

MULTIPLIER

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2022 AND 2021

MULTIPLIER
(A California Nonprofit Public Benefit Corporation)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Multiplier as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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.

Emphasis of Matter – New Accounting Standard

As discussed in Note 2 to the financial statements, Multiplier adopted the new accounting guidance required by accounting principles generally accepted in the United States of America on leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards on pages 34 through 35, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023 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 Husen and Joyce LLP

September 30, 2023

MULTIPLIER
(A California Nonprofit Public Benefit Corporation)
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash	\$ 835,409	\$ 888,527
Investments (Note 4)	47,350,218	30,731,948
Receivables:		
Grants and pledges (Note 3)	7,361,262	4,837,925
Contracts	952,830	553,341
Other	6,981	316,569
Interest receivable (Note 5)	12,716	18,617
Notes receivable – current portion (Note 5)	493,249	220,519
Inventories	223,668	264,089
Prepaid expenses and other assets	323,878	224,514
Total current assets	<u>57,560,211</u>	<u>38,056,049</u>
Grants receivable – net of current portion (Note 3)	2,975,000	1,866,570
Notes receivable – net of current portion (Note 5)	<u>4,792,750</u>	<u>3,573,473</u>
 Total assets	 <u><u>\$ 65,327,961</u></u>	 <u><u>\$ 43,496,092</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,750,713	\$ 1,390,187
Accrued compensation	853,968	666,956
Deferred revenue	629,923	309,415
Interest payable (Note 6)	-	25,768
Note payable – current portion (Note 6)	675,106	348,799
Total current liabilities	<u>3,909,710</u>	<u>2,741,125</u>
Note payable – net of current portion (Note 6)	3,046,213	2,448,473
Total liabilities	<u>6,955,923</u>	<u>5,189,598</u>
Net assets:		
Without donor restrictions:		
Available for operations	4,482,680	4,419,931
Designated for supported projects	3,850,366	3,022,323
Total net assets without donor restrictions	<u>8,333,046</u>	<u>7,442,254</u>
With donor restrictions (Note 8)	50,038,992	30,864,240
Total net assets	<u>58,372,038</u>	<u>38,306,494</u>
 Total liabilities and net assets	 <u><u>\$ 65,327,961</u></u>	 <u><u>\$ 43,496,092</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, 2022 AND 2021

	2022			2021		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Support and revenue:						
Foundation grants (Note 8)	\$ -	\$ 48,755,782	\$ 48,755,782	\$ -	\$ 31,130,180	\$ 31,130,180
Contributions (Note 8)	-	3,203,840	3,203,840	-	3,594,668	3,594,668
In-kind contributions (Notes 8 and 10)	-	111,623	111,623	-	150,856	150,856
Government contracts	2,032,308	-	2,032,308	1,175,128	-	1,175,128
Fee-for-service contracts	1,777,196	-	1,777,196	2,325,091	-	2,325,091
Investment return (Note 4)	(686,708)	-	(686,708)	190,349	-	190,349
Interest income (Note 5)	84,034	-	84,034	58,706	-	58,706
Other revenue	585,254	-	585,254	290,883	-	290,883
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)	32,896,493	(32,896,493)	-	27,614,192	(27,614,192)	-
Total support and revenue	36,688,577	19,174,752	55,863,329	32,949,582	7,261,512	40,211,094
Expenses:						
Program services	31,451,991	-	31,451,991	26,083,961	-	26,083,961
Supportive services:						
Management and general	3,293,559	-	3,293,559	2,257,560	-	2,257,560
Fundraising	1,052,235	-	1,052,235	1,389,950	-	1,389,950
Total expenses	35,797,785	-	35,797,785	29,731,471	-	29,731,471
Change in net assets	890,792	19,174,752	20,065,544	3,218,111	7,261,512	10,479,623
Net assets, beginning of year	7,442,254	30,864,240	38,306,494	4,224,143	23,602,728	27,826,871
Net assets, end of year	\$ 8,333,046	\$ 50,038,992	\$ 58,372,038	\$ 7,442,254	\$ 30,864,240	\$ 38,306,494

