INTERNATIONAL CONSERVATION
CAUCUS FOUNDATION

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITOR

DECEMBER 31, 2017
INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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November 5, 2018

REPORT OF INDEPENDENT AUDITOR

To the Board of Directors of
International Conservation Caucus Foundation
Washington, DC

Report of the Financial Statements

I have audited the accompanying financial statements of
International Conservation Caucus Foundation, which comprise the
statement of financial position as of December 31, 2017 and 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 the 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

My responsibility is to express an opinion on these financial
statements based on my audit. I conducted my audit in accordance
with auditing standards generally accepted in the United States of
America. Those standards require that I 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 risk 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Conservation Caucus Foundation as of December 31, 2017 and the changes in its net assets (deficit) and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Joseph J. Schmelzle,
Certified Public Accountant
INTER NATIONAL CONSERVATION CAUCUS FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

Current assets:
Cash $173,574
Grants receivable 172,500
Cash surrender value of insurance contract 18,175
Advances to nonprofit organization 7,738
Prepaid expenses 1,628
Total current assets 373,615

Fixed assets (Note 2b):
Furniture and fixtures 16,241
Machinery, equipment and software 23,466
Less: Accumulated depreciation 39,022
Net fixed assets 685

Other assets:
Security deposit 6,780

Total assets $381,080

LIABILITIES AND NET ASSETS

Current liabilities:
Accounts payable $148,662
Note payable (Note 5) 46,580
Due to officer 20,024
Deferred rent 6,504
Total current liabilities 221,770

Long term liabilities:
Deferred rent 1,516
Total long term liabilities 1,516

Total liabilities 223,286

Net assets(deficit):
Unrestricted (150,208)
Restricted (Note 7) 308,002
Total net assets 157,794

Total liabilities and net assets $381,080

See accompanying notes to financial statements.
## INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

### STATEMENT OF ACTIVITIES

#### YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Revenue and support:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions net of returns (Note 2c)</td>
<td>$1,432,458</td>
<td>$742,937</td>
<td>$2,175,395</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,510</td>
<td>-</td>
<td>1,510</td>
</tr>
<tr>
<td>Net assets released due to satisfaction of program restrictions (Note 4)</td>
<td>521,662</td>
<td>(521,662)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue and support</td>
<td>1,955,630</td>
<td>221,275</td>
<td>2,176,905</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses (Note 2d):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program activity</td>
<td>1,612,860</td>
<td>-</td>
<td>1,612,860</td>
</tr>
<tr>
<td>Supporting activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>79,883</td>
<td>-</td>
<td>79,883</td>
</tr>
<tr>
<td>Development</td>
<td>186,634</td>
<td>-</td>
<td>186,634</td>
</tr>
<tr>
<td>Total supporting activities</td>
<td>266,517</td>
<td>-</td>
<td>266,517</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,879,377</td>
<td>-</td>
<td>1,879,377</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in net assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76,253</td>
<td>221,275</td>
<td>297,528</td>
</tr>
</tbody>
</table>

| Net assets(deficit) at January 1                           | (226,461)    | 86,727                 | (139,734)|

| Net assets(deficit) at December 31 $                      | (150,208)    | $308,002               | $157,794 |

See accompanying notes to financial statements.
# INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED DECEMBER 31, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Program Activities</th>
<th>Supporting Activities</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management and</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and allocations</td>
<td>$37,372</td>
<td>$ -</td>
<td>$37,372</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>182,283</td>
<td>-</td>
<td>182,283</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>62,738</td>
<td>932</td>
<td>95,360</td>
</tr>
<tr>
<td>Printing</td>
<td>68,036</td>
<td>838</td>
<td>97,347</td>
</tr>
<tr>
<td>Office expenses</td>
<td>11,459</td>
<td>3,064</td>
<td>14,671</td>
</tr>
<tr>
<td>Advertising and website</td>
<td>7,863</td>
<td>-</td>
<td>7,863</td>
</tr>
<tr>
<td>Conference and meetings</td>
<td>310,149</td>
<td>-</td>
<td>310,149</td>
</tr>
<tr>
<td>Salaries</td>
<td>457,717</td>
<td>21,950</td>
<td>521,667</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>32,918</td>
<td>1,579</td>
<td>37,517</td>
</tr>
<tr>
<td>Employee benefits (Note 6)</td>
<td>90,658</td>
<td>4,348</td>
<td>103,305</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>4,496</td>
<td>-</td>
<td>4,496</td>
</tr>
<tr>
<td>Bank fees</td>
<td>1,145</td>
<td>5,820</td>
<td>7,368</td>
</tr>
<tr>
<td>Contract fees and consultants</td>
<td>177,496</td>
<td>694</td>
<td>219,767</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>11,921</td>
<td>11,921</td>
</tr>
<tr>
<td>Accounting</td>
<td>81,108</td>
<td>24,545</td>
<td>113,096</td>
</tr>
<tr>
<td>Depreciation</td>
<td>703</td>
<td>34</td>
<td>801</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,302</td>
<td>254</td>
<td>6,042</td>
</tr>
<tr>
<td>Office rent</td>
<td>70,026</td>
<td>3,358</td>
<td>79,810</td>
</tr>
<tr>
<td>List rental fees</td>
<td>-</td>
<td>15,540</td>
<td>15,540</td>
</tr>
<tr>
<td>Utilities</td>
<td>11,391</td>
<td>546</td>
<td>12,902</td>
</tr>
</tbody>
</table>

