

International Conservation Fund Corporation

Financial Report
December 31, 2020

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Independent Auditor's Report

To the Board of Directors
International Conservation Fund Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of International Conservation Fund Corporation, which comprise the statement of financial position as of December 31, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Conservation Fund Corporation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Haley & Woods, LLP

September 16, 2021

International Conservation Fund Corporation

Statement of Financial Position

December 31, 2020

Assets

Current assets:

Cash	\$ 47,584
Pledges receivable	<u>9</u>

Total assets	\$ 47,593
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Liabilities and Net Assets

Current liabilities:

Accounts payable	<u>\$ 1,176</u>
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Total liabilities	<u>1,176</u>
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Net assets:

Without donor restrictions:

Undesignated	14,481
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With donor restrictions	<u>31,936</u>
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<u>46,417</u>

Total liabilities and net assets	\$ 47,593
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See notes to financial statements.

International Conservation Fund Corporation

Statement of Activities

Year Ended December 31, 2020

Changes in net assets without donor restrictions:

Support and revenue:

Donations \$ 24,129

Net assets released from restrictions 470,327

494,456

Expenses:

Program services 476,607

Supporting services:

General and administrative 1,552

Fundraising 1,703

479,862

Increase in net assets without donor restrictions 14,594

Changes in net assets with donor restrictions:

Support and revenue:

Donations 498,943

Net assets released from restrictions

Restrictions satisfied by expenditures made (470,327)

Increase in net assets with donor restrictions 28,616

Increase in net assets 43,210

Net assets:

Beginning of year 3,207

End of year \$ 46,417

See notes to financial statements.

International Conservation Fund Corporation

**Statement of Functional Expenses
Year Ended December 31, 2020**

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>
Grants	\$ 476,607	\$ -	\$ -	\$ 476,607
Bank fees	-	73	1,118	1,191
Professional fees	-	1,093	-	1,093
Public relations	-	-	585	585
Supplies	-	198	-	198
Computer	-	188	-	188
Total expenses	\$ 476,607	\$ 1,552	\$ 1,703	\$ 479,862

See notes to financial statements.

International Conservation Fund Corporation

Statement of Cash Flows

Year Ended December 31, 2020

Cash flows from operating activities:	
Increase in net assets	\$ 43,210
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Prepaid expenses	234
Accounts payable	<u>(4,128)</u>
Net cash provided by operating activities	<u>39,316</u>
Net increase in cash	39,316
Cash:	
Beginning of year	<u>8,268</u>
End of year	<u><u>\$ 47,584</u></u>

See notes to financial statements.

International Conservation Fund Corporation

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization: International Conservation Fund Corporation (Organization) is a nonprofit corporation organized under the laws of the state of Massachusetts on May 3, 2019. The Organization is a U.S. based, volunteer-run 501(c)(3) charity dedicated to conserving natural ecosystems and species in the tropics and other priority areas. They provide direct action to reduce threats and conserve terrestrial and marine ecosystems in Latin America, Asia and Africa. The Organization works in partnership with the International Conservation Fund of Canada, which in turn works with capable field partners based in the areas where they work.

Financial statement presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities: Presentation of Financial Statements. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are amounts which are currently available at the discretion of the Organization for use in their operations. Net assets with donor restrictions are amounts which are restricted by donors for specific operating purposes or future periods. In addition, the Organization is required to present a statement of cash flows. As permitted by FASB ASC 958-205, the Organization does not use fund accounting.

Revenue recognition: The Organization is supported through individual contributions. Contributions (donations) are recognized when the donor makes a gift or a promise to give to the Organization that is, in substance, unconditional. All public support and revenue are considered to be available for program or supporting services unless specifically restricted by the donor.

No amounts have been reflected in the accompanying financial statements for donated services. However, individuals volunteer their time and perform tasks that assist the Organization with program and support services.

Donated investments and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Recognition of donor restrictions: The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions.

The Organization reports gifts of land, building and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the cost is incurred rather than when cash for pledges is collected.

International Conservation Fund Corporation

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all liquid investments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2020.

Pledges receivable: Pledges receivable or unconditional promises to give are recognized as revenue in the period received and are recorded at their discounted net present value less an estimate made for uncollectible pledges. Management determines the allowance for uncollectible pledges by identifying troubled pledges and by using historical experience. Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded when received. All pledges receivable were considered collectible at December 31, 2020.

Functional expenses: The costs of providing the program, fundraising and support services have been summarized on a functional basis in the accompanying statement of activities and in the statement of functional expenses. However, all costs are direct expenses. Accordingly, no costs have been allocated.

Income taxes: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and is not classified as a private foundation. The Organization pays income taxes on gross income from any unrelated trade or business income less direct expenses. There was no income tax paid on such unrelated trade or business income for the year ended December 31, 2020.

The Organization files a tax return in the United States (U.S.) federal jurisdiction. The Board of Directors evaluated the Organization's tax position and concluded that the Organization has not entered into any events or transactions that would disqualify its tax-exempt status or has not taken any uncertain tax positions that would cause the Organization to incur income taxes or penalties at the entity level.

Recent accounting pronouncements: In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services and unconditional promises of those assets. A not-for-profit entity also is required to disclose contributed nonfinancial assets received disaggregated by category that depicts the type of contributed nonfinancial assets as well as other expanded disclosures. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact the pending adoption of the new standard will have on its financial statements.

Subsequent events: Subsequent events have been evaluated through September 16, 2021, which is the date the financial statements were available for issuance.

International Conservation Fund Corporation

Notes to Financial Statements

Note 2. Liquidity

As of December 31, 2020, the Organization had financial assets available within one year of the statement of financial position date for general expenditures as follows:

Cash	\$	47,584
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions		(31,936)
	\$	<u>15,648</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, operating revenue generated throughout the year is budgeted to cover general operating expenditures.

Note 3. Concentrations

During the year ended December 31, 2020, \$400,000 of donations were contributed by two individuals on the Board. In addition, 100% of the program services expenses were paid to International Conservation Fund of Canada.

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as specified by the donor:

Kayapo - Xingu & Iriri guard posts	\$	19,085
Kayapo project		11,731
WHSG conference		550
Marine conservation Cambodia		300
Land acquisition		250
Shorebird conservation initiative		20
	\$	<u>31,936</u>

Note 5. Net Assets Released from Restrictions

Net assets were released from donor restrictions during the year ended December 31, 2020 by satisfying specified donor restricted purposes as follows:

Land acquisition	\$	300,130
Bangladesh/Myanmar spoon-billed sandpiper		50,000
Chile Maullin coastal wetlands		50,000
Kayapo project		45,372
Marine conservation Cambodia		20,525
Shorebird conservation initiative		3,300
Laikipia nature conservancy		1,000
	\$	<u>470,327</u>

International Conservation Fund Corporation

Notes to Financial Statements

Note 6. Risks and Uncertainties

The Organization maintains cash at financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Covid-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Organization's customers and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic.