



CONSERVATION COUNCIL OF NATIONS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2024

(With Summarized Comparative Information for the Year Ended December 31, 2023)

CONSERVATION COUNCIL OF NATIONS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Conservation Council of Nations
Washington, DC

Opinion

We have audited the accompanying financial statements of Conservation Council of Nations (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conservation Council of Nations as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Conservation Council of Nations (the Organization) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
August 20, 2025

CONSERVATION COUNCIL OF NATIONS

Statement of Financial Position

December 31, 2024

(With Summarized Comparative Information for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 789,232	\$ 53,025
Grants and contributions receivable	294,845	1,253,533
Advances, prepaid expenses, and other assets	<u>50,268</u>	<u>105,310</u>
Total assets	<u>\$ 1,134,345</u>	<u>\$ 1,411,868</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 106,632	\$ 133,676
Refundable advances	934,104	534,494
Due to International Conservation Caucus Foundation	<u>777,307</u>	<u>1,014,744</u>
Total liabilities	<u>1,818,043</u>	<u>1,682,914</u>
Net Assets		
Without donor restrictions (deficit)	(791,826)	(652,770)
With donor restrictions	<u>108,128</u>	<u>381,724</u>
Total net assets (deficit)	<u>(683,698)</u>	<u>(271,046)</u>
Total liabilities and net assets	<u>\$ 1,134,345</u>	<u>\$ 1,411,868</u>

CONSERVATION COUNCIL OF NATIONS

Statement of Activities

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions:				
Project cooperation agreements	\$ 2,954,328	\$ -	\$ 2,954,328	\$ 2,002,044
Contributions and grants	1,914,686	-	1,914,686	1,875,359
Grants from International Conservation Caucus Foundation	375,000	-	375,000	160,000
Federal grants	116,142	-	116,142	722,530
Sponsorships and other income	115,000	-	115,000	25,055
Net assets released from restrictions:				
Satisfaction of purpose restrictions	273,596	(273,596)	-	-
Total revenue and support	5,748,752	(273,596)	5,475,156	4,784,988
Expenses				
Program services	5,121,155	-	5,121,155	4,356,909
Supporting services:				
General and administrative	673,833	-	673,833	735,033
Fundraising	92,820	-	92,820	52,110
Total expenses	5,887,808	-	5,887,808	5,144,052
Change in Net Assets	(139,056)	(273,596)	(412,652)	(359,064)
Net Assets (deficit), beginning of year	(652,770)	381,724	(271,046)	88,018
Net Assets (deficit), end of year	<u>\$ (791,826)</u>	<u>\$ 108,128</u>	<u>\$ (683,698)</u>	<u>\$ (271,046)</u>

See accompanying notes.

CONSERVATION COUNCIL OF NATIONS

Statement of Functional Expenses

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024			2023	
	Program	Supporting Services		Total	Total
	Services	General and Administrative	Fundraising		
Professional fees	\$ 2,283,679	\$ 73,278	\$ -	\$ 2,356,957	\$ 1,192,447
Salaries, benefits, and taxes	1,091,104	508,573	82,126	1,681,803	1,410,381
Equipment rental for program	867,052	-	-	867,052	867,624
Conferences, meetings, and events	308,302	10,368	20	318,690	314,635
Travel and transportation	312,095	2,647	186	314,928	575,084
Communication, telephone, internet, and publications	59,570	27,729	4,482	91,781	88,150
Office expenses	37,671	17,533	2,834	58,038	102,633
Grant awards	74,151	-	-	74,151	15,090
Occupancy	31,489	14,658	2,369	48,516	47,669
Training	29,344	-	-	29,344	19,184
Bank service charges	5,066	14,075	-	19,141	42,166
Insurance	10,679	4,972	803	16,454	35,884
Subgrant	-	-	-	-	400,000
Bad debt	-	-	-	-	14,364
Other expenses	10,953	-	-	10,953	18,741
Total Expenses	\$ 5,121,155	\$ 673,833	\$ 92,820	\$ 5,887,808	\$ 5,144,052

See accompanying notes.