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, 2022 AND 2021

	2022							
	<i>Program Services</i>					<i>Supportive Services</i>		
	<i>Healthy Planet and People</i>	<i>Resilient Communities</i>	<i>Sustainable, Equitable Economies</i>	<i>Secure Natural Resources</i>	<i>Total Program</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>
Personnel	\$ 2,399,891	\$ 1,314,562	\$ 6,721,219	\$ 4,406,843	\$ 14,842,515	\$ 2,514,192	\$ 776,109	\$ 18,132,816
Professional services	2,648,239	409,478	2,390,375	2,867,404	8,315,496	322,406	229,907	8,867,809
Grants and contributions	89,286	604,607	2,270,056	1,199,384	4,163,333	-	-	4,163,333
Supplies and equipment	235,352	23,857	778,259	680,413	1,717,881	214,829	9,144	1,941,854
Occupancy (Note 13)	26,347	598	67,792	126,919	221,656	2,460	-	224,116
Other expense	50,158	8,934	183,902	87,027	330,021	183,636	7,628	521,285
Travel, conferences, and meetings	442,878	86,611	496,839	766,276	1,792,604	56,036	29,447	1,878,087
Interest expense (Note 6)	-	-	68,485	-	68,485	-	-	68,485
Total expenses	\$ 5,892,151	\$ 2,448,647	\$ 12,976,927	\$ 10,134,266	\$ 31,451,991	\$ 3,293,559	\$ 1,052,235	\$ 35,797,785

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, 2022 AND 2021

	2021							
	<i>Program Services</i>					<i>Supportive Services</i>		
	<i>Healthy Planet and People</i>	<i>Resilient Communities</i>	<i>Sustainable, Equitable Economies</i>	<i>Secure Natural Resources</i>	<i>Total Program</i>	<i>Management 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 CASH FLOWS
 YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 20,065,544	\$ 10,479,623
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated stocks	(4,783,476)	(110,582)
Realized loss on investments	397,501	25,366
Unrealized loss (gain) on investments	591,612	(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	(3,631,767)	883,896
Contracts receivable	(399,489)	(335,347)
Other receivable	309,588	(137,265)
Interest receivable	5,901	(18,617)
Inventories	40,421	(88,248)
Prepaid expenses and other assets	(99,364)	(10,453)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	360,526	(311,897)
Accrued compensation	187,012	167,591
Deferred revenue	320,508	155,708
Interest payable	(25,768)	25,768
Net cash provided by operating activities	<u>13,338,749</u>	<u>9,368,625</u>
Cash flows from investing activities:		
Purchases of marketable securities	(22,852,646)	(13,469,878)
Proceeds from sales and redemption of marketable securities	10,028,739	4,906,883
Notes receivable disbursed	(2,818,602)	(325,000)
Collection of notes receivable	1,326,595	636,217
Net cash used in investing activities	<u>(14,315,914)</u>	<u>(8,251,778)</u>
Cash flows from financing activities:		
Proceeds from notes payable	2,168,602	-
Repayment of notes payable	(1,244,555)	(507,937)
Net cash provided by (used in) financing activities	<u>924,047</u>	<u>(507,937)</u>
Net increase (decrease) in cash	(53,118)	608,910
Cash, beginning of year	<u>888,527</u>	<u>279,617</u>
Cash, end of year	<u>\$ 835,409</u>	<u>\$ 888,527</u>
Supplementary information:		
Cash paid for interest	<u>\$ 94,253</u>	<u>\$ 32,938</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, 2022 AND 2021

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, 2022 and 2021.

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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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

New Accounting Standard on Leases

New accounting standard on leases, required by accounting principles generally accepted in the United States of America, amends both lessor and lessee accounting with the most significant change being the requirement for lessees to account for leases as either finance leases or operating leases and to recognize right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less. For finance leases, lessees would recognize interest expense and amortization of the ROU assets, and for operating leases, lessees would recognize straight-line total rent expense. The accounting standard also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases.

Multiplier adopted the leasing standard effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. Multiplier elected to use all available practical expedients provided in the transition guidance. These practical expedients allow entities to not reassess the identification, classification and initial direct costs of expired or existing lease agreements, to not separate lease and non-lease components for underlying equipment assets, and to use hindsight in lease agreements for determining lease term and the ROU asset impairment, as applicable. As of January 1, 2022, the adoption of the new leasing standard did not have a significant impact on the financial statements related to both lessor and lessee accounting.

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Multiplier accounts for the existing office lease with David Brower Center and Preservation Park Center, Inc. as operating leases. Due to the nominal rent amounts, the ROU assets and lease liabilities are not recognized. However, the effect of not recognizing the ROU assets and lease liabilities is not materially different from the result that would have been obtained had the requirement to recognize the ROU assets and lease liabilities been followed.

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 (See Note 15).

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.

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, when applicable, 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, 2022 and 2021.

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.

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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.

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 2022 and 2021, inventory consists of raw materials of the FieldKit project and books for the Root Solutions 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.

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NOTES TO FINANCIAL STATEMENTS
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Deferred Revenue

Deferred revenue includes advance payments for contracts and in 2022 deferred revenue included one conditional grant and advance payments for future year membership dues.

