

**RESTORE NATIVE PLANTS,
WILDLIFE, AND LANDMARK
STRUCTURES, INC.**

Independent Auditors' Report and
Financial Statements
for the Year Ended December 31, 2021 (with
Comparative Totals for the Year Ended
December 31, 2020)

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statements of Assets and Net Assets - Modified Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Asset - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Statements of Cash Flows - Modified Cash Basis	6
NOTES TO THE FINANCIAL STATEMENTS	7-11

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Restore Native Plants, Wildlife, and Landmark Structures, Inc.

Opinion

We have audited the accompanying financial statements of Restore Native Plants, Wildlife, and Landmark Structures, Inc. (a nonprofit organization), which comprise the statement of assets and net assets — modified cash basis as of December 31, 2021, and the related statements of revenue, expenses and changes in net assets, functional expenses, and cash flows — modified cash basis for the year 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 statement of assets and net assets of Restore Native Plants, Wildlife, and Landmark Structures, Inc. as of December 31, 2021, and its revenue, expenses and changes in net assets, and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit 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 Restore Native Plants, Wildlife, and Landmark Structures, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Restore Native Plants, Wildlife, and Landmark Structures, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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, including omissions, 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 Restore Native Plants, Wildlife, and Landmark Structures, Inc.'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 Restore Native Plants, Wildlife, and Landmark Structures, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Restore Native Plants, Wildlife, and Landmark Structures, Inc.'s 2020 financial statements, and our report dated May 12, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Fairfield, New Jersey

April 22, 2022

RESTORE NATIVE PLANTS, WILDLIFE, AND LANDMARK STRUCTURE, INC.

**STATEMENTS OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH	\$ 221,132	\$ 970,642
PROPERTY AND EQUIPMENT, NET	<u>5,440,884</u>	<u>5,152,852</u>
TOTAL ASSETS	<u>\$ 5,662,016</u>	<u>\$ 6,123,494</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 5,662,016</u>	<u>\$ 6,123,494</u>

RESTORE NATIVE PLANTS, WILDLIFE, AND LANDMARK STRUCTURE, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
PUBLIC SUPPORT AND REVENUE:		
Contributions	\$ 16,061	\$ 1,016,003
EXPENSES AND LOSSES:		
Program expenses:		
Preservation and restoration of natural resources	289,530	224,568
Supporting services:		
Management and general	182,652	23,104
Fundraising	15,812	-
Total supporting services	<u>198,464</u>	<u>23,104</u>
Total expenses	<u>487,994</u>	<u>247,672</u>
CHANGE IN NET ASSETS BEFORE NON-OPERATING (LOSS) INCOME	(471,933)	768,331
NON-OPERATING INCOME:		
Forgiveness of Paycheck Protection Program loan	9,755	4,918
Rental income	<u>700</u>	<u>500</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(461,478)	773,749
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>6,123,494</u>	<u>5,349,745</u>
NET ASSETS WIHTOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 5,662,016</u>	<u>\$ 6,123,494</u>

RESTORE NATIVE PLANTS, WILDLIFE, AND LANDMARK STRUCTURE, INC.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>Program Services</u>	<u>Supporting Services</u>		<u>2021</u>	<u>2020</u>
	<u>Preservation and Restoration</u>	<u>Management & General</u>	<u>Fundraising</u>		
Personnel costs:					
Salaries and wages	\$ 88,977	\$ 125,480	\$ 13,689	\$ 228,146	\$ 46,835
Payroll taxes	9,448	13,324	1,454	24,226	5,511
Total personnel costs	<u>98,425</u>	<u>138,804</u>	<u>15,143</u>	<u>252,372</u>	<u>52,346</u>
Professional fees	4,789	20,431	-	25,220	31,642
Planting supplies	25,203	-	-	25,203	-
Occupancy	9,422	1,047	-	10,469	10,314
Insurance	8,676	-	-	8,676	4,621
Repairs and maintenance	2,664	-	-	2,664	627
Education	82	-	-	82	1,877
Supplies	3,372	4,755	519	8,646	7,950
Building design expense	1,700	-	-	1,700	-
Marketing	975	1,375	150	2,500	-
Miscellaneous	-	1,326	-	1,326	816
Total expenses before depreciation	<u>155,308</u>	<u>167,738</u>	<u>15,812</u>	<u>338,858</u>	<u>110,193</u>
Depreciation	<u>134,222</u>	<u>14,914</u>	<u>-</u>	<u>149,136</u>	<u>137,479</u>
Total expenses	<u>\$ 289,530</u>	<u>\$ 182,652</u>	<u>\$ 15,812</u>	<u>\$ 487,994</u>	<u>\$ 247,672</u>

