

# **MULTIPLIER**

*(A California Nonprofit Public Benefit Corporation)*

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

MULTIPLIER  
(A California Nonprofit Public Benefit Corporation)  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

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To the Board of Directors  
Multiplier  
San Francisco, California

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## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Multiplier, a California nonprofit public benefit corporation, which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Multiplier as of December 31, 2021 and 2020, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. 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 Multiplier 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 opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Multiplier's ability to continue as a going concern within one year after the date that 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 GAAS and *Government 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 GAAS and *Government 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 Multiplier'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 Multiplier'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.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022 on our consideration of Multiplier's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Multiplier's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Multiplier's internal control over financial reporting and compliance.

*Lindquist, von Huesen and Joyce LLP*

October 11, 2022

MULTIPLIER  
*(A California Nonprofit Public Benefit Corporation)*  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2021 AND 2020

|   | 2021                        | 2020                        |
|---|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                       |                             |                             |
| Current assets:                                     |                             |                             |
| Cash  | \$ 888,527                  | \$ 279,617                  |
| Investments (Note 4)                                | 30,731,948                  | 21,888,514                  |
| Receivables:  |                             |                             |
| Grants and pledges (Note 3)                         | 4,552,456                   | 5,162,922                   |
| Contracts   | 838,810                     | 503,463                     |
| Other   | 316,569                     | 179,304                     |
| Interest receivable (Note 5)                        | 18,617                      | -                           |
| Notes receivable – current portion (Note 5)         | 220,519                     | 253,081                     |
| Inventories   | 264,089                     | 175,841                     |
| Prepaid expenses and other assets                   | 224,514                     | 214,061                     |
| Total current assets                                | <u>38,056,049</u>           | <u>28,656,803</u>           |
| Grants receivable – net of current portion (Note 3) | 1,866,570                   | 2,140,000                   |
| Notes receivable – net of current portion (Note 5)  | 3,573,473                   | 3,852,128                   |
| Ground lease acquisition costs (Note 13)            | -                           | 133,538                     |
| Total assets  | <u><u>\$ 43,496,092</u></u> | <u><u>\$ 34,782,469</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>                   |                             |                             |
| Current liabilities:                                |                             |                             |
| Accounts payable and accrued expenses               | \$ 1,390,187                | \$ 1,702,084                |
| Accrued compensation                                | 666,956                     | 499,365                     |
| Deferred revenue                                    | 309,415                     | 153,707                     |
| Interest payable (Note 6)                           | 25,768                      | -                           |
| Note payable – current portion (Note 6)             | 348,799                     | 253,081                     |
| Total current liabilities                           | <u>2,741,125</u>            | <u>2,608,237</u>            |
| Interest payable for PPP loan (Note 7)              | -                           | 8,833                       |
| Paycheck protection program (PPP) loan (Note 7)     | -                           | 1,286,400                   |
| Note payable – net of current portion (Note 6)      | 2,448,473                   | 3,052,128                   |
| Total liabilities                                   | <u>5,189,598</u>            | <u>6,955,598</u>            |
| Net assets:   |                             |                             |
| Without donor restrictions:                         |                             |                             |
| Available for operations                            | 4,419,931                   | 3,418,508                   |
| Designated for supported projects                   | 3,022,323                   | 805,635                     |
| Total net assets without donor restrictions         | <u>7,442,254</u>            | <u>4,224,143</u>            |
| With donor restrictions (Note 8)                    | 30,864,240                  | 23,602,728                  |
| Total net assets                                    | <u>38,306,494</u>           | <u>27,826,871</u>           |
| Total liabilities and net assets                    | <u><u>\$ 43,496,092</u></u> | <u><u>\$ 34,782,469</u></u> |

*The accompanying notes are an integral part of these financial statements.*

MULTIPLIER  
(A California Nonprofit Public Benefit Corporation)  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2021 AND 2020

|   | 2021                                      |  |               | 2020                                      |  |               |
|---|---|--|---------------|---|--|---------------|
|   | <i>Without<br/>Donor<br/>Restrictions</i> | <i>With<br/>Donor<br/>Restrictions</i> | <i>Total</i>  | <i>Without<br/>Donor<br/>Restrictions</i> | <i>With<br/>Donor<br/>Restrictions</i> | <i>Total</i>  |
| Support and revenue:  |   |  |               |   |  |               |
| Foundation grants (Note 8)                                  | \$ -                                      | \$ 31,130,180                          | \$ 31,130,180 | \$ -                                      | \$ 30,817,970                          | \$ 30,817,970 |
| Contributions (Note 8)                                      | -   | 3,594,668                              | 3,594,668     | -   | 1,131,073                              | 1,131,073     |
| In-kind contributions (Notes 8 and 10)                      | -   | 150,856                                | 150,856       | -   | 242,032                                | 242,032       |
| Government contracts  | 1,175,128                                 | -                                      | 1,175,128     | 610,816                                   | -                                      | 610,816       |
| Fee-for-service contracts                                   | 2,325,091                                 | -                                      | 2,325,091     | 1,543,898                                 | -                                      | 1,543,898     |
| Investment return (Note 4)                                  | 190,349                                   | -                                      | 190,349       | 37,365                                    | -                                      | 37,365        |
| Interest income (Note 5)                                    | 58,706                                    | -                                      | 58,706        | -   | -                                      | -             |
| Other revenue   | 290,883                                   | -                                      | 290,883       | 303,701                                   | -                                      | 303,701       |
| Forgiveness of PPP loan and accrued interest (Note 7)       | 1,295,233                                 | -                                      | 1,295,233     | -   | -                                      | -             |
| Net assets released from restrictions:                      |   |  |               |   |  |               |
| Fulfillment of purpose restrictions or time lapsed (Note 8) | 27,614,192                                | (27,614,192)                           | -             | 23,267,363                                | (23,267,363)                           | -             |
| Total support and revenue                                   | 32,949,582                                | 7,261,512                              | 40,211,094    | 25,763,143                                | 8,923,712                              | 34,686,855    |
| Expenses:   |   |  |               |   |  |               |
| Program services  | 26,083,961                                | -                                      | 26,083,961    | 22,344,426                                | -                                      | 22,344,426    |
| Supportive services:  |   |  |               |   |  |               |
| Management and general                                      | 2,257,560                                 | -                                      | 2,257,560     | 1,799,747                                 | -                                      | 1,799,747     |
| Fundraising   | 1,389,950                                 | -                                      | 1,389,950     | 1,069,789                                 | -                                      | 1,069,789     |
| Total expenses  | 29,731,471                                | -                                      | 29,731,471    | 25,213,962                                | -                                      | 25,213,962    |
| Change in net assets  | 3,218,111                                 | 7,261,512                              | 10,479,623    | 549,181                                   | 8,923,712                              | 9,472,893     |
| Net assets, beginning of year                               | 4,224,143                                 | 23,602,728                             | 27,826,871    | 3,674,962                                 | 14,679,016                             | 18,353,978    |
| Net assets, end of year                                     | \$ 7,442,254                              | \$ 30,864,240                          | \$ 38,306,494 | \$ 4,224,143                              | \$ 23,602,728                          | \$ 27,826,871 |