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 2018 through 2021 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.

Subsequent Events

Management has evaluated subsequent events through September 30, 2023, the date on which the financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2021 financial statements were reclassified to conform to the 2022 presentation for comparative purposes.

NOTE 3 – GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable at December 31, 2022 and 2021 were expected to be collected in the following periods:

	2022	2021
In one year or less	\$ 7,361,262	\$ 4,552,456
Between one to five years	2,975,000	1,866,570
Total	<u>\$ 10,336,262</u>	<u>\$ 6,419,026</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, 2022, approximately 50% of total grants and pledges receivable were from three (3) private foundations and donors. At December 31, 2021, approximately 53% of total grants and pledges receivable were from four (4) private foundations and donors.

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NOTE 4 – INVESTMENTS

Multiplier held the following investments at fair value in a brokerage account at December 31, 2022 and 2021:

	2022		2021	
	<i>Cost</i>	<i>Fair Value (Level 1)</i>	<i>Cost</i>	<i>Fair Value (Level 1)</i>
Government Money Market Funds ⁽¹⁾	\$ 44,950,738	\$ 44,955,357	\$ 27,626,354	\$ 27,626,354
Fixed Income ⁽²⁾	588,801	517,863	559,885	552,581
Stocks	2,262,018	1,819,243	2,398,778	2,450,580
Real Estate Investment Trusts	83,373	57,755	94,650	102,433
Total	\$ 47,884,930	\$ 47,350,218	\$ 30,679,667	\$ 30,731,948

⁽¹⁾ Including cash of \$5,717,025 and \$3,118,806 at December 31, 2022 and 2021, respectively.

⁽²⁾ Including US Treasury bills, agency securities and corporate bonds

The investment return for 2022 and 2021 consisted of the following:

	2022	2021
Interest and dividend income	\$ 302,405	\$ 20,492
Net realized loss from sale of securities	(397,501)	(25,366)
Net unrealized gain (loss) from marketable securities	(591,612)	195,223
Total	\$ (686,708)	\$ 190,349

NOTE 5 – NOTES RECEIVABLE

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

	2022		2021	
	<i>Interest Receivable</i>	<i>Principal</i>	<i>Interest Receivable</i>	<i>Principal</i>
<u>Secured by fishery permits and other collateral as specified in the loan agreements</u>				
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. Interest income was \$25,235 and \$23,957 in 2022 and 2021, respectively.	\$ -	\$ 570,211	\$ -	\$ 666,799

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	2022		2021	
	<i>Interest Receivable</i>	<i>Principal</i>	<i>Interest Receivable</i>	<i>Principal</i>
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 the original maturity date of September 2028, which has been accelerated to December 2027 due to principal prepayments. Interest income was \$7,100 and \$8,981 in 2022 and 2021, respectively.	-	551,308	-	740,863
Alaska Sustainable Fisheries Trust, Inc., in the original amount of \$700,000, bears simple interest at 3%. Annual principal and interest installments are due on December 31 st 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. Interest income was \$18,617 in both 2022 and 2021.	-	597,104	18,617	620,576
Local Fish Fund2 LLC, with Alaska Sustainable Fisheries Trust, Inc. as its sole member and manager, in the original amount of \$750,000, bore 1% simple interest during 2019 and 2020, and 2% simple interest thereafter. Effective on August 28, 2021, the interest rate was adjusted to 1% simple interest per annum from the date each Loan is made until it is repaid in full. 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. Interest income was \$6,408 and \$7,151 in 2022 and 2021, respectively.	-	579,295	-	640,754

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	2022		2021	
	<i>Interest Receivable</i>	<i>Principal</i>	<i>Interest Receivable</i>	<i>Principal</i>
Central Coast Commercial Fisheries Limited Partnership, Central Coast Commercial Fisheries Corp., Central Coast Commercial Fisheries 2012 Association (CCCFA), in the maximum amount of \$1,800,000, bears interest at 3% per annum, compounded annually. Principal and interest payments are due semi-annually commencing September 30, 2022 in the amount of \$157,900 in accordance with a 6-year amortization schedule and a final payment of all unpaid principal and interest on September 15, 2028. Interest income was \$26,067 in 2022.	12,716	1,708,081	-	-
<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 achievement of loan forgiveness benchmarks specified in the loan agreement.	-	200,000	-	200,000
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 achievement of loan forgiveness benchmarks specified in the loan agreement.	-	250,000	-	250,000

