

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

International Conservation Caucus Foundation

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INDEPENDENT AUDITORS' REPORT

Board of Directors International Conservation Caucus Foundation Washington, DC

We have audited the accompanying financial statements of International Conservation Caucus Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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.

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Independent Auditors' Report
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Opinion

In our 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, 2020 and 2019, 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.

DeLeon & Stang

**DeLeon & Stang, CPAs and Advisors
Gaithersburg, Maryland
August 8, 2021**

**International Conservation Caucus Foundation
Statements of Financial Position
December 31, 2020 and 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,208,683	\$ 41,689
Grants and contracts receivable	816,610	1,179,539
Prepaid expenses and deposits	6,780	15,854
Cash surrender value of life insurance	57,311	32,774
Advances to nonprofit organizations	1,000	7,738
Property and equipment, net of accumulated depreciation	-	-
TOTAL ASSETS	\$ 2,090,384	\$ 1,277,594
LIABILITIES AND NET ASSETS		
<u>Liabilities:</u>		
Accounts payable and accrued expenses	\$ 142,956	\$ 247,770
Deferred rent	9,415	10,898
Line of credit	-	17,027
Paycheck protection program loan	152,600	-
Total liabilities	304,971	275,695
<u>Net Assets (Deficit):</u>		
Without donor restrictions	818,307	(568,641)
With donor restrictions	967,106	1,570,540
Total net assets	1,785,413	1,001,899
TOTAL LIABILITIES AND NET ASSETS	\$ 2,090,384	\$ 1,277,594

**International Conservation Caucus Foundation
Statements of Activities
For the Years Ended December 31, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and support:</u>						
Individual contributions	\$ 715,938	\$ -	\$ 715,938	\$ 857,942	\$ -	\$ 857,942
Corporate contributions	515,816	1,724,684	2,240,500	1,078,167	1,874,550	2,952,717
Other revenues	43,591	-	43,591	13,514	-	13,514
Net assets released from restrictions	2,328,118	(2,328,118)	-	480,247	(480,247)	-
Total revenue and support	3,603,463	(603,434)	3,000,029	2,429,870	1,394,303	3,824,173
<u>Expenses:</u>						
Program services	1,988,905	-	1,988,905	2,534,792	-	2,534,792
Supporting services	227,610	-	227,610	241,585	-	241,585
Total expenses	2,216,515	-	2,216,515	2,776,377	-	2,776,377
Change in net assets	1,386,948	(603,434)	783,514	(346,507)	1,394,303	1,047,796
Net assets (deficit) beginning of year	(568,641)	1,570,540	1,001,899	(222,134)	176,237	(45,897)
Net assets (deficit) end of year	\$ 818,307	\$ 967,106	\$ 1,785,413	\$ (568,641)	\$ 1,570,540	\$ 1,001,899

**International Conservation Caucus Foundation
Statements of Functional Expenses
For the Years Ended December 31, 2020 and 2019**

	2020				
		Supporting services			
	Program services	General and administrative	Fundraising	Subtotal	Total
Salaries	\$ 699,033	\$ -	\$ -	\$ -	\$ 699,033
Mailing campaign expenses	390,082	9,876	93,817	103,693	493,775
Professional fees	259,308	7,840	-	7,840	267,148
Grants and gifts	204,038	-	-	-	204,038
Employee benefits	-	105,588	-	105,588	105,588
Bad debt expense	100,000	-	-	-	100,000
Occupancy	99,659	-	-	-	99,659
Conferences, meetings, and events	63,649	-	-	-	63,649
Travel and transportation	59,746	-	-	-	59,746
Payroll taxes	50,522	-	-	-	50,522
Office expenses	19,645	1,306	-	1,306	20,951
Insurance	10,262	3,560	-	3,560	13,822
Telephone and utilities	13,386	-	-	-	13,386
Printing and copying	6,117	-	-	-	6,117
Miscellaneous	6,000	-	-	-	6,000
Advertising	5,162	-	-	-	5,162
Bank service charges	559	2,524	-	2,524	3,083
Interest	-	3,021	-	3,021	3,021
Postage and delivery	1,737	78	-	78	1,815
	<u>\$ 1,988,905</u>	<u>\$ 133,793</u>	<u>\$ 93,817</u>	<u>\$ 227,610</u>	<u>\$ 2,216,515</u>

(Continued)

**International Conservation Caucus Foundation
Statements of Functional Expenses (Continued)
For the Years Ended December 31, 2020 and 2019**