*The accompanying notes are an integral part of these financial statements.*

MULTIPLIER  
*(A California Nonprofit Public Benefit Corporation)*  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED DECEMBER 31, 2021 AND 2020

|   | 2021                                 |                                  |   |   |                      |                                   |                    |               |
|---|--------------------------------------|----------------------------------|---|---|----------------------|-----------------------------------|--------------------|---------------|
|   | <i>Program Services</i>              |                                  |   |   |                      | <i>Supportive Services</i>        |                    |               |
|   | <i>Healthy Planet<br/>and People</i> | <i>Resilient<br/>Communities</i> | <i>Sustainable,<br/>Equitable<br/>Economies</i> | <i>Secure<br/>Natural<br/>Resources</i> | <i>Total Program</i> | <i>Management<br/>and General</i> | <i>Fundraising</i> | <i>Total</i>  |
| Personnel                                     | \$ 2,121,549                         | \$ 908,409                       | \$ 5,119,277                                    | \$ 3,529,699                            | \$ 11,678,934        | \$ 1,778,973                      | \$ 1,136,620       | \$ 14,594,527 |
| Professional services                         | 1,294,196                            | 247,064                          | 2,157,959                                       | 3,284,093                               | 6,983,312            | 236,985                           | 232,821            | 7,453,118     |
| Grants and contributions                      | 11,000                               | 888,000                          | 3,785,676                                       | 454,188                                 | 5,138,864            | -                                 | -                  | 5,138,864     |
| Supplies and equipment                        | 209,156                              | 22,967                           | 484,184   | 274,749                                 | 991,056              | 214,107                           | 7,770              | 1,212,933     |
| Occupancy (Note 13)                           | 58,224                               | -                                | 55,290  | 105,382                                 | 218,896              | 9,263                             | -                  | 228,159       |
| Other expense                                 | 42,272                               | 13,625                           | 137,634   | 194,152                                 | 387,683              | 16,860                            | 7,586              | 412,129       |
| Travel, conferences, and meetings             | 74,627                               | 49,006                           | 180,711   | 188,628                                 | 492,972              | 1,372                             | 5,153              | 499,497       |
| Loss on termination of ground lease (Note 13) | -                                    | -                                | -   | 133,538                                 | 133,538              | -                                 | -                  | 133,538       |
| Interest expense (Note 6)                     | -                                    | -                                | 58,706  | -                                       | 58,706               | -                                 | -                  | 58,706        |
| Total expenses                                | \$ 3,811,024                         | \$ 2,129,071                     | \$ 11,979,437                                   | \$ 8,164,429                            | \$ 26,083,961        | \$ 2,257,560                      | \$ 1,389,950       | \$ 29,731,471 |

*The accompanying notes are an integral part of these financial statements.*

MULTIPLIER  
*(A California Nonprofit Public Benefit Corporation)*  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 YEARS ENDED DECEMBER 31, 2021 AND 2020

|                                   | 2020                                 |                                  |   |   |                      |                                   |                    |               |
|-----------------------------------|--------------------------------------|----------------------------------|---|---|----------------------|-----------------------------------|--------------------|---------------|
|                                   | <i>Program Services</i>              |                                  |   |   |                      | <i>Supportive Services</i>        |                    |               |
|                                   | <i>Healthy Planet<br/>and People</i> | <i>Resilient<br/>Communities</i> | <i>Sustainable,<br/>Equitable<br/>Economies</i> | <i>Secure<br/>Natural<br/>Resources</i> | <i>Total Program</i> | <i>Management<br/>and General</i> | <i>Fundraising</i> | <i>Total</i>  |
| Personnel                         | \$ 1,753,050                         | \$ 523,065                       | \$ 3,760,907                                    | \$ 2,354,506                            | \$ 8,391,528         | \$ 1,230,525                      | \$ 806,071         | \$ 10,428,124 |
| Professional services             | 908,787                              | 179,660                          | 1,395,623                                       | 3,117,988                               | 5,602,058            | 216,554                           | 227,786            | 6,046,398     |
| Grants and contributions          | 247,000                              | 350,736                          | 5,328,134                                       | 1,210,618                               | 7,136,488            | 5,000                             | -                  | 7,141,488     |
| Supplies and equipment            | 107,257                              | 10,498                           | 197,407   | 269,247                                 | 584,409              | 131,862                           | 6,569              | 722,840       |
| Occupancy (Note 13)               | 22,719                               | -                                | 44,143  | 148,594                                 | 215,456              | 154,741                           | 118                | 370,315       |
| Other expense                     | 84,047                               | 1,276                            | 47,971  | 61,346                                  | 194,640              | 50,145                            | 3,610              | 248,395       |
| Travel, conferences, and meetings | 22,385                               | 1,827                            | 100,971   | 92,473                                  | 217,656              | 2,087                             | 25,635             | 245,378       |
| Depreciation                      | -                                    | -                                | 2,191   | -                                       | 2,191                | -                                 | -                  | 2,191         |
| Interest expense (Note 6)         | -                                    | -                                | -   | -                                       | -                    | 8,833                             | -                  | 8,833         |
| Total expenses                    | \$ 3,145,245                         | \$ 1,067,062                     | \$ 10,877,347                                   | \$ 7,254,772                            | \$ 22,344,426        | \$ 1,799,747                      | \$ 1,069,789       | \$ 25,213,962 |

*The accompanying notes are an integral part of these financial statements.*



MULTIPLIER  
*(A California Nonprofit Public Benefit Corporation)*  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020

|   | 2021               | 2020               |
|---|--------------------|--------------------|
| Cash flows from operating activities:   |                    |                    |
| Change in net assets  | \$ 10,479,623      | \$ 9,472,893       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                    |                    |
| Depreciation  | -                  | 2,191              |
| Donated stocks  | (110,582)          | (14,254)           |
| Realized loss on investments  | 25,366             | -                  |
| Unrealized gain on investments  | (195,223)          | -                  |
| Income from forgiveness of PPP loan   | (1,295,233)        | -                  |
| Loss on termination of ground lease   | 133,538            | -                  |
| (Increase) decrease in assets:  |                    |                    |
| Grants and pledges receivable   | 883,896            | (2,755,333)        |
| Contracts receivable  | (335,347)          | (323,985)          |
| Other receivable  | (137,265)          | (155,391)          |
| Interest receivable   | (18,617)           | 9,730              |
| Inventories   | (88,248)           | (175,841)          |
| Prepaid expenses and other assets   | (10,453)           | (78,512)           |
| Deposits  | -                  | 9,467              |
| Increase in liabilities:  |                    |                    |
| Accounts payable and accrued expenses   | (311,897)          | 847,071            |
| Accrued compensation  | 167,591            | 148,051            |
| Deferred revenue  | 155,708            | 90,110             |
| Interest payable  | 25,768             | (18,905)           |
| Net cash provided by operating activities   | <u>9,368,625</u>   | <u>7,057,292</u>   |
| Cash flows from investing activities:   |                    |                    |
| Purchases of marketable securities  | (13,469,878)       | (27,236,018)       |
| Proceeds from sales and redemption of marketable securities                                 | 4,906,883          | 19,448,054         |
| Notes receivable disbursed  | (325,000)          | (862,500)          |
| Collection of notes receivable  | 636,217            | 164,732            |
| Net cash used in investing activities   | <u>(8,251,778)</u> | <u>(8,485,732)</u> |
| Cash flows from financing activities:   |                    |                    |
| Proceeds from notes payable   | -                  | 262,500            |
| Proceeds from PPP loan  | -                  | 1,286,400          |
| Repayment of notes payable  | (507,937)          | (225,122)          |
| Net cash provided by (used in) financing activities   | <u>(507,937)</u>   | <u>1,323,778</u>   |
| Net increase (decrease) in cash   | 608,910            | (104,662)          |
| Cash, beginning of year   | 279,617            | 384,279            |
| Cash, end of year   | <u>\$ 888,527</u>  | <u>\$ 279,617</u>  |
| Supplementary information:  |                    |                    |
| Cash paid for interest  | <u>\$ 32,938</u>   | <u>\$ 27,738</u>   |

*The accompanying notes are an integral part of these financial statements.*

MULTIPLIER  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Multiplier, formerly known as Trust for Conservation Innovation (the Organization), was incorporated in California in October 2001 as a nonprofit public benefit corporation for the purpose of developing and supporting environmental projects seeking to transform public and private enterprises into sustainable operations that conserve and protect the environment for the benefit of the public. The Organization officially changed its legal name to Multiplier in 2019. Multiplier accelerates impact for a wide variety of local, regional, national and international initiatives that focus on protecting and fostering a healthy, sustainable, resilient, and equitable world. Multiplier's projects and programs are listed in Note 17.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Method

Multiplier uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Multiplier reports information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of Multiplier.
- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restriction ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as *net assets released from restrictions*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Multiplier has no net assets with non-expiring donor restrictions as of December 31, 2021 and 2020.