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	2022		2021	
	<i>Interest Receivable</i>	<i>Principal</i>	<i>Interest Receivable</i>	<i>Principal</i>
Misool Eco Resort, in the original 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 achievement of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. Interest revenue was \$467 and \$-0- in 2022 and 2021, respectively.	-	-	-	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 achievement of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. Interest revenue was \$-0- in both 2022 and 2021.	-	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 achievement of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. Interest revenue was \$-0- in both 2022 and 2021.	-	175,000	-	175,000

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	2022		2021	
	<i>Interest Receivable</i>	<i>Principal</i>	<i>Interest Receivable</i>	<i>Principal</i>
Misool Eco Resort, in the original 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 achievement of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. Interest revenue was \$140 and \$-0- in 2022 and 2021, respectively.	-	130,000	-	175,000
WearWare, Inc. DBA FlyWire, in the maximum principal amount of \$350,000, bears 1% simple interest, with outstanding principal and interest due by August 31, 2028. The lender may forgive up to 50% 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 achievement of loan forgiveness benchmarks specified in the loan agreement. Interest shall only be accrued on the non-forgiven portion of the principal. Interest revenue was \$-0- in 2022.	-	350,000	-	-
Total	12,716	5,285,999	18,617	3,793,992
Less: current portion	(12,716)	(493,249)	(18,617)	(220,519)
Non-current portion	\$ -	\$ 4,792,750	\$ -	\$ 3,573,473

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, 2022 or 2021.

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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.

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:

	2022		2021	
	<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. Interest expense was \$25,235 and \$23,957 in 2022 and 2021, respectively. Principal balance reflects prepayments of \$334,301 made in 2022. ⁽²⁾	\$ -	\$ 235,910	\$ -	\$ 666,799
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. Interest expense was \$7,099 and \$8,981 in 2022 and 2021, respectively. Principal balance reflects prepayments of \$334,301 made in 2022. ⁽²⁾	-	217,007	-	740,863

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	2022		2021	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Loan received from the David and Lucille Packard Foundation (Packard), in the original amount of \$668,602, bears zero interest. Minimum payments of 10% of total loan amount are due annually commencing January 2024 with all outstanding principal due by December 2029. ⁽²⁾	-	668,602	-	-
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 th 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. ⁽¹⁾ A final payment is due on September 18, 2028 for the amount of any principal outstanding and any accrued interest thereon. Interest expense was \$18,617 in both 2022 and 2021.	-	597,104	18,617	639,610

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	2022		2021	
	<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, bore 1% simple interest through 2020, and 2% simple interest thereafter. Effective on August 28, 2021, the interest rate was adjusted to 1% per annum from the date each Loan is made until it is repaid in full. 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. ⁽¹⁾ A final payment is due on December 31, 2026 for the amount of any principal outstanding and any accrued interest thereon. Interest expense was \$6,408 and \$7,151 in 2022 and 2021, respectively.	-	579,295	7,151	750,000
Loan received from Impact Assets in June 2022 for Downstream Loan to Central Coast Commercial Fisheries Limited Partnership, in the original amount of \$1,500,000, bears 3% per annum, compounded annually. Payments of principal and interest are due semi-annually commencing October 15, 2022 in the amount of \$131,583 in accordance with a 6-year amortization schedule, with all outstanding principal and interest due by September 18, 2028. Interest expense was \$11,126 in 2022.	-	1,423,401	-	-
Total	-	3,721,319	25,768	2,797,272
Less: current portion	-	(675,106)	(25,768)	(348,799)
Non-current portion	\$ -	\$ 3,046,213	\$ -	\$ 2,448,473

⁽¹⁾ During 2021, principal payments received for notes receivable did not flow through to the notes payable due to timing difference.

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- (2) In 2022, Multiplier received a \$668,602 loan from the David and Lucille Packard Foundation. Proceeds from the loan were used to prepay a portion of the Downstream Loan to Cape Cod Commercial Fishermen’s Alliance, Inc. and Gulf of Mexico Fishery Quota Holdings LLC.

Principal payments on notes payable, excluding Local Fish Fund2 LLC and Alaska Sustainable Fisheries Trust, Inc. notes, for the next five years are estimated as follows.

2023	\$ 675,106
2024	692,463
2025	683,752
2026	485,959
2027	408,556

Cape Cod Commercial Fishermen’s Alliance, Inc. and Gulf of Mexico Fishery Quota Holdings LLC notes are subject to receipts of repayments of Downstream Loans.

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.

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.