	2019				
		Supporting services			
	Program services	General and administrative	Fundraising	Subtotal	Total
Mailing campaign expenses	\$ 615,795	\$ 15,790	\$ 157,896	\$ 173,686	\$ 789,481
Salaries	574,804	21,500	18,813	40,313	615,117
Grants and gifts	589,593	-	-	-	589,593
Travel and transportation	188,575	-	-	-	188,575
Professional fees	159,560	-	-	-	159,560
Employee benefits	106,800	1,378	2,067	3,445	110,245
Conferences, meetings, and events	94,987	-	-	-	94,987
Occupancy	95,017	-	-	-	95,017
Payroll taxes	43,177	557	836	1,393	44,570
Office expenses	17,678	8,319	-	8,319	25,997
Telephone and utilities	12,899	-	-	-	12,899
Insurance	11,625	-	-	-	11,625
Printing and copying	10,373	-	-	-	10,373
Interest	-	7,695	-	7,695	7,695
Bank service charges	-	6,715	-	6,715	6,715
Miscellaneous	6,500	-	-	-	6,500
Postage and delivery	4,404	-	-	-	4,404
Advertising	2,808	-	-	-	2,808
Depreciation and amortization	197	19	-	19	216
	<u>\$ 2,534,792</u>	<u>\$ 61,973</u>	<u>\$ 179,612</u>	<u>\$ 241,585</u>	<u>\$ 2,776,377</u>

**International Conservation Caucus Foundation
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019**

	2020	2019
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 783,514	\$ 1,047,796
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	216
Bad debt expense	100,000	-
(Increase) decrease in operating assets:		
Grants and contracts receivable	262,929	(1,078,761)
Advances to nonprofit organizations	6,738	-
Prepays and deposits	9,074	3,047
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(104,814)	10,147
Deferred rent	(1,483)	9,382
Total adjustments	272,444	(1,055,969)
Net cash provided by (used in) operating activities	1,055,958	(8,173)
<u>Cash Flows from Investing Activities:</u>		
Investment in life insurance contract	(24,537)	(8,994)
Net cash used in investing activities	(24,537)	(8,994)
<u>Cash Flows from Financing Activities:</u>		
Proceeds from paycheck protection program loan	152,600	-
Repayments of line of credit	(17,027)	(16,025)
Net cash provided by (used in) financing activities	135,573	(16,025)
Net increase (decrease) in cash and cash equivalents	1,166,994	(33,192)
Cash and cash equivalents at beginning of year	41,689	74,881
Cash and cash equivalents at end of year	\$ 1,208,683	\$ 41,689
<u>Supplemental Cash Flow Information:</u>		
Cash paid for interest	\$ 3,021	\$ 7,695

International Conservation Caucus Foundation
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1 - ORGANIZATION

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

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 certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Description of Net Assets

Net assets are classified based on existence or absence of donor imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets that are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.
- *Net Assets With Donor Restrictions* – Net assets that are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. Net assets with donor restrictions at December 31, 2020 and 2019 was \$967,106 and \$1,570,540, respectively.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are included in the statements of financial position at cost, and depreciation is computed on the double declining basis using estimated useful lives of five to seven years.

**International Conservation Caucus Foundation
Notes to Financial Statements (Continued)
December 31, 2020 and 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contracts

Grants and contracts are reported as revenue in the year unconditionally promised. Grants and contracts received for restricted purposes are reported as restricted until the restriction expires. When the restriction expires, these net assets are reclassified to net assets without donor restrictions net assets and reported in the statements of activities as net assets released due to satisfaction of program restrictions.

Expense Allocation

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. Shared costs are allocated based on various identifiable bases (i.e. allowable occupancy costs are allocated based on the percentage of space occupied).

Advertising

The Foundation expenses the costs of advertising as they are incurred. Advertising expense aggregated \$5,162 and \$2,808 for the years ended December 31, 2020 and 2019, respectively.

Income Taxes

The Foundation is exempt from Federal income taxes (other than unrelated business income taxes) under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements because there was no unrelated business income during both years. The Foundation is not a private foundation. The Foundation 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.

Federal tax returns are subject to audit for three years after filing, hence the Foundation's returns for years 2017 and onward are open to examination.

Subsequent Events

All subsequent events have been evaluated through August 8, 2021 which is the date the financial statements were available to be issued. Subsequent to year end, the Foundation received a paycheck protection program loan discussed in Note 7 to the financial statements.

**International Conservation Caucus Foundation
Notes to Financial Statements (Continued)
December 31, 2020 and 2019**

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Cost:		
Computer equipment and software	\$ 23,466	\$ 23,466
Furniture and fixtures	16,241	16,241
	<u>39,707</u>	<u>39,707</u>
Less: accumulated depreciation	<u>(39,707)</u>	<u>(39,707)</u>
	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the year ended December 31, 2020. Depreciation expense was \$216 for the year ended December 31, 2019.