**Total**  
$1,612,860 $79,883 $186,634 $1,879,377

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See accompanying notes to financial statements.
Cash flow from operating activities:

Reconciliation of changes in net assets to net cash provided by operating activities:

Change in net assets $ 297,528

Non-cash revenue and expenses included in operations:

Depreciation and amortization 801
Appreciation of insurance contract (1,510)
Insurance contract assignment 53,001
Interest expense on line of credit 3,405
Increase in grants receivable (162,500)
Decrease in prepaid expenses 55,109
Decrease in deferred rent 3,990
Increase in accounts payable 32,995
Decrease in accrued payroll (95,058)

Net cash provided by operating activities 179,781

Cash flows from investing activities:

Investment in insurance contract (5,534)

Net cash used for investing activities (5,534)

Cash flows from financing activities:

Loan advances on line of credit 1,961
Loan repayments on line of credit (9,569)

Net cash used for financing activities (7,608)

Net change in cash 166,639

Cash:

Beginning of year 6,935

End of year $173,574

See accompanying notes to financial statements.
Note 1. The Organization's Background

International Conservation Caucus Foundation (the Foundation) is a nonprofit organization that was formed to promote U.S. leadership in public/private international partnerships which support the responsible management of natural resources for habitat and biodiversity protection, poverty reduction, economic development and regional security. Resources for the Foundation’s activity are primarily provided by contributions from corporations, foundations and individuals.

Note 2. Summary of Significant Accounting Policies

a. Method of Accounting - The Financial Statements have been prepared using the accrual basis of accounting which requires estimates and assumptions by management that may differ from actual results.

b. Fixed Assets - Fixed assets are included in the balance sheet at cost, and depreciation is computed on the double declining basis using estimated useful lives of five to seven years.

c. Grants - Grants are reported as revenue in the year unconditionally promised. Grants received for restricted purposes are reported as temporarily restricted until the restriction expires. When the restriction expires, these net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released due to satisfaction of program restrictions. The Foundation received gifts from its three largest donors totaling $797,917 for the year ended December 31, 2017.

d. Expenses - Expenses are generally either directly charged to one or more program or support activity or allocated to all program or support activities based principally on the value of labor employed on behalf of each program or support activity during the period the expense was incurred. Certain mailings and related expenses are separately allocated to program, management and general and development activities. With respect to these mailings and related expenses, the Foundation allocated $161,144 to program activities, $2,479 to
management and general activity and $84,290 to
development activities during the year ended December

Subsequent events have been evaluated through November 5, 2018.

Note 3. Income Tax Status

The Foundation is exempt from Federal income taxes under Section
501(c)(3) of the Internal Revenue Code.

Note 4. Satisfaction of Restricted Activities

Net assets were released from donor restrictions during the year
ended December 31, 2017 by incurring program expenses of $521,662
satisfying the restricted purposes of the following program
activities:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocean’s program</td>
<td>$138,599</td>
</tr>
<tr>
<td>Haiti program</td>
<td>17,751</td>
</tr>
<tr>
<td>Bahamas program</td>
<td>8,234</td>
</tr>
<tr>
<td>Environment program</td>
<td>132,258</td>
</tr>
<tr>
<td>Zongoloni story</td>
<td>5,848</td>
</tr>
<tr>
<td>White mail</td>
<td>953</td>
</tr>
<tr>
<td>Elephant program</td>
<td>214,471</td>
</tr>
<tr>
<td>Saving big cats</td>
<td>3,548</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$521,662</strong></td>
</tr>
</tbody>
</table>

Note 5. Note Payable

The Foundation maintains a $50,000 line of credit with a bank
that matures in April 2027. The line is unsecured and has been
converted to a term loan in April 2017 with minimum monthly
payments equal to the greater of $100 or 1.5% of the loan balance
until paid in full. Interest on the line accrues at the prime
rate of interest published by the Wall Street Journal plus 2.5% (6.75% at December 31, 2017). Principal outstanding on the line
at December 31, 2017 was $46,580.

Note 6. Commitments

The Foundation maintains a lease agreement for lease of space in
Washington, DC which is accounted for as an operating lease and
provides for future minimum lease payments as follows:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31</td>
<td>$86,315</td>
<td>14,817</td>
</tr>
</tbody>
</table>
The Foundation has additionally committed to funding monthly loan obligations of a certain officer for past educational expenses incurred by the officer. The Foundation has committed to funding the obligations as long as officer remains under its employment. The officer’s obligations carry variable interest rates, and are scheduled to be paid in full in March 2036. Funding of the commitment, which is reported with employee benefits, totaled $16,999 for the year ended December 31, 2017.

Note 7. Temporary Restricted Net Assets

The Foundation maintains restricted net assets, which will be used when program expenses are incurred in connection with these activities. At December 31, 2017 the Foundation maintained temporarily restricted net assets for the following programs:

- Honduran program $ 89,000
- Ocean’s program 23,131
- Bahamas program 25,606
- Haiti program 4,606
- Congressional delegation to Africa 100,000
- Environment program 65,659

$308,002

In connection with its operating needs, the Foundation cumulatively borrowed $150,208 of these restricted funds to fund unrestricted activities at December 31, 2017.

Note 8. Retirement Plan

The Foundation maintains a defined contribution plan pursuant Section 401k of the Internal Revenue Code. The plan covers all employees who meet minimum age and service requirements. The Foundation has elected to make matching contributions to the plan which are up to 4% of wages that each employee elects to contribute to the plan, and totaled $11,788 for the year ended December 31, 2017.