

# **International Conservation Fund Corporation**

Financial Report  
December 31, 2022

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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 (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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). 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 the Organization 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 opinion.

### 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

### 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 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 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, 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 the Organization'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 the Organization'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.

*Haley & Woods, LLP*

Birmingham, Alabama  
August 24, 2023

**International Conservation Fund Corporation**

**Statements of Financial Position  
December 31, 2022 and 2021**

	<b>2022</b>	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 205,306	\$ 27,352
Pledges receivable	21	-
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 205,327</b>	<b>\$ 27,352</b>
	<hr/>	<hr/>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 1,657	\$ 2,352
Grants payable	100,000	-
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>101,657</b>	<b>2,352</b>
	<hr/>	<hr/>
Net assets:		
Without donor restrictions:		
Undesignated	25,049	22,592
With donor restrictions	78,621	2,408
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<b>Total liabilities and net assets</b>	<b>\$ 205,327</b>	<b>\$ 27,352</b>
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See notes to financial statements.

**International Conservation Fund Corporation**

**Statements of Activities**

**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Changes in net assets without donor restrictions:		
Support and revenue:		
Contributions and grants	\$ 20,240	\$ 30,959
Net assets released from restrictions	<u>1,431,155</u>	258,655
	<u>1,451,395</u>	<u>289,614</u>
Expenses:		
Program services	1,434,155	270,914
Supporting services:		
General and administrative	11,414	8,088
Fundraising	<u>3,369</u>	2,501
	<u>1,448,938</u>	<u>281,503</u>
<b>Increase in net assets without donor restrictions</b>	<u>2,457</u>	8,111
Changes in net assets with donor restrictions:		
Support and revenue:		
Contributions and grants	1,507,368	229,127
Net assets released from restrictions		
Restrictions satisfied by expenditures made	<u>(1,431,155)</u>	(258,655)
<b>Increase (decrease) in net assets with donor restrictions</b>	<u>76,213</u>	<u>(29,528)</u>
<b>Increase (decrease) in net assets</b>	<b>78,670</b>	<b>(21,417)</b>
Net assets:		
Beginning of year	<u>25,000</u>	46,417
End of year	<u>\$ 103,670</u>	<u>\$ 25,000</u>

See notes to financial statements.

**International Conservation Fund Corporation**

**Statement of Functional Expenses  
Year Ended December 31, 2022**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total Expenses</b>
		<b>General and Administrative</b>	<b>Fundraising Expenses</b>	
Grants	\$ 1,434,155	\$ -	\$ -	\$ 1,434,155
Professional fees	-	10,017	-	10,017
Bank fees	-	339	1,649	1,988
Public relations	-	-	1,720	1,720
Computer	-	778	-	778
Supplies	-	280	-	280
<b>Total expenses</b>	<b>\$ 1,434,155</b>	<b>\$ 11,414</b>	<b>\$ 3,369</b>	<b>\$ 1,448,938</b>

See notes to financial statements.

International Conservation Fund Corporation

Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising Expenses	
Grants	\$ 270,914	\$ -	\$ -	\$ 270,914
Professional fees	-	7,143	-	7,143
Public relations	-	-	2,113	2,113
Computer	-	627	-	627
Bank fees	-	171	388	559
Supplies	-	147	-	147
<b>Total expenses</b>	<b>\$ 270,914</b>	<b>\$ 8,088</b>	<b>\$ 2,501</b>	<b>\$ 281,503</b>

See notes to financial statements.



**International Conservation Fund Corporation**

**Statements of Cash Flows**

**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 78,670	\$ (21,417)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Pledges receivable	(21)	9
Accounts payable	(695)	1,176
Grants payable	100,000	-
<b>Net provided by (used in) operating activities</b>	<b>177,954</b>	<b>(20,232)</b>
<b>Net increase (decrease) in cash</b>	<b>177,954</b>	<b>(20,232)</b>
Cash:		
Beginning of year	27,352	47,584
End of year	<b>\$ 205,306</b>	<b>\$ 27,352</b>

See notes to financial statements.

## International Conservation Fund Corporation

### Notes to Financial Statements

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#### 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 in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Cash and cash equivalents:** The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. There were no cash equivalents at December 31, 2022 and 2021.

**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, 2022.

**Net assets:** Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue recognition:** The Organization recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**Donated services and in-kind contributions:** Volunteers contribute significant amounts of time to program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed nonfinancial assets are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021, respectively.

## International Conservation Fund Corporation

### Notes to Financial Statements

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

**Functional allocation of expenses:** The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. All costs are direct expenses, and accordingly, no costs have been allocated.

**Income taxes:** The Organization is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

**Financial instruments and credit risk:** The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2022 and 2021, no amounts of cash were in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and foundations supportive of the Organization's mission.

**Recently adopted accounting pronouncement:** Effective January 1, 2022, the Organization adopted FASB 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. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The adoption of ASU 2020-07 did not have a significant impact on the Organization's financial statements.

**Subsequent events:** Subsequent events have been evaluated through August 24, 2023, which is the date the financial statements were available for issuance.

## International Conservation Fund Corporation

### Notes to Financial Statements

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#### Note 2. Liquidity

As of December 31, 2022 and 2021, the Organization had financial assets available within one year of the statements of financial position date for general expenditures as follows:

	2022	2021
Cash	\$ 205,306	\$ 27,352
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(78,621)	(2,408)
	<u>\$ 126,685</u>	<u>\$ 24,944</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 years ended December 31, 2022 and 2021, \$1,285,000 and \$186,000, respectively, of contributions and grants were contributed by five and two individuals or organizations, respectively. 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 at December 31, 2022 and 2021:

	2022	2021
Peru: Lovejoy Garden	\$ 50,000	\$ -
Kayapo - Xingu & Iriri guard posts	22,065	1,081
Southeast Asia - spoon-billed sandpiper	1,736	-
Ecuador - saving the Choco	1,100	-
Shorebird conservation initiative	1,020	50
Belize - NGO presenter	1,000	-
Panama - indigenous-led conservation (Maje mountains)	1,000	-
Cambodia - marine conservation	560	5
Land acquisition	50	250
WHSG conference	50	140
Kayapo project	40	777
Nepal - red panda	-	75
Andean Amazon deforestation alerts	-	30
	<u>\$ 78,621</u>	<u>\$ 2,408</u>

## International Conservation Fund Corporation

### Notes to Financial Statements

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#### Note 5. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the year ended December 31, 2022 and 2021:

	2022	2021
Kayapo - Xingu & Iriri guard posts	\$ 941,424	\$ 74,621
Peru - ConBio fellowships	265,000	-
Chile - Maullin coastal wetlands	100,000	50,000
Southeast Asia - spoon-billed sandpiper	68,264	66,000
Malawi - sustainable fishery	20,000	20,000
Brazil - Kayapo summer intern program	13,500	-
Shorebird conservation initiative	12,620	170
Cambodia - marine conservation	7,605	2,595
Mexico - Vaquita porpoise	865	-
Kayapo project	857	42,064
WHSG conference	430	550
Land acquisition	275	250
Peru - Los Amigos Conservation Commission	110	-
Costa Rica - Osa Ridge to Reef	100	-
Nepal - red panda	75	-
Andean Amazon deforestation alerts	30	100
Panama - indigenous-led conservation (Maje mountains)	-	2,105
Kenya - Maasai Community Vulture Sanctuary	-	150
Madagascar - Rabondro reserve and lemurs	-	50
	<u>\$ 1,431,155</u>	<u>\$ 258,655</u>