Revenue Recognition

Contributions and Grants

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if grantors receive no value in exchange for the assets transferred. Contributions received are recorded at their fair value as support without donor restrictions or support with donor restrictions depending on the absence or existence of donor-imposed restrictions, as applicable.

MULTIPLIER  
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YEARS ENDED DECEMBER 31, 2021 AND 2020

Contributions are recognized when the donor makes a promise to give, which in substance, is an unconditional promise. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Multiplier reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulation that limits the use of the donated assets. When a restriction expires, that is when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as *net assets released from restrictions*.

Multiplier reports gifts of long-lived assets as support without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as support with donor restrictions and released on a pro-rata basis in accordance with the donor restrictions. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions, and the donor restrictions are deemed fulfilled when the long-lived asset is placed in service, if there are no explicit donor stipulations regarding how long the long-lived assets must be maintained.

Government Contracts

Government contracts are disclosed as conditional promises to give until qualified expenses have been incurred for cost reimbursement basis contracts or until the service has been provided and/or other conditions have been met.

In-Kind Contributions

Multiplier receives various volunteer services throughout the year. Only those donated services that meet the criteria for recognition under accounting principles generally accepted in the United States of America are recognized in the statements of activities.

Fee-for-Service Contracts

Fee-for-Service contracts are primarily comprised of an exchange element based on the value of benefits provided and are recognized as revenue when the related performance obligations are satisfied. Performance obligations represent the specified services provided to customers under such contracts.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. For purposes of the statements of cash flows, Multiplier considers all funds in bank accounts to be cash. Funds in any brokerage accounts, including cash and money market funds, which represent part of the investment portfolio, are reported as investments but not as cash equivalents.

Accounts Receivable

Grants and contracts receivable within one year are recorded at net realizable value. Grants receivable expected to be received in future years are recorded at the present value of their estimated cash flows. No allowance for uncollectible accounts has been provided since the receivables are all deemed to be collectible.

Pledges receivable are recorded as support when a pledge is unconditional or when the condition is met. All pledges are valued at the estimated fair present value and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been provided.

MULTIPLIER  
(A California Nonprofit Public Benefit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Notes Receivable

Notes receivable represent financial assistance provided to qualified program participants. Loans are stated at the amounts management expects to collect from outstanding principal balances, and are secured by collateral identified in the loan agreements, if applicable. Interest income is recognized on loans based on the applicable terms of the loan agreements.

Multiplier believes that all notes receivable are either fully collectible based on management's assessment of borrowers' current creditworthiness, or can be deferred or forgiven up to 100% of the outstanding balance, which may trigger automatic deferral or forgiveness of any corresponding note payable, as applicable. No estimated credit losses were deemed necessary as of both December 31, 2021 and 2020. In 2020, due to COVID-19, some required principal payments were deferred to future years, and the 2020 interest payments were forgiven.

Investments

Investments consist of cash, money market funds, stocks, fixed income securities and real estate investment trusts, and are reported at fair value in the statements of financial position. Realized and unrealized gains and losses on investments are included as investment return in the statements of activities. Investment income and gains or losses are reflected as increases or decreases in the net assets without donor restrictions if the restrictions are met (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the investment income and gains or losses are recognized.

Fair Value Measurements

Under accounting principles generally accepted in the United States of America, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

Accounting principles generally accepted in the United States of America establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of Multiplier. Unobservable inputs, if any, reflects Multiplier's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that Multiplier has the ability to access at the measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, the valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Inventories

Inventory is primarily accounted for using the first-in, first-out method and is valued at the lower of cost or net realizable value. The cost of raw material inventory includes the purchase price incurred to acquire the inventory, the cost of conversion, and other costs incurred in bringing them to their existing location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, in addition to packaging, direct labor, overhead, warehousing, and distribution.

During 2021, inventory consists of raw materials of the FieldKit project and books for the Root Solutions project. During 2020, inventory only consisted of raw materials of the FieldKit project.

Property and Equipment

Property and equipment are stated at the cost of acquisition. Contributed property and equipment are recorded at their estimated fair market values at the date of donation. The costs of maintenance and repairs are expensed as incurred while significant renewals and betterments are capitalized. Multiplier capitalizes acquisitions of property and equipment with a cost and/or basis in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which is generally three (3) to five (5) years.

Deferred Revenue

Deferred revenue includes advance payments for contracts and in 2020 deferred revenue included one conditional grant.

Income Taxes

Multiplier is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

Multiplier believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Multiplier's federal and state information returns for the years 2017 through 2020 are subject to examination by regulatory agencies, generally for three (3) years and four (4) years after they were filed for federal and state, respectively.

Functional Expenses Allocation

The costs of providing program services and supportive services have been summarized on a functional basis in the statements of activities and statements of functional expenses. All Multiplier expenses are directly identifiable to programs and supportive services.

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Subsequent Events

Management has evaluated subsequent events through October 11, 2022, the date on which the financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2020 financial statements were reclassified to conform to the 2021 presentation for comparative purposes.

**NOTE 3 – GRANTS AND PLEDGES RECEIVABLE**

Grants and pledges receivable at December 31, 2021 and 2020 were expected to be collected in the following periods:

|                           | 2021                | 2020                |
|---------------------------|---------------------|---------------------|
| In one year or less       | \$ 4,552,456        | \$ 5,162,922        |
| Between one to five years | 1,866,570           | 2,140,000           |
| Total                     | <u>\$ 6,419,026</u> | <u>\$ 7,302,922</u> |

At the time of reporting, management believed that all grants and pledges receivable were collectible and the recorded value of the grants and pledges receivable beyond one year would not have a material difference from their present value of future discounted cash flow. Therefore, the accompanying statements do not provide for a risk premium discount allowances for uncollectible receivables.

At December 31, 2021, approximately 53% of total grants and pledges receivable were from four (4) private foundations and donors. At December 31, 2020, approximately 47% of total grants and pledges receivable were from three (3) private foundations and donors.

**NOTE 4 – INVESTMENTS**

Multiplier held the following investments at fair value in a brokerage account at December 31, 2021 and 2020:

|  | 2021                 |                                 | 2020                 |                                 |
|--|----------------------|---------------------------------|----------------------|---------------------------------|
|  | <i>Cost</i>          | <i>Fair Value<br/>(Level 1)</i> | <i>Cost</i>          | <i>Fair Value<br/>(Level 1)</i> |
| Government Money Market Funds <sup>(1)</sup> | \$ 27,626,354        | \$ 27,626,354                   | \$ 21,888,514        | \$ 21,888,514                   |
| Fixed Income <sup>(2)</sup>                  | 559,885              | 552,581                         | -                    | -                               |
| Stocks                                       | 2,398,778            | 2,450,580                       | -                    | -                               |
| Real Estate Investment Trusts                | 94,650               | 102,433                         | -                    | -                               |
| Total  | <u>\$ 30,679,667</u> | <u>\$ 30,731,948</u>            | <u>\$ 21,888,514</u> | <u>\$ 21,888,514</u>            |

<sup>(1)</sup> Including cash of \$3,118,806 and \$4,446,240 at December 31, 2021 and 2020, respectively.