See independent auditors' report and notes to the financial statements

RESTORE NATIVE PLANTS, WILDLIFE, AND LANDMARK STRUCTURE, INC.

STATEMENTS OF CASH FLOWS - MODIFIED CASH FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets without donor restrictions	\$ (461,478)	\$ 773,749
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	<u>149,136</u>	<u>137,479</u>
Net cash (used in) provided by operating activities	<u>(312,342)</u>	<u>911,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(437,168)</u>	<u>(89,677)</u>
Net cash (used in) investing activities	<u>(437,168)</u>	<u>(89,677)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(749,510)	821,551
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>970,642</u>	<u>149,091</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 221,132</u>	<u>\$ 970,642</u>

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. NATURE OF ACTIVITIES

Restore Native Plants, Wildlife and Landmark Structures, Inc. (the “Organization”), a nonprofit corporation, was established on October 2, 2017. The Organization commenced operations on this date and exists to protect, enhance, and restore native plants, wildlife, ecosystems, natural resources, and historic landmarks for the benefit of all. Additionally, the Organization provides unique programs for the advancement of society so that others may learn about the importance of such conservation and preservation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting --- The financial statements are prepared on the modified cash basis of accounting, a special purpose framework of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when received and expenditures are recorded when paid.

Basis of presentation --- The Organization prepares its financial statements utilizing the American Institute of Certified Public Accountants’ Audit and Accounting Guide, *Nonprofit Organizations*, and other pronouncements applicable to not-for-profit organizations. The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Paragraphs 958-205-45-2(a) through (d), which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor imposed restrictions; net assets with donor restrictions and net assets without donor restrictions.

ASC Paragraphs 958-605-45-3 through 7, *Contributions Received*, requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

With donor restriction – Net assets that are subject to donor-imposed stipulations. This represents the portion of expendable funds available to meet donor specified purposes.

Without donor restriction – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions 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 --- The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

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

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Property and equipment --- Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals of minor items are charged to activities as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statement of revenues, expenses and changes in net assets

The Organization's policy is to capitalize Property and Equipment with a purchase price of \$5,000 or more and a useful life of one year or more based on the following schedule:

<u>Asset Class</u>	<u>Years</u>
Building	27.5
Building improvements	15-27.5
Vehicles	5

Impairment of long-lived assets --- The Organization continually evaluates whether current events or circumstances warrant adjustments to the carrying value or estimated useful lives of property and equipment in accordance with the provisions of ASC 360-10-05, *Impairment or Disposals of Long-Lived Assets*.

Revenue and support recognition --- The Organization generally does not receive pledges, therefore contributions are recognized when received consistent with the modified cash basis of accounting.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expirations of donor restrictions on the net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets. Accordingly, donor restricted support whose restrictions are met in the same period are reported in net assets without donor restrictions.

Donated property --- Donated property including land, buildings, equipment, investments, and other noncash donations are recorded as non-cash contributions in the statement of activities at their fair market value at the date of donation.

Donated services --- Individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition under accounting principles generally accepted in the United States.

Income taxes --- The Organization is a not-for-profit organization described under Section 501(c)(3) of the Internal Revenue Code ("I.R.C.") and is therefore exempt from federal income taxes under Section 501(a) of the I.R.C. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not for Profit Act*. Accordingly, no provision for Federal or State income taxes has been presented in the accompanying financial statements.

The Organization adheres to FASB ASC Topic 740, *Income Taxes*, which provides guidance and clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements.

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income taxes (cont.) --- The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. For the years ended December 31, 2021 and 2020, the Organization has no material uncertain tax positions to be accounted for in the financial statements.