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 in 2021 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, 2021</i>	<i>Contributions</i>	<i>Releases from Restrictions</i>	<i>December 31, 2022</i>
Healthy Planet and People	\$ 5,455,714	\$ 4,799,997	\$ (5,978,884)	\$ 4,276,827
Resilient Communities	2,674,657	7,968,005	(3,705,197)	6,937,465
Sustainable, Equitable Economies	16,639,034	11,560,851	(13,033,880)	15,166,005
Secure Natural Resources	6,094,835	27,740,943	(10,177,083)	23,658,695
Multiplier CORE	-	1,449	(1,449)	-
Total	\$ 30,864,240	\$ 52,071,245	\$ (32,896,493)	\$ 50,038,992

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	<i>December 31, 2020</i>	<i>Contributions</i>	<i>Releases from Restrictions</i>	<i>December 31, 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	<u>\$ 23,602,728</u>	<u>\$ 34,875,704</u>	<u>\$ (27,614,192)</u>	<u>\$ 30,864,240</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.

There were no grant funds returned to the funder in 2022. In 2021, \$81,917 of grant funds were returned to the funder and included as a reduction of foundation grants in the accompanying statements of activities.

NOTE 10 – IN-KIND CONTRIBUTIONS

Multiplier received contributed services as follows:

<u>Type</u> <u>Benefited Project</u>	2022	2021
<u>Professional Legal and Compliance Services</u>		
FieldKit	\$ -	\$ 25,860
Multiplier CORE	-	73,353
WaterNow Alliance	6,523	39,193
Reparation Generation	5,100	-
<u>Program Management Services</u>		
All We Can Save Project	-	12,450
<u>Sponsored Content</u>		
All We Can Save Project	100,000	-
Total	<u>\$ 111,623</u>	<u>\$ 150,856</u>

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Multiplier recognized contributed nonfinancial assets within revenue, including professional legal and compliance services, program management services, and sponsored content. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed professional legal and compliance services recognized comprise professional services from attorneys and compliance specialists advising Multiplier on various legal and compliance matters. Contributed professional legal and compliance services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed program management services recognized comprise professional services from management consultants advising Multiplier on various program management matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar program management services.

Contributed sponsored content recognized comprises content created and placed on Multiplier's behalf. Contributed sponsored content is valued and is reported at the estimated fair value in the financial statements based on current rates for similar content creation and placement.

NOTE 11 – CONDITIONAL PROMISES TO GIVE

Multiplier receives conditional grants. 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, 2022 and 2021:

<i>Project</i>	<i>Grant Awarded through 2022</i>	<i>Conditional Balance 2022</i>	<i>Grant Awarded through 2021</i>	<i>Conditional Balance 2021</i>
Azul	\$ 500,000	\$ 250,000	\$ -	\$ -
Catch Together	583,683	416,915	1,133,833	500,300
Certifications and Ratings Collaboration	750,000	300,000	-	-
Conservation Alliance for Sustainable Seafood	800,000	200,000	800,000	500,000
Future of Fish	2,250,000	275,000	2,250,000	950,000
Global Cool Cities Alliance	-	-	250,000	10,000
Global Dialogue on Seafood Traceability	-	-	300,000	100,000
Intertidal Agency	180,000	48,000	-	-
Kitchen Table Advisors	-	-	250,000	109,000
Mobius	-	-	250,000	75,000
Multiplier CORE	-	-	1,752,626	535,800
Net Gains Alliance	-	-	663,000	363,000
New York Energy Democracy Alliance	300,000	100,000	300,000	200,000
Ocean Sewage Alliance	700,000	100,000	700,000	200,000
Project Wayfinder	650,000	325,000	775,000	325,000
RIPE Roadmap	-	-	500,000	250,000
WaterNow Alliance	-	-	450,000	-
Total		<u>\$ 2,014,915</u>		<u>\$ 4,118,100</u>

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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, 2022 and 2021:

<i>Awarding Agency</i>	<i>Grant Awarded through 2022</i>	<i>Conditional Balance 2022</i>	<i>Grant Awarded through 2021</i>	<i>Conditional Balance 2021</i>
U.S. Department of Agriculture ⁽¹⁾	\$ 3,188,963	\$ 2,046,080	\$ 2,371,702	\$ 1,492,836
U.S. Fish and Wildlife Service	200,000	43,498	200,000	168,415
U.S. Endowment for Forestry & Communities, Inc.	335,000	301,918	219,976	139,750
U.S. Department of the Interior Bureau of Land Management	179,999	111,755	73,333	55,396
U.S. Department of the Interior National Park Service ⁽²⁾	46,619	31,351	-	-
U.S. Department of Treasury ⁽³⁾	93,769	74,046	-	-
U.S. Environmental Protection Agency ⁽⁴⁾	108,670	61,709	-	-
California Department of Food and Agriculture ⁽⁵⁾	670,470	274,112	431,100	313,507
State of Colorado	139,235	35,481	213,666	135,713
County of Los Angeles	127,000	87,320	127,000	110,596
City of Berkeley	-	-	100,000	7,250
Santa Clara Valley Water District	-	-	86,732	12,584
Eagle River Water and Sanitation District	-	-	15,576	10,978
National Science Foundation ⁽⁶⁾	250,463	185,675	838,275	565,861
Agricultural Institute of Marin	-	-	16,500	5,500
Total		<u>\$ 3,252,945</u>		<u>\$ 3,018,386</u>