<sup>(2)</sup> Including US Treasury bills, agency securities and corporate bonds

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The investment return for 2021 and 2020 consisted of the following:

|  | 2021              | 2020             |
|--|-------------------|------------------|
| Interest and dividend income                     | \$ 20,492         | \$ 36,776        |
| Net realized gain (loss) from sale of securities | (25,366)          | 589              |
| Net unrealized gain from marketable securities   | 195,223           | -                |
| Total  | <u>\$ 190,349</u> | <u>\$ 37,365</u> |

**NOTE 5 – NOTES RECEIVABLE**

Multiplier has been executing notes receivable and related promissory notes since 2018. Notes receivable are summarized as follows:

|  | 2021                           |                  | 2020                           |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <i>Interest<br/>Receivable</i> | <i>Principal</i> | <i>Interest<br/>Receivable</i> | <i>Principal</i> |
| <u>Secured by fishery permits and other collateral<br/>as specified in the loan agreements</u>   |                                |                  |                                |                  |
| Cape Cod Commercial Fishermen's Alliance,<br>Inc., in the original amount of \$1,000,000,<br>bears 4% simple interest. Payments of<br>principal and interest are due quarterly in<br>the amount of \$30,456, in accordance with<br>a 10-year amortization schedule, with all<br>outstanding principal and interest due by<br>September 2028. Due to COVID-19, 2020<br>principal payments were deferred to future<br>years, and 2020 interest was forgiven <sup>(1)</sup> .<br>Interest income was \$23,957 and \$-0- in<br>2021 and 2020, respectively.  | \$ -                           | \$ 666,799       | \$ -                           | \$ 856,031       |
| Gulf of Mexico Fishery Quota Holdings LLC,<br>in the original amount of \$1,243,971,<br>bears 1% simple interest. Payments of<br>principal and interest are due<br>semi-annually in the amount of \$65,516, in<br>accordance with a 10-year amortization<br>schedule, with all outstanding principal<br>and interest due by the original maturity<br>date of September 2028, which has been<br>accelerated to December 2027 due to<br>principal prepayments. Due to COVID-19,<br>2020 principal payments were deferred to<br>future years, and 2020 interest was<br>forgiven <sup>(1)</sup> . Interest income was \$8,981<br>and \$-0- in 2021 and 2020, respectively. | -                              | 740,863          | -                              | 1,059,568        |

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|  | 2021                           |                  | 2020                           |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <i>Interest<br/>Receivable</i> | <i>Principal</i> | <i>Interest<br/>Receivable</i> | <i>Principal</i> |
| Local Fish Fund2 LLC, with Alaska Sustainable Fisheries Trust, Inc. as its sole member and manager, in the original amount of \$750,000, bears 1% simple interest during 2019 and 2020, and 2% simple interest thereafter. Interest payments are due annually, commencing December 31, 2019. Annual principal payments are due in the amount of any funds remaining in the Downstream Borrowers deposit control account after payment of Downstream Borrower's fixed expenses and reserving a minimum balance of \$15,000. The final payment is due on December 31, 2026 for the amount of any principal outstanding and any accrued interest thereon. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest income was \$7,151 and \$-0- in 2021 and 2020, respectively. | -                              | 640,754          | -                              | 750,000          |
| Alaska Sustainable Fisheries Trust, Inc., in the original amount of \$700,000, bears interest at 3%. Annual principal and interest installments are due on December 31 <sup>st</sup> of each year in such amounts as determined by the lender, in its sole and absolute discretion, based upon an outline of payments/disbursements as detailed in the loan agreement with all outstanding principal and interest due by September 2028. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest income was \$18,617 and \$-0- in 2021 and 2020, respectively.  | 18,617                         | 620,576          | -                              | 639,610          |
| <u>Unsecured</u>   |                                |                  |                                |                  |
| One Skip, LLC, in the original amount of \$200,000, bears zero interest, with outstanding principal due by March 2026. The lender may forgive 50% of the principal balance of the loan upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement.  | -                              | 200,000          | -                              | 200,000          |



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|  | 2021                           |                  | 2020                           |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <i>Interest<br/>Receivable</i> | <i>Principal</i> | <i>Interest<br/>Receivable</i> | <i>Principal</i> |
| CV. Talaud Ikan Mandiri, in the original amount of \$250,000, bears zero interest, with outstanding principal due by March 2025. The lender may forgive up to 50% of the principal balance of the loan and 100% of related loan fees upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement.  | -                              | 250,000          | -                              | 250,000          |
| Misool Eco Resort, in the maximum amount of \$150,000, bears 1% simple interest, with outstanding principal and interest due by December 2026. The lender may forgive up to 40% of the principal balance of the loan and 100% of the related loan fees upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. | -                              | 150,000          | -                              | -                |
| One Skip, LLC, in the original amount of \$175,000, bears 1% simple interest, with outstanding principal and interest due by March 2027. The lender may forgive up to 40% of the principal balance of the loan and 100% of the related loan fees upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal.       | -                              | 175,000          | -                              | 175,000          |
| SmartFish, Inc., in the original amount of \$175,000, bears 1% simple interest, with outstanding principal and interest due by March 2026. The lender may forgive up to 40% of the principal balance of the loan and 100% of the related loan fees upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal.     | -                              | 175,000          | -                              | 175,000          |

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|  | 2021                           |                  | 2020                           |                  |
|--|--------------------------------|------------------|--------------------------------|------------------|
|  | <i>Interest<br/>Receivable</i> | <i>Principal</i> | <i>Interest<br/>Receivable</i> | <i>Principal</i> |
| Misool Eco Resort, in the maximum amount of \$175,000, bears 1% simple interest, with outstanding principal and interest due by December 2026. The lender may forgive up to 40% of the principal balance of the loan and 100% of the related loan fees upon receipt of loan forgiveness requests from the borrower that include documentation of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. | -                              | 175,000          | -                              | -                |
| Total  | 18,617                         | 3,793,992        | -                              | 4,105,209        |
| Less: current portion  | (18,617)                       | (220,519)        | -                              | (253,081)        |
| Non-current portion  | \$ -                           | \$ 3,573,473     | \$ -                           | \$ 3,852,128     |

<sup>(1)</sup> Interest income of \$70,815 was forgiven during 2020 due to COVID-19, and interest accrual recommenced on January 1, 2021.

Multiplier evaluates notes receivable based on the following credit quality indicators: collateral and viability. There were no past-due note receivable balances as of December 31, 2021 or 2020.

#### NOTE 6 – NOTES PAYABLE

In September 2018, Multiplier entered into a loan commitment agreement with Silicon Valley Community Foundation (SVCF) in an amount not to exceed \$4,166,167. The loan commitment agreement was transferred from SVCF to Impact Assets in November 2021. This agreement was entered into in connection with Multiplier's Catch Together program.

The proceeds advanced by Multiplier are used to finance Catch Together program related loans as disclosed in Note 5 (Downstream Loans) to qualified program participants (Downstream Borrowers) and are evidenced by a promissory note for each loan between Multiplier and the Downstream Borrower.

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Multiplier has been executing notes payable and related promissory notes since 2018. The notes payable, which are not secured and non-recourse, are summarized as follows:

|  | 2021                    |                  | 2020                    |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | <i>Interest Payable</i> | <i>Principal</i> | <i>Interest Payable</i> | <i>Principal</i> |
| Loan received from SVCF originally and transferred to Impact Assets in November 2021 for Downstream Loan to Cape Cod Commercial Fishermen's Alliance, Inc., in the original amount of \$1,000,000, bears 4% simple interest. Payments of principal and interest are due quarterly in the amount of \$30,456 in accordance with a 10-year amortization schedule, with all outstanding principal and interest due by September 2028. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest expense was \$23,957 and \$-0- in 2021 and 2020, respectively. | \$ -                    | \$ 666,799       | \$ -                    | \$ 856,031       |
| Loan received from SVCF originally and transferred to Impact Assets in November 2021 for Downstream Loan to Gulf of Mexico Fishery Quota Holdings LLC, in the original amount of \$1,243,971, bears 1% simple interest. Payments of principal and interest are due semi-annually in the amount of \$65,516, in accordance with a 10-year amortization schedule, with all outstanding principal and interest due by September 2028. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest expense was \$8,981 and \$-0- in 2021 and 2020, respectively.  | -                       | 740,863          | -                       | 1,059,568        |

