



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

Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024

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

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INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, 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 *Auditor's 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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Emphasis of Matter

As described in Note 13 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Capin Crouse LLC

San Diego, California
November 21, 2025

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

Statements of Financial Position

	June 30,	
	2025	2024 (Restated)
ASSETS:		
Cash and cash equivalents	\$ 854,795	\$ 2,340,658
Unconditional promises to give—net	2,742,476	3,485,895
Prepaid expenses and other assets	231,953	269,144
Operating investments	2,784,140	96,586
Operating lease—right-of-use assets	933,033	34,045
Property and equipment—net	41,417	38,599
Endowment investments—at fair value	101,811	92,088
Total Assets	\$ 7,689,625	\$ 6,357,015
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 195,825	\$ 119,446
Accrued expenses	366,824	303,994
Grant advances	150,000	300,110
Operating lease obligations	947,111	36,751
Total liabilities	1,659,760	760,301
Net assets:		
Without donor restrictions	1,031,919	1,050,115
With donor restrictions	4,997,946	4,546,599
Total net assets	6,029,865	5,596,714
Total Liabilities and Net Assets	\$ 7,689,625	\$ 6,357,015

See notes to financial statements

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

Statements of Activities

	Year Ended June 30,					
	2025			2024 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 2,664,541	\$ 11,451,456	\$ 14,115,997	\$ 2,016,526	\$ 12,335,467	\$ 14,351,993
Special events:						
Gala income	485,575	14,800	500,375	402,583	7,200	409,783
Less: Costs of direct benefits to donors	(130,649)	-	(130,649)	(87,327)	-	(87,327)
Net revenues from special events	354,926	14,800	369,726	315,256	7,200	322,456
Investment income	45,471	9,723	55,194	12,840	10,550	23,390
Net assets released from:						
Purpose restrictions	8,390,703	(8,390,703)	-	6,752,724	(6,752,724)	-
Time restrictions	2,633,929	(2,633,929)	-	2,602,311	(2,602,311)	-
Total Support, Revenue, and Reclassifications	14,089,570	451,347	14,540,917	11,699,657	2,998,182	14,697,839

(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,					
	2025			2024 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program activities:						
Burundi	1,612,943	-	1,612,943	1,184,457	-	1,184,457
Dominican Republic	1,557,746	-	1,557,746	1,390,971	-	1,390,971
Haiti	1,240,417	-	1,240,417	1,199,925	-	1,199,925
Tanzania	1,229,977	-	1,229,977	1,103,408	-	1,103,408
Democratic Republic of Congo	1,096,353	-	1,096,353	872,657	-	872,657
Mexico	905,159	-	905,159	979,536	-	979,536
Learning and action	779,430	-	779,430	643,919	-	643,919
Ethiopia	708,993	-	708,993	957,807	-	957,807
Malawi	646,313	-	646,313	328,538	-	328,538
Thailand	533,598	-	533,598	535,875	-	535,875
Total program activities	10,310,929	-	10,310,929	9,197,093	-	9,197,093
Supporting activities:						
Fundraising	2,622,920	-	2,622,920	2,279,285	-	2,279,285
Management and general	1,173,917	-	1,173,917	999,026	-	999,026
Total supporting activities	3,796,837	-	3,796,837	3,278,311	-	3,278,311
Total expenses	14,107,766	-	14,107,766	12,475,404	-	12,475,404
Change in Net Assets	(18,196)	451,347	433,151	(775,747)	2,998,182	2,222,435
Net Assets, Beginning of Year	1,050,115	4,546,599	5,596,714	1,825,862	1,548,417	3,374,279
Net Assets, End of Year	\$ 1,031,919	\$ 4,997,946	\$ 6,029,865	\$ 1,050,115	\$ 4,546,599	\$ 5,596,714