⁽¹⁾ Includes a sub-award of \$678,307 through Montana State University

⁽²⁾ A sub-award of \$46,619 through The Conservation Fund

⁽³⁾ A sub-award of \$93,769 through the City of Tucson

⁽⁴⁾ Includes sub-awards of \$40,000 and \$68,670 through Rural Community Assistance Partnership and American Water Works Association, respectively.

⁽⁵⁾ Includes a sub-award of \$50,000 through California Association of Resource Conservation Districts

⁽⁶⁾ Includes a sub-award of \$250,463 through University of Illinois

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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 2022 and 2021:

<i>Project</i>	<i>Grant Awarded through 2022</i>	<i>Conditional Balance 2022</i>	<i>Grant Awarded through 2021</i>	<i>Conditional Balance 2021</i>
Certifications and Ratings				
Collaboration	\$ 600,000	\$ 301,557	\$ 481,000	\$ -
Climate Resilience Fund	450,000	85,000	300,000	60,000
Future of Fish	1,282,019	563,952	1,282,019	1,019,772
Global Dialogue on Seafood				
Traceability	1,073,895	-	1,097,113	438,713
Intertidal Agency	158,500	-	158,500	126,800
MarViva Foundation	155,791	30,080	155,791	30,080
Sea Pact	9,800	-	9,800	3,800
Total		<u>\$ 980,589</u>		<u>\$ 1,679,165</u>

NOTE 12 – RETIREMENT PLAN

In 2021, Multiplier had a Simple IRA matching retirement plan which was offered to all employees who met eligibility requirements. Multiplier contributed a dollar for dollar match up to 3% of the employee's compensation.

Effective January 2022, Multiplier has a 401(K) retirement plan that is offered to all employees who meet eligibility requirements. Multiplier matches contributions dollar for dollar up to 3% of the employee's compensation and 50 cents on the dollar up to the next 1% of the employee's compensation.

Employer contributions for 2022 and 2021 were \$439,684 and \$265,810, respectively.

NOTE 13 – OPERATING LEASE COMMITMENTS

Office Leases

Multiplier has two (2) non-cancellable operating lease arrangements for its facilities. One lease has a remaining lease term of up to two (2) years, which includes an option to extend for either one (1) or two (2) year period. Due to the nominal rent amounts, the ROU assets and lease liabilities are not recognized. The space rental expenses under operating lease agreements for 2022 totaled \$35,415. Rent expense in 2021, prior to adopting of the new lease standards, was \$38,437.

Multiplier also incurred other rental expenditures that were under either month to month or other temporary arrangements during 2022 and 2021 totaled \$167,861 and \$138,818, respectively.

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

	<i>Year Ending December 31,</i>
2023	\$ 89,664
2024	84,044

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 recorded the costs of constructing the improvements as ground lease acquisition costs.

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.

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.

	2022			2021		
	<i>Management and General</i>	<i>Program</i>	<i>Total</i>	<i>Management and General</i>	<i>Program</i>	<i>Total</i>
Cash and investments ⁽¹⁾	\$ 3,472,451	\$ 44,655,421	\$ 48,127,872	\$ 4,136,214	\$ 27,484,262	\$ 31,620,475
Current receivables	762,508	7,558,565	8,321,073	627,694	5,080,140	5,707,835
Total	\$ 4,234,959	\$ 52,213,986	\$ 56,448,945	\$ 4,763,908	\$ 32,564,402	\$ 37,328,310

⁽¹⁾ Cash and investments exclude \$57,755 of real estate investment trust assets that are not liquid.

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 \$3.3 million and \$2.3 million in 2022 and 2021, respectively. Project spending is controlled and limited to the funds designated for and restricted to each unique project. For liquidity management, 100% of invested project cash is in government money market funds, and Multiplier invests management and general cash in both government money market and short-term treasury instruments. Multiplier also invests liquid financial assets for management and general in stocks, fixed income securities and real estate investment trusts.