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|  | 2021                    |                  | 2020                    |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | <i>Interest Payable</i> | <i>Principal</i> | <i>Interest Payable</i> | <i>Principal</i> |
| Loans received from SVCF originally and transferred to Impact Assets in November 2021 for Downstream Loan to Local Fish Fund2 LLC, with Alaska Sustainable Fisheries Trust, Inc. as its sole member and manager, in the amounts of \$262,500 and \$487,500 in 2020 and 2019, respectively, for a total of \$750,000, bear 1% simple interest through 2020, and 2% simple interest thereafter. Interest payments are due annually, commencing in 2021 and 2020, respectively. Annual principal payments are due in the amount of any funds remaining in the Downstream Borrowers deposit control account after payment of Downstream Borrower's fixed expenses and reserving a minimum balance of \$15,000. <sup>(2)</sup> A final payment is due on February 15, 2027 for the amount of any principal outstanding and any accrued interest thereon. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest expense was \$7,151 and \$-0- in 2021 and 2020, respectively. | 7,151                   | 750,000          | -                       | 750,000          |
| Loan received from SVCF originally and transferred to Impact Assets in November 2021 for Downstream Loan to Alaska Sustainable Fisheries Trust, Inc., in the original amount of \$700,000, bears interest at 3%. Annual installments of principal and interest are due on the 10 <sup>th</sup> business day after the end of each year commencing January 14, 2020, based upon cash balance available after the payment priorities outlined in the loan agreement. <sup>(2)</sup> All outstanding principal and interest are due by September 2028. Due to COVID-19, 2020 principal payments were deferred to future years, and 2020 interest was forgiven <sup>(1)</sup> . Interest expense was \$18,617 and \$-0- in 2021 and 2020, respectively.  | 18,617                  | 639,610          | -                       | 639,610          |
| Total  | 25,768                  | 2,797,272        | -                       | 3,305,209        |
| Less: current portion  | (25,768)                | (348,799)        | -                       | (253,081)        |
| Non-current portion  | \$ -                    | \$ 2,448,473     | \$ -                    | \$ 3,052,128     |

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- (1) Interest expense of \$72,537 was forgiven during 2020 due to COVID-19, and interest accrual recommenced on January 1, 2021.
- (2) During the year, principal payments received for notes receivable did not flow through to the notes payable due to timing difference.

Principal payments for Local Fish Fund2 LLC and Alaska Sustainable Fisheries Trust, Inc. are based upon the payment priorities outlined in the loan agreements, which are contingencies that cannot be reasonably estimated. Principal payments on notes payable for the next five years are subject to receipts of repayments of Downstream Loans and are estimated as follows.

|      |            |
|------|------------|
| 2022 | \$ 348,799 |
| 2023 | 225,683    |
| 2024 | 231,019    |
| 2025 | 236,533    |
| 2026 | 242,232    |

#### NOTE 7 – PAYCHECK PROTECTION PROGRAM

On April 23, 2020, Multiplier received loan proceeds of \$1,286,400 from a promissory note issued under the Paycheck Protection Program (“PPP”) which was authorized under the CARES Act to support ongoing operations, retain workers and maintain payroll, and was administered by the U.S. Small Business Association (SBA). The term of the loan was for two (2) years, with an annual interest rate of 1%, and monthly principal and interest payments of \$71,467. Under the terms of the CARES Act, PPP loan recipients could apply for and be granted forgiveness for all or a portion of the loan proceeds received if they complied with the PPP requirements.

The proceeds from the PPP loan were outstanding as of December 31, 2020. Interest expense and interest payable as of and for the period ended December 31, 2020 was \$8,833. Multiplier submitted the loan forgiveness application and obtained the approval from SBA in March 2021 to forgive all principal and accrued interests outstanding. Income from forgiveness of PPP loan and accrued interest was \$1,295,233 and recorded on the statements of activities.

#### NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent funds which have not yet been expended for donor-imposed restrictions or time restrictions. Net assets with donor restrictions were available for the following purposes:

|                                  | <i>December 31,<br/>2020</i> | <i>Contributions</i> | <i>Releases from<br/>Restrictions</i> | <i>December 31,<br/>2021</i> |
|----------------------------------|------------------------------|----------------------|---------------------------------------|------------------------------|
| Healthy Planet and People        | \$ 3,692,802                 | \$ 5,426,283         | \$ (3,663,371)                        | \$ 5,455,714                 |
| Resilient Communities            | 1,526,955                    | 3,411,052            | (2,263,350)                           | 2,674,657                    |
| Sustainable, Equitable Economies | 12,057,260                   | 18,016,698           | (13,434,924)                          | 16,639,034                   |
| Secure Natural Resources         | 6,325,711                    | 7,945,749            | (8,176,625)                           | 6,094,835                    |
| Multiplier CORE                  | -                            | 75,922               | (75,922)                              | -                            |
| Total                            | \$ 23,602,728                | \$ 34,875,704        | \$ (27,614,192)                       | \$ 30,864,240                |

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|                                  | <i>December 31,<br/>2019</i> | <i>Contributions</i> | <i>Releases from<br/>Restrictions</i> | <i>December 31,<br/>2020</i> |
|----------------------------------|------------------------------|----------------------|---------------------------------------|------------------------------|
| Healthy Planet and People        | \$ 3,348,592                 | \$ 3,004,042         | \$ (2,659,832)                        | \$ 3,692,802                 |
| Resilient Communities            | 742,245                      | 1,760,591            | (975,881)                             | 1,526,955                    |
| Sustainable, Equitable Economies | 5,337,012                    | 18,454,160           | (11,733,912)                          | 12,057,260                   |
| Secure Natural Resources         | 5,251,167                    | 8,915,335            | (7,840,791)                           | 6,325,711                    |
| Multiplier CORE                  | -                            | 56,947               | (56,947)                              | -                            |
| Total                            | <u>\$ 14,679,016</u>         | <u>\$ 32,191,075</u> | <u>\$ (23,267,363)</u>                | <u>\$ 23,602,728</u>         |

**NOTE 9 – ASSIGNMENT/RETURN OF GRANTS**

Some projects may become an independent nonprofit organization or otherwise separate from Multiplier during the term of an existing grant period. When that occurs, grant funds associated with a project are either transferred to another nonprofit organization or returned to the original funder. Funds may also be returned if project does not spend full amount of a grant.

In 2021, \$81,917 of grant funds were returned to the funder and included as a reduction of foundation grants in the accompanying statement of activities. There were no grant funds return to the funder in 2020.

**NOTE 10 – IN-KIND CONTRIBUTIONS**

Multiplier received contributed equipment and services as follows:

| <u>Type</u><br><u>Benefited Project</u>  | 2021              | 2020              |
|--|-------------------|-------------------|
| <u>Professional Legal Services</u>       |                   |                   |
| Certifications and Ratings Collaboration | \$ -              | \$ 3,000          |
| FieldKit                                 | 25,860            | -                 |
| Multiplier CORE                          | 73,353            | 47,140            |
| Project Equity                           | -                 | 46,572            |
| WaterNow                                 | 39,193            | 142,300           |
| <u>Program Management Services</u>       |                   |                   |
| All We Can Save Project                  | 12,450            | -                 |
| <u>Other Services</u>                    |                   |                   |
| Kitchen Table Advisors                   | -                 | 2,440             |
| <u>Equipment</u>                         |                   |                   |
| Kitchen Table Advisors                   | -                 | 580               |
| Total                                    | <u>\$ 150,856</u> | <u>\$ 242,032</u> |

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**NOTE 11 – CONDITIONAL PROMISES TO GIVE**