See notes to financial statements

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

Statement of Functional Expenses

Year Ended June 30, 2025

	Overseas	Learning and Action	Total Program	Management and General	Fundraising	Total Supporting	Total
International grants	\$ 7,538,965	\$ -	\$ 7,538,965	\$ -	\$ -	\$ -	\$ 7,538,965
Salary, wages, taxes, and benefits	1,536,490	545,780	2,082,270	940,713	2,147,274	3,087,987	5,170,257
Services and professional fees	253,582	149,531	403,113	180,046	206,577	386,623	789,736
Development and events	98,667	13,861	112,528	11,611	117,113	128,724	241,252
Rent and occupancy	42,791	15,102	57,893	27,657	59,661	87,318	145,211
Travel	54,072	32,726	86,798	2,689	31,393	34,082	120,880
Printing and publications	-	20,254	20,254	-	39,253	39,253	59,507
Finance fees, taxes, and state registrations	765	-	765	7,435	13,054	20,489	21,254
Depreciation and amortization	6,165	2,176	8,341	3,766	8,595	12,361	20,702
Total Expenses	\$ 9,531,497	\$ 779,430	\$ 10,310,927	\$ 1,173,917	\$ 2,622,920	\$ 3,796,837	\$ 14,107,764

See notes to financial statements

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

Statement of Functional Expenses

Year Ended June 30, 2024

	Overseas	Learning and Action	Total Program	Management and General	Fundraising	Total Supporting	Total
International grants	\$ 6,815,306	\$ -	\$ 6,815,306	\$ -	\$ -	\$ -	\$ 6,815,306
Salary, wages, taxes, and benefits	1,192,239	497,985	1,690,224	879,210	1,959,222	2,838,432	4,528,656
Services and professional fees	402,080	12,410	414,490	67,358	77,742	145,100	559,590
Development and events	51,455	50,975	102,430	12,414	51,498	63,912	166,342
Rent and occupancy	34,389	14,381	48,770	25,073	56,692	81,765	130,535
Travel	45,915	11,067	56,982	6,918	18,309	25,227	82,209
Printing and publications	4,653	54,620	59,273	976	51,264	52,240	111,513
Finance fees, taxes, and state registrations	1,677	156	1,833	3,023	55,391	58,414	60,247
Depreciation and amortization	5,460	2,325	7,785	4,054	9,167	13,221	21,006
Total Expenses	\$ 8,553,174	\$ 643,919	\$ 9,197,093	\$ 999,026	\$ 2,279,285	\$ 3,278,311	\$ 12,475,404

See notes to financial statements

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

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 433,151	\$ 2,222,435
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	20,702	21,006
Noncash lease expense	11,372	(5,407)
Realized and unrealized gain on investments	(51,429)	(20,712)
Net change in:		
Unconditional promises to give–net	743,419	(2,080,350)
Prepaid expenses and other assets	37,191	(183,049)
Accounts payable	76,379	37,003
Accrued expenses	62,830	49,376
Grant advances	(150,110)	300,110
Net Cash Provided by Operating Activities	1,183,505	340,412
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	-	686,776
Purchases of investments	(2,645,848)	(123,481)
Purchases of property and equipment	(23,520)	(4,854)
Net Cash Provided (Used) by Investing Activities	(2,669,368)	558,441
Change in Cash and Cash Equivalents	(1,485,863)	898,853
Cash and Cash Equivalents, Beginning of Year	2,340,658	1,441,805
Cash and Cash Equivalents, End of Year	\$ 854,795	\$ 2,340,658
NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURE:		
Right-of-use assets obtained in exchange for operating lease obligations	\$ 1,024,048	\$ -

See notes to financial statements

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

Notes to Financial Statements

June 30, 2025 and 2024

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 forty 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, Malawi, 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, 2025 and 2024, the Organization's cash balances on deposit exceeded insured limits by approximately \$229,000 and \$1,564,000, respectively.

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.

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

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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, 2025 and 2024, respectively, which approximates the risk-free rate based on U.S. Treasury yields for maturities consistent with the expected collection period. 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, 2025 and 2024, respectively.

PROPERTY AND EQUIPMENT

Expenditures over \$1,000 for property and equipment are capitalized at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which ranges from two to seven years. The Organization does not own land.

GRANT ADVANCES

Grant advances consists of money the Organization received through grants but has not yet overcome the barriers to recognize the revenue in the current period. Contributions from these advances are recognized as revenue when the barrier has been met.

OPERATING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS

Some of the Organization's contracts contain the right to control the use of property or assets and are therefore considered leases. The Organization records right-of-use assets and lease obligations on the statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months. The Organization has elected to not separate lease and non-lease components.

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, 2025 and 2024

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.

