

PLANT-FOR-THE-PLANET, U.S.
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022 AND 2021

PLANT-FOR-THE-PLANET, U.S.

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To the Board of Directors of
Plant-for-the-Planet, U.S.

We have audited the accompanying financial statements of Plant-for-the-Planet, U.S., (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and 2021, and the related statement of activities and changes in net assets and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that 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 auditor's 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plant-for-the-Planet, U.S., as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Thaney & Associates P.A.

Orlando, Florida
May 17, 2023

PLANT-FOR-THE-PLANET, U.S.
STATEMENT OF FINANCIAL POSITION

JUNE 30,

	<u>ASSETS</u>	<u>2022</u>
Assets:		
Cash		\$ 1,683,177
<u>Total assets</u>		<u>\$ 1,683,177</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Liabilities:		
Retainage payable - Note 2		\$ 608,600
<u>Total liabilities</u>		608,600
Net assets:		
Net assets without donor restrictions		1,074,577
<u>Total net assets</u>		<u>1,074,577</u>
<u>Total liabilities and net assets</u>		<u>\$ 1,683,177</u>

See accompanying notes and independent auditor's report.

PLANT-FOR-THE-PLANET, U.S.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE FISCAL YEASR ENDED JUNE 30,

	2022	2021
<u>Revenue</u>		
Donations	\$ 483,739	\$ 4,902,919
Returned checks	(7,189)	(10,000)
Investment income, net	1,233	787
	477,783	4,893,706
 <u>Total support and revenue</u>		
 <u>Functional expenses</u>		
Grants awarded	535,566	4,388,385
Supplies	-	12,289
Bank Fees	961	763
	536,527	4,401,437
 <u>Total functional expenses</u>		
Changes in net assets	(58,744)	492,269
Net assets without donor restrictions - beginning	1,133,321	641,052
Net assets without donor restrictions - ending	\$ 1,074,577	\$ 1,133,321

See accompanying notes and independent auditor's report.

PLANT-FOR-THE-PLANET, U.S.
STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2022</u>
Cash flows from operating activities:	
Change in net assets	\$ (58,744)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Decrease) Increase in:	
Retainage payable	<u>382,403</u>
<u>Net cash provided by operating activities</u>	323,659
Net increase in cash	323,659
Cash - beginning	<u>1,359,518</u>
Cash - ending	<u><u>\$ 1,683,177</u></u>

See accompanying notes and independent auditor's report.

PLANT-FOR-THE-PLANET, U.S.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1 - Summary of Significant Accounting Policies:

Organization and Nature of Activities

Plant-for-the-Planet, U.S. (the "Organization") was organized in 2014 in California. The organization was incorporated in the State of California in 2014 as a California non-profit corporation (501 (c)(3)). The Organization's primary purpose is to raise donations to restore ecosystems and empower children and youth worldwide.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with principals generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements have been prepared on the accrual basis in accordance with GAAP. The financial statements are presented in accordance with Financial Accounting Standards (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Program Revenue and Expenses

Revenues are received from one large donor, Salesforce, and a few small other sources. Salesforce donates money which is not restricted, but is only to be used for planting trees.

Functional Allocation of Expenses

Expenses are allocated to the various functional categories, based on the purpose achieved per expenditure. Expenses that may benefit more than one activity are allocated by management using full-time equivalents to estimate the time and effort devoted to each function.

PLANT-FOR-THE-PLANET, U.S.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1 - Summary of Significant Accounting Policies (Continued):

Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The Association adopted accounting rules that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Organization only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, adoption of the new rules did not have a material effect on the accompanying financial statements. Consequently, no liability is recognized in the accompanying statement of financial position for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of June 30, 2022 and 2021.

Public Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restrictions upon the acquisition of the assets and the assets are placed in service.

Revenue Recognition

The Organization records its revenue from donations as received.

Donated Services

The Organization receives substantial donated services that do not meet the criteria set forth in the accounting standards and, therefore, have not been audited or reflected in the financial statements. For in-kind services to be recorded, the Organization would typically need to purchase the services had they not been donated. It also requires that persons providing these services have special technical and/or educational skills.

PLANT-FOR-THE-PLANET, U.S.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 1 - Summary of Significant Accounting Policies (Continued):

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased and with the ability to be converted to cash within three months to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Subsequent Events

Management has evaluated subsequent events through May 17, 2023, the date the financial statements were available to be issued. There were no material reportable subsequent events.

Note 2 - Retainage Payable

The Organization withholds 10-20% of the funding of each project as a retainage. The retainage is then paid to the vendor at the completion of the contract.