Multiplier receives conditional grants that require grantors' approval of progress towards milestones set in the grant agreements. Revenue is recognized upon meeting the condition(s). The following are the conditional grants with balances that had not yet been recognized as revenue as of December 31, 2021 and 2020:

| <i>Project</i>                                | <i>Grant Awarded</i> | <i>Conditional Balance</i> |                     |
|---|----------------------|----------------------------|---------------------|
|   |                      | 2021                       | 2020                |
| Catch Together <sup>(1)</sup>                 | \$ 1,133,833         | \$ 500,300                 | \$ 133,383          |
| Certifications and Ratings Collaboration      | 600,000              | -                          | 250,000             |
| Conservation Alliance for Sustainable Seafood | 800,000              | 500,000                    | -                   |
| Conservation and Community Investment Forum   | 650,000              | -                          | 150,000             |
| Future of Fish                                | 2,250,000            | 950,000                    | -                   |
| Global Cool Cities Alliance                   | 250,000              | 10,000                     | 50,000              |
| Global Dialogue on Seafood Traceability       | 300,000              | 100,000                    | -                   |
| Kitchen Table Advisors                        | 250,000              | 109,000                    | 67,000              |
| Mobius  | 250,000              | 75,000                     | -                   |
| Multiplier CORE                               | 1,752,626            | 535,800                    | 188,273             |
| Net Gains Alliance                            | 663,000              | 363,000                    | -                   |
| New York Energy Democracy Alliance            | 300,000              | 200,000                    | -                   |
| Ocean Sewage Alliance                         | 700,000              | 200,000                    | -                   |
| Project Equity                                | 6,810,000            | -                          | 2,496,000           |
| Project Wayfinder                             | 775,000              | 325,000                    | -                   |
| RIPE Roadmap                                  | 500,000              | 250,000                    | 250,000             |
| WaterNow Alliance                             | 450,000              | -                          | 200,000             |
| Total   |                      | <u>\$ 4,118,100</u>        | <u>\$ 3,784,656</u> |

- <sup>(1)</sup> During 2020, the grant was amended to reduce the total grant amount from \$1,133,833 to \$250,150. In 2021, the grant was replaced with a new grant in the amount of \$583,683.

Multiplier also has been awarded government reimbursement contracts that are contingent upon incurring qualified expenses or providing services, which are accounted for as conditional promises to give. The following are the government reimbursement contracts with balances that had not yet been recognized as revenue as of December 31, 2021 and 2020:

| <i>Awarding Agency</i>                        | <i>Grant Awarded</i> | <i>Conditional Balance</i> |            |
|---|----------------------|----------------------------|------------|
|   |                      | 2021                       | 2020       |
| U.S. Department of Agriculture <sup>(1)</sup> | \$ 2,371,702         | \$ 1,492,836               | \$ 445,739 |
| U.S. Department of Agriculture Treasury       | 99,579               | -                          | 47,284     |
| U.S. Fish and Wildlife Service                | 200,000              | 168,415                    | -          |

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| <i>Awarding Agency</i>                                       | <i>Grant Awarded</i> | <i>Conditional Balance</i> |                     |
|--|----------------------|----------------------------|---------------------|
|  |                      | 2021                       | 2020                |
| U.S. Endowment for Forestry & Communities, Inc.              | 219,976              | 139,750                    | -                   |
| U.S. Department of the Interior<br>Bureau of Land Management | 73,333               | 55,396                     | -                   |
| California Department of Food and Agriculture                | 431,100              | 313,507                    | 319,134             |
| State of Colorado  | 213,666              | 135,713                    | 63,022              |
| City and County of San Francisco                             | 140,000              | -                          | 28,340              |
| County of Los Angeles  | 127,000              | 110,596                    | 114,392             |
| County of San Mateo  | 67,052               | -                          | 14,634              |
| City of Berkeley   | 100,000              | 7,250                      | -                   |
| City of Santa Clara  | 150,000              | -                          | 35,000              |
| Santa Clara Valley Water District <sup>(2)</sup>             | 86,732               | 12,584                     | 22,301              |
| Eagle River Water and Sanitation District                    | 15,576               | 10,978                     | 8,283               |
| National Science Foundation <sup>(3)</sup>                   | 838,275              | 565,861                    | -                   |
| Agricultural Institute of Marin                              | 16,500               | 5,500                      | -                   |
| Total  |                      | <u>\$ 3,018,386</u>        | <u>\$ 1,098,129</u> |

(1) Includes a sub-award of \$118,201 through Montana State University

(2) Net of revenue reversal made in 2020 amounting to \$2,026.

(3) Includes a sub-award of \$264,198 through University of Illinois

Multiplier may also make conditional grants to other organizations. Grant expense is recognized upon the grantee meeting the condition specified in the award agreement. The following are conditional grants to other organizations made on behalf of Multiplier projects in 2021 and 2020:

| <i>Project</i>                           | <i>Grants Awarded</i> | <i>Conditional Balance</i> |                   |
|--|-----------------------|----------------------------|-------------------|
|  |                       | 2021                       | 2020              |
| Alter Eco Foundation                     | \$ 260,000            | \$ -                       | \$ 130,000        |
| Certifications and Ratings Collaboration | 481,000               | -                          | 240,500           |
| Climate Resilience Fund                  | 300,000               | 60,000                     | -                 |
| Future of Fish                           | 1,282,019             | 1,019,772                  | -                 |
| Global Dialogue on Seafood Traceability  | 1,097,113             | 438,713                    | -                 |
| Intertidal Agency                        | 158,500               | 126,800                    | -                 |
| MarViva Foundation                       | 155,791               | 30,080                     | 30,080            |
| Sea Pact                                 | 9,800                 | 3,800                      | -                 |
| Total                                    |                       | <u>\$ 1,679,165</u>        | <u>\$ 400,580</u> |



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**NOTE 12 – RETIREMENT PLAN**

Multiplier has a Simple IRA matching retirement plan which is offered to all employees who meet eligibility requirements. Multiplier contributes a dollar for dollar match up to 3% of the employee's compensation. Employer contributions for 2021 and 2020 were \$265,810 and \$179,262, respectively.

In January 2022 Multiplier switched from a Simple IRA to a 401(K) retirement plan that is offered to all employees who meet eligibility requirements.

**NOTE 13 – OPERATING LEASE COMMITMENTS**

Office Leases

In 2015, Multiplier relocated its main office from San Francisco, California to downtown Oakland, California. The 64-month office lease extended from September 1, 2015 through December 31, 2020, with required annual minimum rents of \$129,566 for 2020. This lease expired on December 31, 2020 and was not renewed. Multiplier also has several other non-cancellable operating lease arrangements for its facilities and equipment. The space rental expenses under operating lease agreements for 2021 and 2020 totaled \$38,437 and \$181,876, respectively.

Multiplier also incurred other rental expenditures that were under either month to month or other temporary arrangements during 2021 and 2020 totaled \$138,818 and \$178,847, respectively.

The estimated future minimum lease payments for non-cancellable operating leases are as follows:

|      | <u>Year Ending December 31,</u> |
|------|---------------------------------|
| 2022 | <u>\$ 29,496</u>                |

Ground Lease

On March 13, 2019, Multiplier entered into a ground lease agreement, on behalf of its project Piggy Bank, with the owner of a farm located in Myrtle, Missouri for the purpose of pig farming. As a condition of the lease, Multiplier paid for the construction of a building totaling \$133,358. Multiplier could have used the improvements for the pig farming purpose; the title of the improvements would have remained with the landlord during the lease term. Therefore, Multiplier recorded the costs of constructing the improvements as ground lease acquisition costs which would have been amortized over the term of the lease. The lease for land was scheduled to commence upon the day the farm was ready for operations and expire on the sixth anniversary of the commencement date. The base rent would have been \$25,000 for the first year, increasing annually by 3%. The farm was not ready for operations as of December 31, 2020.

During 2021, management determined that the project is no longer viable due to the effects of COVID-19. Management terminated the lease and wrote off the capitalized ground lease costs of \$133,358 in 2021.

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**NOTE 14 – LIQUIDITY AND AVAILABILITY**

Management and general financial assets are available for expenditure, without donor or other restrictions limiting their use, within one year of the statements of financial position date.