Annually the Organization files an informational return with the Internal Revenue Service and registers in states in which it solicits contributions. The Organization also files an annual charitable registration with the State of New Jersey, Division of Consumer Affairs. Management has stated that all required informational returns have been filed and taxes, if any have been paid. The Organization is generally subject to tax examinations for three years after its latest filing.

Functional allocation of expenses --- Expenses are charged to each program based on direct expenditures incurred. Program expenses are those related to the Organization's activities for preservation and restoration. Any program or supporting service expenditure not directly chargeable are allocated to programs based on an indirect cost pool that is reasonable and consistently applied.

Allocated indirect expenditures include payroll and occupancy expenses. Payroll costs are allocated on the basis of estimates of time and effort. Occupancy costs are allocated on the basis of square footage. **Prior year summarized information** --- The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the U.S. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

3. CONCENTRATIONS OF CREDIT RISK

Arising from cash deposits in excess of insured limits --- The Organization maintains the majority of its cash in one financial institution located in New Jersey. During the year, cash balances can exceed federally insured limits of \$250,000. Management believes that the Organization has no significant risk of loss on these amounts due to the failure of the institution.

Funding dependence – During the year ended December 31, 2020, one major donor accounted for 98%, of the Organization's public support. Currently the Organization is dependent upon monies from major donors. Major donors have expressed an intent to continue to fund the operations of the Organization and management believes that this funding will continue.

4. RELATED PARTY TRANSACTIONS

Historically, land and buildings have been donated to the Organization by [-- Redacted --]

During the year ended December 31, 2020, [-- Redacted --] is a major donor for the Organization. The amounts donated by [-- Redacted --] for the years ended December 31, 2021 and 2020 are \$-0- and \$1,000,000, respectively.

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

5. PROPERTY AND EQUIPMENT

A summary of the Organization's property and equipment as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,776,000	\$ 1,776,000
Building	3,684,000	3,684,000
Building improvements	508,736	88,955
Vehicles	<u>27,387</u>	<u>10,000</u>
Total fixed assets	5,996,123	5,558,955
Less: accumulated depreciation	<u>555,239</u>	<u>406,103</u>
Property and equipment, net	<u>\$ 5,440,884</u>	<u>\$ 5,152,852</u>

The total depreciation expensed for the years ended December 31, 2021 and 2020 was \$149,136 and \$137,479, respectively.

6. NON-OPERATING INCOME

Other income --- On April 18, 2020, the Organization obtained an uncollateralized Paycheck Protection Program loan in the amount of \$4,918, pursuant to the terms of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") enacted on March 27, 2020. On November 30, 2020, management applied and received full forgiveness on the loan. On March 8, 2021, the Organization obtained a second Paycheck Protection Program loan in the amount of \$9,755. On January 6, 2022, management applied and received full forgiveness on the loan. Accordingly, these amounts have been reflected in non-operating income as at December 31, 2021 and 2020.

Rental income --- The Organization leases a small tract of land on one of its properties to a tenant. The agreement originated on February 1, 2017 and automatically renews annually until cancellation. The tenant is not a related party.

7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management anticipates meeting general expenditures within one year of the date of the statement of financial position with the funding provided by contributions from the general public. Financial assets available to meet cash needs within one year at December 31, 2021 and 2020 were \$221,132 and \$970,642, respectively.

8. SUBSEQUENT EVENT

Management has evaluated subsequent events through April 22, 2022, the date on which the financial statements were available to be issued, and have determined that except as detailed below, there are no subsequent events that require disclosure.

RESTORE NATIVE PLANTS, WILDLIFE AND LANDMARK STRUCTURES, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

8. SUBSEQUENT EVENT (CONT.)

COVID-19 --- On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As a result, economic uncertainties have arisen which have caused a negative impact on the financial markets. Consequently, the pandemic has had a deleterious effect on the Organization's fundraising efforts. The Organization is evaluating the impact of COVID-19 and its pervasive impact to the overall economy and has determined it cannot reasonably estimate the financial impact, if any, on its operations, assets and material accounting estimates at this time.