MULTIPLIER
(A California Nonprofit Public Benefit Corporation)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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 (2) banks and one (1) brokerage firm. Multiplier's cash balance at one (1) bank exceeded the FDIC limit by approximately \$501,000 at December 31, 2022. Multiplier had \$47,350,218 and \$30,731,948 with one brokerage firm at December 31, 2022 and 2021, respectively. Multiplier has not experienced any losses in its bank and brokerage firm accounts.

NOTE 16 – COMMITMENTS, CONTINGENCIES, AND OTHER

During normal course of operation, a personnel matter arose in 2021 that required engagement of legal counsel in 2022. There was a final settlement of the matter in December 2022, with net cost of \$10,000.

NOTE 17 – MULTIPLIER PROGRAMS AND PROJECTS

Multiplier provided operational, administrative, programmatic, financial and capacity-building services designed to incubate and accelerate program capacity for 59 and 56 local, regional, national and international projects during 2022 and 2021, respectively. The programs and projects are listed in alphabetical order below:

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.

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.

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.

MULTIPLIER
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

Clean Grid Initiative seeks to accelerate transmission expansion planning and clean energy deployment to enable a transition to carbon free power by 2035. (2022 only)

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.

Climate Safe Lending Network is dedicated to accelerating the decarbonization of the banking sector to secure a climate-safe world. (2022 only)

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. (2021 only)

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.

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.

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.

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.

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.

MULTIPLIER
(A California Nonprofit Public Benefit Corporation)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Fisheries Governance seeks to advance solutions at the intersection of fisheries governance and labor/human rights. (2022 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.

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.

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.

MULTIPLIER
(A California Nonprofit Public Benefit Corporation)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

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.

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

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. (2021 only)

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 and Fisheries Emerging Technologies explores the latest emerging technologies addressing supply chain traceability and transparency with focus on how technology can leverage market pressure against illegal fishing and human rights abuses in the seafood supply chain. (2022 only)

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

MULTIPLIER
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Special Initiative on Offshore Wind provides expertise, analysis, information sharing, and strategic partnership with industry, advocacy, and government stakeholders to drive the sustainable and responsible deployment of offshore wind. (2022 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.

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.

Turn Forward aims to increase momentum for policies and projects that significantly expand offshore wind power in the United States. (2022 only)

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.

WaterNow Alliance 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 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. (2021 only)

SUPPLEMENTARY INFORMATION

MULTIPLIER

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Agency or Pass- Through Number</i>	<i>Federal Expenditures</i>	<i>Expenditures to Subrecipients</i>
Research and Development Cluster:				
<u>U.S. National Science Foundation:</u>				
<i>Passed through the University of Illinois</i>				
Engineering				
Collaborative Research: ECO-CBET: From Molecules to Sustainable Reef				
Platforms: Engineering Ecosystems for Coral Recruitment and Survival	47.041	105748-18734	\$ 52,681	\$ -
Biological Sciences				
Convergence: RAISE Engineering Coral Reef Recovery	47.074	092779-17192	26,334	-
Total U.S. National Science Foundation			79,015	-
<u>U.S. Department of Agriculture:</u>				
<i>Passed through California Association of Resource Conservation Districts</i>				
Specialty Crop Block Grant Program – Farm Bill				
Helping Growers Adapt to COVID-19 Impacts by Strengthening				
Coordinated Business Planning and Environmental Technical Assistance	10.170	21SCBPCA11110	18,515	-
<i>Passed through the Montana State University</i>				
Sustainable Agriculture Research and Education				
Can We Manage Rangelands for Producers and the Environment? Using				
Grazing-Duration to Balance Livelihoods, Clean Water, Sage-Grouse				
Habitat, and Sustainable Forage	10.215	G248-19-W7500	118,165	-
Using Grazing-Duration to Balance Livelihoods, Clean Water, Sage-Grouse				
Habitat, and Sustainable Forage	10.215	G149-23-W9981	3,084	-
			121,249	-
<i>Direct Awards</i>				
Agriculture and Food Research Initiative				
Using Innovative Livestock Grazing Systems to Manage Multiple				
Riparian-Based Ecosystem Services on Public Rangelands	10.310	2019-67019-29953	75,173	-
Managing Grazing to Benefit Soil and Riparian Ecosystem Services in				
Semi-arid Rangelands	10.310	2022-67019-37134	61,720	-
			136,893	-
Total U.S. Department of Agriculture			276,657	-
Total research and development cluster			355,672	-
CDBG – Entitlement Grants Cluster				
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed through the County of Los Angeles</i>				
Community Development Block Grants/Entitlement Grants				
Project Equity - East Los Angeles	14.218	602173-19	22,691	-
Total U.S. Department of Housing and Urban Development			22,691	-
Total CDBG – Entitlement Grants Cluster			22,691	-