CONSERVATION COUNCIL OF NATIONS

Statement of Cash Flows

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (412,652)	\$ (359,064)
Adjustments to reconcile change in net assets to net cash provided by/used in operating activities:		
Change in operating assets and liabilities:		
Grants and contributions receivable	958,688	(120,286)
Advances, prepaid expenses, and other assets	55,042	(91,985)
Accounts payable and accrued expenses	(27,044)	(100,136)
Refundable advances	399,610	(221,082)
Due to International Conservation Caucus Foundation	<u>(237,437)</u>	<u>646,940</u>
Net cash provided by (used in) operating activities	<u>736,207</u>	<u>(245,613)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	736,207	(245,613)
Cash and Cash Equivalents, beginning of year	<u>53,025</u>	<u>298,638</u>
Cash and Cash Equivalents, end of year	<u>\$ 789,232</u>	<u>\$ 53,025</u>

See accompanying notes.

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

1. Nature of Operations

Conservation Council of Nations (the Organization) is a nonprofit organization, incorporated on July 7, 2010 in the State of Virginia. The Organization's mission is to build and maintain the world's strongest network of policymakers, corporations, and non-governmental organizations to promote the efficient and beneficial use of natural resources and effective transnational conservation solutions, including through its Natural Resource Wealth Management program initiatives.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Topic of the FASB ASC, 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* – Net assets not subject to donor-imposed stipulations which are currently available for operating purposes under the direction of management and the Board of Directors or designated by the Board of Directors for specific use.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. The Organization adopted the simultaneous release option for donor-restricted grants and contributions that are recognized and used within the same reporting period; therefore, these amounts are reported as without donor restrictions. Net assets with donor restrictions may also include net assets subject to donor-imposed stipulations that assets will be maintained permanently by the Organization. The Organization did not have any donor-imposed restrictions which are perpetual in nature as of December 31, 2024.

Support is reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) and changes in donor intent are reported as reclassifications between the applicable classes of net assets.

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

2. Summary of 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 requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include items that are readily convertible into cash and are stated at cost, which approximates fair value.

Grants and Contributions Receivable

Grants and contributions receivable included billed or unbilled amounts as of December 31, 2024 due for expenditures incurred in excess of payments received. The Organization evaluates its outstanding grants and contributions receivables for collectability and records an allowance for doubtful accounts when appropriate. Management believes all receivables are fully collectable at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

Contributions and Revenue Recognition

Support from individual contributions, grants, and contracts is recorded when unconditional contributions, which include unconditional promises to give (pledges), are received. Restricted contributions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when restrictions are met. When restricted contributions have restrictions that are satisfied in the same year as received, the contributions are reported as increases in net assets without donor restrictions.

Contributions due in future periods are considered as net assets with donor restrictions until the period in which they are due, at which time the net assets are released from donor restrictions. Contributions of property and equipment are recognized at fair value at the date of the contribution.

Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barriers and a right of return, are recognized as support and revenue once the conditions on which they depend are met.

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Contributions and Revenue Recognition (continued)

Revenue for the federal awards from the United States government and project cooperation agreements from the United Nations Environment Programme is recorded as revenue when the allowable expenditures are incurred in compliance with the grants and agreements. Revenue recognized on grants and contributions, which have not been received, is reflected as grants and contributions receivable on the accompanying statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances in the statement of financial position.

Functional Allocation of Expenses

The costs of providing programs and services are summarized on a functional basis in the accompanying financial statements. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts activities which benefit both its program objectives as well as supporting services. These costs, which are not attributable to a specific program or supporting activity, are allocated by management among program or supporting services benefited based on either financial or non-financial data, such as estimates of time and effort incurred by personnel. Expenses allocated include salaries and related expenses, communication, telephone, internet and publications, office expenses, occupancy, and insurance.

Income Taxes

The Organization is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code on income other than unrelated business income. No provision for income taxes is required as of December 31, 2024, since the Organization had no unrelated business income during the year. The Organization has been recognized by the IRS as a publicly supported organization and is not a private organization.

Management annually reviews its tax positions and has determined that there are no uncertain tax positions that are material to the financial statements.

