation and current yield. The Organization's spending policy was established considering the long-term expected return on assets and the long-term growth of the assets.

SPENDING POLICIES AND HOW INVESTMENT OBJECTIVES RELATE TO THE POLICY

The board of directors will, near the end of each fiscal year, recommend an amount, if any, to be appropriated from the endowment for general operating needs in the forthcoming year. In establishing this policy, the Organization considers the long-term expected return on its endowment.

10. RETIREMENT PLAN:

The Organization has a 401(k) plan covering all employees who have completed six consecutive months of employment. The Organization matches the employee's contribution up to 8%. The Organization's contributions to the 401(k) Plan were \$122,769 and \$103,408, for the years ended June 30, 2022 and 2021, respectively.

11. CONCENTRATION:

For the years ended June 30, 2022 and 2021, five donors provided approximately 34% and 37% of total revenue, respectively.

12. RELATED PARTY TRANSACTIONS:

The Organization received contributions from certain members of its board of directors. Contributions totaled approximately \$506,000 and \$522,000, for the years ended June 30, 2022 and 2021, respectively.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 14, 2022, which represents the date the financial statements were available to be issued.