MULTIPLIER

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Agency or Pass-Through Number</i>	<i>Federal Expenditures</i>	<i>Expenditures to Subrecipients</i>
<u>U.S. Department of Agriculture:</u>				
<i>Passed through California Association of Resource Conservation Districts</i>				
Specialty Crop Block Grant Program – Farm Bill				
Expanding Farmer to Consumer Relationships At Faith Community Sites in the San Francisco Bay Area	10.170	AM200100XXXXG032	102,842	-
<i>Direct Awards</i>				
Farmers Market and Local Food Promotion Program				
Supply Change: Value Chain Innovations for a More Just and Resilient Northern California Marketplace	10.175	21LFPPCA1035-00	167,000	-
Outreach Education and Technical Assistance				
Growing Black, Latinx, and Asian Farmers	10.147	FSA21CPT0011954	20,772	-
Forest Legacy Program				
Conservation Finance Technical Assistance	10.676	22-DG-11132544-067	1,352	-
Total U.S. Department of Agriculture			291,966	-
<u>U.S. Department of Commerce:</u>				
<i>Direct Awards</i>				
Climate and Atmospheric Research				
Coordination and Collaboration in the Resilience Ecosystem Competitive Grants Program	11.431	NA20OAR4310257	202,337	15,000
Total U.S. Department of Commerce			202,337	15,000
<u>U.S. Department of Interior:</u>				
<i>Direct Awards</i>				
Fisheries and Aquatic Resources Management				
UT Improving Riparian Ecosystem Services at a Watershed Scale Using an Innovative Grazing System	15.244	L20AC00202-02	50,307	-
Latin America and Caribbean Regional				
Strengthening Indigenous Conservation Capacity in the Yurya Region of Peru	15.640	F21AP03390-00	124,917	-
<i>Passed through The Conservation Fund</i>				
Chesapeake Bay Gateways Network				
Conservation Finance Capacity Building to Accelerate Outdoor Recreation & Conservation in the Chesapeake Bay Watershed	15.930	P20AC00414	15,268	-
Total U.S. Department of Interior			190,492	-
<u>U.S. Department of Treasury:</u>				
<i>Passed through The City of Tucson</i>				
Coronavirus State and Local Fiscal Recovery Funds				
Small Business Retention Through Employee Ownership	21.027	APRAFY22-384402	21,731	-
Total U.S. Department of Treasury			21,731	-
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through Rural Community Assistance Partnership, Inc.</i>				
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act				
Training and Technical Assistance to Improve Water Quality and Enable Small Public Water Systems to Provide Safe Drinking Water	66.424	84025001	29,425	-
<i>Passed through American Water Works Association</i>				
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)				
Transformative Water Leadership Academy	66.445	84035401	17,536	-
Total U.S. Environmental Protection Agency			46,961	-
Total expenditures of federal awards			\$ 1,131,850	\$ 15,000

MULTIPLIER

(A California Nonprofit Public Benefit Corporation)

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activities of Multiplier under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The purpose of the Schedule is to present a summary of those activities of Multiplier for the year ended December 31, 2022, which have been financed by the U.S. Government. For purposes of the Schedule, federal awards include all federal assistance entered into directly and indirectly between Multiplier and the federal government.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Multiplier elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

MULTIPLIER

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered
to be material weakness(es)?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered
to be material weakness(es)?

_____ Yes X None reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with Section 200.516 of the Uniform Guidance?

_____ Yes X No

Identification of major programs:

Name of Federal Program or Cluster

AL# 47.041

R&D Cluster – Engineering

AL# 47.074

R&D Cluster – Biological Sciences

AL# 10.170

R&D Cluster – Special Crop Block Grant
Program – Farm Bill

AL# 10.215

R&D Cluster – Sustainable Agriculture
Research and Education

AL# 10.310

R&D Cluster – Agriculture and Food
Research Initiative

AL# 11.431

Climate and Atmospheric Research

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Section II – Financial Statement Findings

None noted.

Section II – Financial Statement Findings

None noted.



Board of Directors
Multiplier
San Francisco, California

CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE

SHERMAN G. LEONG
KYLE F. GANLEY

**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, 2022, 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 September 30, 2023.

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

September 30, 2023



Board of Directors
Multiplier
San Francisco, California

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Multiplier's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Multiplier's major federal programs for the year ended December 31, 2022. Multiplier's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Multiplier complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Multiplier and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Multiplier's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provision of contracts or grant agreements applicable to Multiplier's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Multiplier's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Multiplier's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Multiplier's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Multiplier's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Multiplier's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sindquist, von Husen and Joyce LLP

September 30, 2023