Summarized Comparative Information

The accompanying financial statements are presented with certain comparative information from the prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

3. Grants and Contributions Receivable

Grants and contributions receivable consists of the following as of December 31, 2024:

Due within one year	
Project cooperation agreements	\$ 55,615
Other grants	156,973
Federal grants	<u>82,257</u>
Total contributions and grants receivable	<u>\$ 294,845</u>

4. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2024:

Subject of expenditures for specific purposes:	
To combat and educate illegal, unreported, and unregulated fishing	<u>\$ 108,128</u>

During the year ended December 31, 2024, net assets with donor restrictions were released for the following programs:

To combat and educate illegal, unreported, and unregulated fishing	\$ 260,439
Review of Re: Wild programs and the effects on people	<u>13,157</u>
Total net assets released from donor restrictions	<u>\$ 273,596</u>

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

5. Employee Benefit Plan

The Organization maintains a defined contribution plan (the Plan) pursuant to Section 401(k) of the Internal Revenue Code. The Plan covers all employees who meet the minimum age and service requirements. The Organization has elected to make matching contributions to the Plan, which totaled \$43,879 for the year ended December 31, 2024.

6. Related Parties

The Organization's CEO is also the President of the International Conservation Caucus Foundation (ICCF), which provides office space and administrative assistance to the Organization. ICCF is reimbursed for consulting services performed by their President and is also reimbursed for expenditures paid by ICCF on behalf of the Organization. During the year ended December 31, 2024, office rent totaling \$45,859 was paid by the Organization to ICCF in accordance with the short-term rental agreement. As of December 31, 2024, the Organization recorded a payable of \$777,307 due to the ICCF. During the year ended December 31, 2024, the Organization received grants totaling \$375,000 from ICCF.

7. Concentration Risks

Credit Risk

The Organization maintains its cash balances at financial institution deposit accounts which, at times, may exceed federally insured limits. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

Support

During the year ended December 31, 2024, the Organization received approximately 55% of total revenue from the United Nations Environment Programme under five separate agreements, and 19% of contributions support from one donor. Any significant reduction in funding from these grantors may impact the Organization's ability to carry out its programs and other activities.

In addition, amounts due from United Nations Environment Programme accounted for approximately 19% of the Organization's receivables at December 31, 2024.

8. Grants and Agreements Subject to Audit

Revenue from federal awards from the United States government and project cooperation agreements from the United Nations Environment Programme is recognized only to the extent of actual expenses incurred in compliance with the grants. Reimbursed costs are subject to audit and final determination of allowability by the Federal Government or the United Nations Environment Programme. There is the possibility that any amount received in excess of allowable costs would be required to be refunded. The Organization believes that no material liability would result from such an audit.

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

9. Management's Plans and Grant Funding Commitments

Management is implementing spending cuts and additional fundraising efforts in 2025 to improve the net assets without donor restrictions. As of December 31, 2024, the Organization has the following signed grant agreements and project cooperation agreements that have budgeted amounts available for spending and reimbursements in future years:

Other grants:

Support to stakeholders in Mongolia for the improvement of healthy forests and forest management	\$	17,711
Support to the International Alliance against Health Risks in Wildlife Trade		23,861
Support for project preparation to strengthen protected areas and financial sustainability in the Caribbean.		144,385

Project cooperation agreements:

International Waters Marine Governance		102,772
Advancing Conservation in Eastern Caribbean		337,486
Paraguay Food Systems, Land Use and Restoration (FOLUR) Impact Program		5,562,370
Policy Coherence for Global Environmental Benefits		1,411,801
Enhancing Political Will for Sustainable Protected Areas Financing		<u>1,496,496</u>

Total grants available for spending and reimbursement in future years	\$	<u><u>9,096,882</u></u>
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10. Liquidity and Funds Available

The Organization regularly monitors liquidity to meet its annual operating needs. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2024:

Cash and cash equivalents	\$	789,232
Grants and contributions receivable		<u>294,845</u>
Total financial assets		1,084,077
Less those unavailable for general expenditure within one year due to:		
Donor-imposed restrictions		<u>(108,128)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>975,949</u></u>

CONSERVATION COUNCIL OF NATIONS

Notes to Financial Statements

December 31, 2024

11. Subsequent Events

Management has evaluated events and transactions subsequent to the statement of financial position date for potential recognition or disclosure through August 20, 2025, which is the date the financial statements were available to be issued. In April 2025, the Organization received refundable payroll taxes under the Employee Retention Credit program for payroll taxes paid in prior years in the amount of \$142,574, which will be recorded as support during the year ended December 31, 2025. There were no other events or transactions which require recognition or disclosure.