Program financial assets are designated or restricted for specific projects, and available for project expenditure without donor or other restrictions otherwise limiting their use within one year of the statements of financial position date.

|                      | 2021                              |                |               | 2020                              |                |               |
|----------------------|-----------------------------------|----------------|---------------|-----------------------------------|----------------|---------------|
|                      | <i>Management<br/>and General</i> | <i>Program</i> | <i>Total</i>  | <i>Management<br/>and General</i> | <i>Program</i> | <i>Total</i>  |
| Cash and investments | \$ 4,136,214                      | \$ 27,484,262  | \$ 31,620,475 | \$ 4,194,675                      | \$ 17,973,456  | \$ 22,168,131 |
| Current receivables  | 627,694                           | 5,080,140      | 5,707,835     | -                                 | 5,845,689      | 5,845,689     |
| Total                | \$ 4,763,908                      | \$ 32,564,402  | \$ 37,328,310 | \$ 4,194,675                      | \$ 23,829,145  | \$ 28,013,820 |

Multiplier has liquid financial assets available within one year of the statements of financial position date to meet cash needs for management and general expenses and program spending. Liquid financial assets consist of cash, investments, and current receivables. Multiplier maintains at least one year of cash available to support management and general normal operating expenses which were approximately \$2.3 million and \$1.8 million in 2021 and 2020, respectively. Project spending is controlled and limited to the funds designated for and restricted to each unique project. For liquidity management, Multiplier invests 100% of project cash in government money market funds and invests management and general cash in both government money market and short-term treasury instruments. In 2021, Multiplier also invested liquid financial assets for management and general in stocks, fixed income securities and real estate investment trusts.

**NOTE 15 – CONCENTRATION OF CREDIT RISK**

The cash balances at banks are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per customer per bank. The securities in the brokerage accounts are protected by Security Investor Protection Corporation (SIPC) for a maximum of \$500,000; moreover, brokerage firms usually carry additional insurance to provide further protection for their customers. Neither SIPC nor the additional coverage protects against losses on investments due to market fluctuations.

Multiplier maintains its cash and investments at two banks and one brokerage firm. Multiplier's brokerage firm provides additional coverage through Lloyd's of London and other London insurers to provide coverage of up to \$150 million per customer, including cash of up to \$1,150,000, which would become available in the event the SIPC limits were exhausted.

Multiplier's cash balance at one bank exceeded the FDIC limit by approximately \$14,000 at December 31, 2021. Multiplier had \$30,731,948 and \$21,888,514 with one brokerage firm at December 31, 2021 and 2020, respectively. Multiplier has not experienced any losses in its bank and brokerage firm accounts.

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**NOTE 16 – COMMITMENTS, CONTINGENCIES, AND OTHERS**

*Vulnerability – COVID-19 Pandemic*

The emergence and spread of the coronavirus (COVID-19) beginning in the first quarter of 2020 has affected businesses and economic activities in the U.S. and beyond. The extent of the operational and financial impact of COVID-19 on Multiplier’s projects varied with the unique circumstances and business models of the projects in the portfolio. Future developments, including the duration and spread of the outbreak and the effects on public events, funding sources, service providers, supply chains and other operational practices, are all uncertain.

*Others*

During normal course of operation, a personnel matter arose in 2021 that required engagement of legal counsel in 2022. Multiplier maintains insurance coverage and uses various risk management activities which, combined, management believes are sufficient to ensure that the final outcome of any potential claim will not have an adverse material effect on the financial health or operations of Multiplier.

**NOTE 17 – MULTIPLIER PROGRAMS AND PROJECTS**

Multiplier provided operational, administrative, programmatic, financial and capacity-building services designed to incubate and accelerate program capacity for 56 and 60 local, regional, national and international projects during 2021 and 2020, respectively. The programs and projects are listed in alphabetical order below:

**Act Now Coalition** builds data dashboards that combined local hospital utilization data, epidemiological projections and local policy actions of over 2000 counties into a ready-to-use dashboard for policymakers on how new policy actions could impact further spread of COVID-19. (2020 only)

**Alter Eco Foundation** provides resources to help cocoa and other farmers improve their quality of life by transitioning to dynamic agroforestry methods.

**Animal Agriculture Reform Collaborative** brings together sustainable farming, environmental, public health, social and economic justice, and animal welfare organizations across the United States to work toward the shared vision of a just, sustainable animal livestock production system.

**Azul** works to empower Latino leadership for marine conservation by integrating marine conservation as a core priority of the traditional Latino civic leadership infrastructure and by growing marine conservation leadership by people of color.

**Bay Area Resilient by Design** brings together government, community leaders and stakeholders from around the region to address resiliency challenges which affect the neighborhoods, environment and infrastructure in the rapidly changing Bay Area. (2020 only)

**Blue Ridge-Berryessa Partnership** is a collaborative bringing together private landowners, public agencies, nonprofit groups, businesses and the general public to conserve and steward California’s upper Putah and Cache Creek Watersheds. (2020 only)

**Building Codes Assistance Project** provides high-level support for energy code adoption across the country by influencing model code development, providing core code adoption and compliance support, and serving as the national hub for energy code support work. (2020 only)

**Canopy Collective** partners with U.S. and global leaders to realize reparations and repair in their respective communities through practitioner-to-practitioner collaboration, learning, and experimentation. (2021 only)

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**Cassava Virus Action Project** uses genomic technologies to improve the management of Cassava viruses transmitted by the whitefly. Without improvement, these viruses are putting at risk the food and economic security of the 800 million people who rely on Cassava as a source of food or income. (2020 only)

**Catch Together** partners with fishermen and fishing communities to cultivate sustainable seafood impact investments, strengthen fishing communities and support ocean conservation.

**cChange (formerly SeaWeb Asia Pacific)** is dedicated to accelerating ocean conservation in the Asia Pacific region through innovation communications initiatives designed to increase public awareness, advance science-based solutions and mobilize decision makers.

**Center for Transformative Technology** supports change makers who are building and leveraging technologies to improve health, work and human excellence, stewarding a global community of entrepreneurs, innovators and investors in over 70 countries and 450 cities.

**Certifications and Ratings Collaboration** is an effort among major global seafood certification and ratings programs to increase efficiency, address challenges, and help more fisheries and aquaculture achieve environmental sustainability and social responsibility.

**ChangeScale** supports environmental education organizations in the San Francisco and Monterey Bay Area, to inspire all generations with the capacity to create healthy communities and a healthy planet.

**Climate Resilience Fund** mobilizes resources to support resilience and sustainability outcomes in communities across the U.S and for the natural systems on which they depend.

**Columbia Rediviva** aligns electrical and biological energy systems on the Columbia/Snake River, restoring self-sustaining populations of wild salmon while ensuring a robust and clean electrical grid.

**Congo Education Partners** educates future stewards of the Congo rainforest by building the capacity of Djolu Technical College of Rural Development (ISDR-Djolu) in biodiversity conservation, sustainable agriculture, and other rural sciences.

**Conservation Alliance for Seafood Solutions** connects leading conservation groups that work with businesses representing over 80% of the North American grocery and food-service markets with the goal of helping businesses make progress on their commitments to sustainable seafood.

**Conservation and Community Investment Forum** works with partners to advance innovative and direct solutions to accelerate the delivery, replicability and scalability of conservation and sustainable community development successes.

**Conservation Finance Network** advances land and resource conservation by expanding the use of innovative and effective funding and financing strategies. (2021 only)

**Doris Duke Conservation Scholars Program** provides an experiential conservation training program for undergraduates who are interested in careers in conservation and in promoting diversity, equity, and inclusion in the conservation field.

**Employment Equity Network** transforms communities of color using Opportunity Zone capital by assembling an emerging network of investors of color and women, along with other nontraditional investors, entrepreneurs, long-time business and property owners, professionals, and community and philanthropic leaders. (2020 only)

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**Envaya** enables grassroots civil society organizations in developing countries to easily create websites, publish their latest news, interact with grant makers and collaborate with other organizations and people around the world. (2020 only)

**Environmental Data and Governance Initiative** investigates and analyzes the inner workings of federal environmental policy and develops new ways of making federal environmental data more accessible to the public. (2021 only)

**Fed By Blue** works to increase access to responsibly produced blue food while educating people as to the nutritional, economical, and environmental benefits, and supports policies that prioritize ocean conservation and responsible harvesting and/or rearing of blue food. (2021 only)

**Feeding Good** provides urgently needed nutrient rich meals to low-income households in U.S communities where family food security at risk.