Special events revenue is recorded at a point in time in which the event occurs. 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, management and general, 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. Estimates that are particularly susceptible to significant change in the near term are related to fair value of investments in debt and equity securities, allowance for uncollectible unconditional promises to give, allocation of expenses on a functional basis, and valuation of right-of-use assets and lease obligations based on the lease term and effective discount rate.

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

Notes to Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the financial assets of the Organization as of the statement of financial position 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 for operating reserves may be drawn upon for general expenditure with approval of the board.

	June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 854,795	\$ 2,340,658
Unconditional promises to give—net	2,742,476	3,485,895
Operating investments	2,784,140	96,586
Endowment investments—at fair value	101,811	92,088
Financial assets, at year-end	6,483,222	6,015,227
Less those unavailable for general expenditure within one year, due to:		
Unconditional promises to give due in greater than one year—net	(1,265,001)	(1,470,000)
Operating reserves (board designated amount)	(1,031,919)	(1,050,115)
Endowment investments—at fair value	(101,811)	(92,088)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,084,491	\$ 3,403,024

4. UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give consist of:

	June 30,	
	2025	2024
Unconditional promises to give before discount for present value of cash flows	\$ 2,755,001	\$ 3,506,821
Less discount for present value of cash flows	(12,525)	(20,926)
Total promises to give	\$ 2,742,476	\$ 3,485,895

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

Notes to Financial Statements

June 30, 2025 and 2024

4. UNCONDITIONAL PROMISES TO GIVE, continued:

Amounts as of June 30, 2025, are due in:

Less than one year	\$ 1,490,000
One to five years	<u>1,265,001</u>
	<u>\$ 2,755,001</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. INVESTMENTS:

Investments consist of:

	June 30,	
	<u>2025</u>	<u>2024</u>
Money market	\$ -	\$ 24,457
Mutual funds	<u>2,885,951</u>	<u>164,217</u>
	<u>\$ 2,885,951</u>	<u>\$ 188,674</u>

Summary of investments per statement of financial position:

Operating investments	\$ 2,784,140	\$ 96,586
Endowment investments, at fair value	<u>101,811</u>	<u>92,088</u>
	<u>\$ 2,885,951</u>	<u>\$ 188,674</u>

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

Notes to Financial Statements

June 30, 2025 and 2024

5. INVESTMENTS, continued:

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.

Level 3 Fair Value Measurements:

Significant unobservable inputs that are not corroborated by observable market data.

Changes in valuation techniques: None.

	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, 2025:				
Mutual funds	\$ 2,885,951	\$ 2,851,566	\$ -	\$ 34,385
Total investments	\$ 2,885,951	\$ 2,851,566	\$ -	\$ 34,385
Fair Value Measurements Using:				
	Total	Level 1	Level 2	Level 3
June 30, 2024:				
Money market	\$ 24,457	\$ 24,457	\$ -	\$ -
Mutual funds	164,217	132,926	-	31,291
Total investments	\$ 188,674	\$ 157,383	\$ -	\$ 31,291

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

Notes to Financial Statements

June 30, 2025 and 2024

6. OPERATING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Organization leases office space under a noncancelable operating lease expiring in March 2032. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments that will increase annually and was approximately \$14,000 as of June 30, 2025.

	Year Ended June 30,	
	2025	2024
Operating lease right-of-use assets	\$ 933,033	\$ 34,045
Operating lease liabilities	\$ 947,111	\$ 36,751
Cash paid for operating leases	\$ 103,669	\$ 107,966
Operating lease costs	\$ 117,746	\$ 102,547
Weighted-average discount rate	3.60%	1.79%
Weighted-average remaining lease term	6.85 years	0.33 years

Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending June 30,	
2026	\$ 170,429
2027	175,968
2028	181,687
2029	187,592
2030	193,689
Thereafter	354,437
	1,263,802
Less: imputed interest	(316,691)
	\$ 947,111

7. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	June 30,	
	2025	2024
Office equipment	\$ 110,037	\$ 252,390
Less accumulated depreciation and amortization	(68,620)	(213,791)
Property and equipment–net	\$ 41,417	\$ 38,599

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

Notes to Financial Statements

June 30, 2025 and 2024

8. 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:

	Without Donor Restriction	With Donor Restrictions:		Total
		Original Gift Amount	Accumulated Gains	
June 30, 2025:				
Donor restricted endowment funds	\$ -	\$ 56,550	\$ 45,261	\$ 101,811
June 30, 2024:				
Donor restricted endowment funds	\$ -	\$ 56,550	\$ 35,538	\$ 92,088

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Notes to Financial Statements

June 30, 2025 and 2024

8. ENDOWMENT FUNDS, continued:

Changes in endowment net assets were:

	Without Donor Restriction	With Donor Restrictions:		Total
		Original Gift Amount	Accumulated Gains	
Year ended June 30, 2025:				
Endowment net assets, beginning of year	\$ -	\$ 56,550	\$ 35,538	\$ 92,088
Investment gain	-	-	9,723	9,723
	<u>\$ -</u>	<u>\$ 56,550</u>	<u>\$ 45,261</u>	<u>\$ 101,811</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 56,550</u>	<u>\$ 45,261</u>	<u>\$ 101,811</u>
Year ended June 30, 2024:				
Endowment net assets, beginning of year	\$ -	\$ 56,550	\$ 24,988	\$ 81,538
Investment gain	-	-	10,550	10,550
	<u>\$ -</u>	<u>\$ 56,550</u>	<u>\$ 35,538</u>	<u>\$ 92,088</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 56,550</u>	<u>\$ 35,538</u>	<u>\$ 92,088</u>

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, 2025 and 2024, 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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Notes to Financial Statements

June 30, 2025 and 2024

8. 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.

9. NET ASSETS:

Net assets consist of:

	June 30,	
	2025	2024
Net assets without donor restrictions:		
Undesignated	\$ -	\$ -
Board designated		
Operating reserves	1,031,919	1,050,115
	\$ 1,031,919	\$ 1,050,115
Net assets with donor restrictions:		
Time restricted unconditional promises to give	\$ 2,742,476	\$ 3,485,895
Net assets restricted for specific purpose:		
Unappropriated endowment earnings	45,261	35,538
Burundi	423,740	527,496
Congo	649,328	441,120
Tanzania	163,460	-
Church engagement	917,131	-
In perpetuity:		
Endowment	56,550	56,550
	\$ 4,997,946	\$ 4,546,599

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Notes to Financial Statements

June 30, 2025 and 2024

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 approximately \$207,000 and \$192,000 for the years ended June 30, 2025 and 2024, respectively.

11. CONCENTRATION:

For the years ended June 30, 2025 and 2024, five donors provided approximately 31% and 28% of total revenue, respectively.

12. RELATED PARTY TRANSACTIONS:

The Organization received contributions from certain members of its board of directors. Contributions totaled approximately \$524,000 and \$432,000, for the years ended June 30, 2025 and 2024, respectively.

13. CORRECTION OF A MISSTATEMENT:

During the year ended June 30, 2025, management identified a misstatement related to the classification of donor-restricted funds as of June 30, 2024. Management determined contributions with donor restrictions were overstated and releases were understated. As a result, management corrected this misstatement as shown below.

	Previously Stated	Adjustment	Balance as Adjusted
Statement of Activities for the Year Ended			
June 30, 2024:			
Contributions without donor restrictions	\$ 1,365,736	\$ 650,790	\$ 2,016,526
Contributions with donor restrictions	\$ 12,986,257	\$ (650,790)	\$ 12,335,467
Net assets released from purpose restrictions	\$ (7,721,340)	\$ 968,616	\$ (6,752,724)
Change in net assets without donor restrictions	\$ 192,869	\$ (968,616)	\$ (775,747)
Change in net assets with donor restrictions	\$ 2,029,566	\$ 968,616	\$ 2,998,182
Net assets without donor restrictions, end of year	\$ 2,018,731	\$ (968,616)	\$ 1,050,115
Net assets with donor restrictions, end of year	\$ 3,577,983	\$ 968,616	\$ 4,546,599
Statement of Financial Position			
as of June 30, 2024:			
Net assets without donor restrictions	\$ 2,018,731	\$ (968,616)	\$ 1,050,115
Net assets with donor restrictions	\$ 3,577,983	\$ 968,616	\$ 4,546,599

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Notes to Financial Statements

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14. SUBSEQUENT EVENTS:

Management evaluated all events or transactions that occurred after June 30, 2025 through November 21, 2025, the date the Organization's financial statements were available to be issued. There were no subsequent event items that occurred. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.