**FieldKit** is an open-source software and hardware platform that allows individuals and organizations to collect and share field-based research data, and to tell stories through interactive visualizations, bridging the gap between hard science and storytelling by combining the analysis features of open science frameworks with the public-facing storytelling features of data visualization and map-based interactive platforms.

**Food Commons** is developing a new physical, financial and organizational infrastructure for localized food economies that are fair, just and sustainable for the health and well-being of people, communities, and the planet. (2020 only)

**Future of Fish** connects small-scale fisheries to critical networks including seafood businesses and the private, public, and non-profit sectors, to remove barriers to change and incentivize better business practices to improve sustainability, equity and economic opportunity in coastal communities.

**Global Cool Cities Alliance** is dedicated to advancing policies and actions that reduce excess urban heat in order to promote cool buildings, cool cities, and to mitigate the effects of climate change through global cooling.

**Global Dialogue on Seafood Traceability** is an international alliance established to advance a unified framework for interoperable seafood traceability practices. (2021 only)

**Interfaith Sustainable Food Collaborative** is a regional program that connects congregations in Sonoma and Marin counties of California with local farmers and gardeners to increase access to sustainable food and strengthen local economies.

**Intertidal Agency (formerly the databranch)** increases data collection, system design, and data analysis that works across institutional silos and engages the public in stewardship of natural resources.

**Junglekeepers** works in collaboration with local Peruvian nongovernmental organizations and indigenous communities to employ preventive and sustainable solutions for the long-term protection of the rainforest ecosystems at the headwaters of the Madre de Dios and Las Piedras rivers.

**Kitchen Table Advisors** provides farmers with business and financial advising and helps farmers access the tools, knowledge and resources they need on their path to becoming resilient and viable businesses.

**MarViva Foundation** is a regional non-governmental organization based in Costa Rica, Panama, and Colombia that promotes the conservation and sustainable use of marine and coastal resources in the Eastern Tropical Pacific.

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**Marhaver Lab** focuses on the reproduction and growth cycles of the Caribbean's most fragile corals, and the development of new tools to help young corals survive.

**Maven's Notebook: A water, science and policy blog** provides a timely and unbiased free and public source of information about the complicated and controversial details of water flow, water supply, water quality and environmental disputes in California.

**Menlo Spark** joins together businesses, residents, and government to achieve a climate neutral community in Menlo Park, California by the year 2025, serving as a national leader in sustainability and climate action, generating significant local benefits, and serving as an example to similar cities and towns across the country.

**Mobius** supports leaders to put the well-being of humanity at the center of technology, and is part of a growing movement towards more ethical and humane technology.

**Moonshot Missions** drives improvements to water infrastructure by working with seasoned practitioners to develop simple assessment tools that will identify issues and help customize recommendations based on proven governance, financial and technical approaches that can deliver improved services at lower cost.

**National Science Policy Network** catalyzes the engagement of early career scientists and engineers in policy making by training the next generation of leaders, fostering community and advocating for the role of science in policy.

**Nest for Families** provides critical parenting services, delivered virtually, to increase resilience and connection for pregnant and parenting families in Hawaii throughout the first 1,000 days of life.

**Net Gains Alliance** facilitates the development, implementation and adaptation of robust information management systems to modernize the outdated, fragmented systems that are currently used in the U.S. to manage ocean and marine resources.

**New York Energy Democracy Alliance** is an alliance of community organizations, grassroots groups, and policy experts working toward a just transition to a resilient, localized, and democratically controlled clean energy economy in New York State.

**Ocean Sewage Alliance** is a diverse collective of organizations and academic scientists committed to reducing the threat of sewage and other wastewater pollution in our oceans, while increasing the health and well-being of both humans and nature. (2021 only)

**Piggy Bank** provides protection for heritage pigs, and an open forum for access to information on all heritage breed pigs and business plans written by other farmers, to benefit the food system.

**Pope Creek Weed Project** works to achieve a more resilient riparian wildlife corridor along Pope Creek that is free from invasive plants and inform the local community about resources available to them for reducing fire risk on their property and habitat restoration. (2021 only)

**Project Equity** helps businesses and communities discover the power of employee ownership, fostering economic resiliency and a sustainable economy that works for all.

**Reparation Generation** provides reparative payments for descendants of American slavery, starting in Detroit and with a goal to scale and expand to cities across the U.S. (2021 only)

**Ripe Roadmap** is a policy framework and stakeholder engagement initiative aimed at advancing bipartisan policy to support environmental stewardship and profit opportunities for farmers.

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**Rogue Water Lab** revolutionizes how the water industry communicates by providing inspiration, tools and resources, and opportunities for engagement for water communicators.

**Root Solutions** promotes environmental and resource stewardship by developing and disseminating tools that solve environmental challenges at their root – human behavior.

**Sane Energy Project** works to stop the expansion of hydro fracked shale gas and fossil fuel infrastructure and to encourage, instead, a rapid and complete transition to renewable energy and zero fossil fuel dependence.

**Science Policy Fellows Network** tests the hypothesis that science engagement alumni can become a valuable resource to nonprofit organizations, foundations and other key decisionmakers.

**Sea Pact** is a pre-competitive alliance of leading North American seafood businesses, who have joined together to advance environmentally sustainable fisheries and aquaculture practices and provide the building blocks for a long term and sustainable seafood industry.

**Seafood Loan Funds** deliver working capital for fishery improvement and conservation projects that serve to reduce overfishing and protect species, including endangered species.

**Smart Parks (formerly ShadowView)** gives game parks 24/7 access to real-time information on all wildlife, actors, park assets and activities on their land in an easy-to-use web application which allows rangers to remotely monitor the whole area, and immediately take measures when needed. (2020 only)

**Survivor Corps** is a grassroots movement educating and mobilizing COVID-19 survivors and connecting them with the medical, scientific and academic research community, to help stem the tide of this pandemic and assist in the national recovery.

**Sustaining Our Urban Landscape (SOUL)** drives a resilient and equitable New Orleans through strengthening the local water and food systems by installing urban forests and green infrastructure. (2020 only)

**The All We Can Save Project** nurtures a welcoming, connected, and leaderful climate community, rooted in the work and wisdom of women, to grow a life-giving future.

**Upper Amazon Conservancy** protects the biological and cultural diversity of the upper Amazon River in southeastern Peru by building the capacity of local indigenous communities to participate in and benefit from conservation activities.

**Urban Ocean Lab** is a think tank cultivating rigorous, creative, equitable, and practical climate and ocean policy for the future of coastal cities. (2021 only)

**WaterNow** promotes the transition to a resilient and secure water future that preserves the health of the natural world by bringing together business, community leaders, and experts to advance innovation and catalyze action.

**Wayfinder Partnership (formerly Project Wayfinder)** is re-imagining adolescent education, to inspire and empower the next generation with skills, knowledge and confidence to contribute to the betterment of the world.

**Working Circle Proactive Stewardship** develops and supports the implementation of strategies that support working ranch sustainability with the presence of predators on shared landscapes while addressing the related social dynamics. (2020 only)

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**Working Lands Conservation** balances human-use of working lands with conservation objectives by bringing science to collaborative partnerships that maintain ecosystems, improve water quality and build relationships among working lands stakeholders.

**Youth-Plan Learn Act Now (Y-Plan)** helps young people become agents of change in their communities through involvement in projects focused on improving public transportation, access to green space, public art and civic space, healthy eating and active living, and more.





Board of Directors  
Multiplier  
San Francisco, California

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SHERMAN G. LEONG

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Multiplier, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2022.

*Report on Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Multiplier's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Multiplier's internal control. Accordingly, we do not express an opinion on the effectiveness of Multiplier's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Multiplier's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Multiplier's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Multiplier's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lindquist, von Husen and Joyce LLP*

October 11, 2022