NOTE 4 - SATISFACTION OF RESTRICTED ACTIVITIES

Net assets were released from donor restrictions during the years ended December 31, 2020 and 2019 by incurring program expenses of \$2,328,118 and \$480,247, respectively, satisfying the restricted purposes of the following program activities:

	<u>2020</u>	<u>2019</u>
<u>Net assets with donor restrictions:</u>		
UK program	\$ 785,907	\$ 31,426
Ocean's program	695,804	106,426
Indonesia program	672,907	181,582
SAFE program	100,000	-
MAVA foundation	67,500	-
Bahamas program	6,000	18,626
Honduran program	-	89,000
Environment program	-	53,187
Total net assets released	<u>\$ 2,328,118</u>	<u>\$ 480,247</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

The Foundation maintains restricted net assets, which will be used when program expenses are incurred in connection with these activities. At December 31, 2020 and 2019, the Foundation maintained net asset with donor restrictions for the following programs:

	<u>2020</u>	<u>2019</u>
<u>Net assets with donor restrictions:</u>		
Indonesia program	\$ 550,000	\$ 413,881
Ocean's program	294,625	367,271
Bahamas program	64,814	70,814
UK program	57,667	718,574
Total net assets with donor restrictions	<u>\$ 967,106</u>	<u>\$ 1,570,540</u>

**International Conservation Caucus Foundation
Notes to Financial Statements (Continued)
December 31, 2020 and 2019**

NOTE 6 - LINE OF CREDIT

The Foundation Maintains a \$50,000 line of credit that matures in April 2027. The loan is unsecured with minimum monthly payments equal to the greater of \$100 or 1.5% of the loan balance until paid in full. Interest on the loan accrues at the prime rate of interest published by the Wall Street Journal plus 2.5% (5.75% at December 31, 2020). There was no principal amount outstanding at December 31, 2020. Principal outstanding on the line at December 31, 2019 was \$17,027.

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Foundation received a \$152,600 Paycheck Protection Program Loan through the Small Business Administration. Under terms of this note, all or a portion of the loan, including accrued interest, may be forgiven if proceeds are used for qualifying expenses and if certain staffing levels are maintained. The Foundation expects this loan to be fully forgiven. However, any unforgiven amounts are payable over a twenty four month period beginning at the time any unforgiven amounts are determined by the Small Business Administration. Interest on the unforgiven balance accrues at 1% annually.

In March 2021, the Foundation received a second Paycheck Protection Program Loan in the amount of \$107,274.

NOTE 8 - COMMITMENTS

The Foundation maintains a lease agreement for lease of space in Washington, DC. The 14 month lease was effective January 1, 2019, with monthly installments of \$7,350. At its expiration, the lease was extended for an additional 24 months. The extended lease is set to expire April 30, 2022, requiring monthly installments of \$8,588, with yearly increases of 3%.

Future minimum lease payments are as follows:

<u>December 31,</u>	
2021	\$ 105,632
2022	<u>35,913</u>
Total	<u>\$ 141,545</u>

Occupancy expense was \$99,659 and \$95,017 for the years ended December 31, 2020 and 2019, respectively.

**International Conservation Caucus Foundation
Notes to Financial Statements (Continued)
December 31, 2020 and 2019**

NOTE 9 - LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundation's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$ 1,208,683	\$ 41,689
Grants and contracts receivable	816,610	1,179,539
Cash surrender value of life insurance	<u>57,311</u>	<u>32,774</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,082,604</u>	<u>\$ 1,254,002</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2020 and 2019, the Foundation maintained an unsecured revolving line of credit in the amount of \$50,000. There was no outstanding balance on the line of credit at December 31, 2020. As of December 31, 2019, the outstanding balance on this line of credit was \$17,027.

NOTE 10 - EMPLOYEE BENEFIT PLANS

The Foundation maintains a defined contribution plan pursuant Section 401(k) 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 \$5,531 and \$5,320 for the years ended December 31, 2020 and 2019, respectively.

The Foundation maintains a life insurance policy for two employees. The Foundation records cash surrender value of the insurance contract on the statement of financial position. As of December 31, 2020 and 2019, the net cash value of the insurance contract was \$57,311 and \$32,774, respectively.

**International Conservation Caucus Foundation
Notes to Financial Statements (Continued)
December 31, 2020 and 2019**

NOTE 11 - UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a pandemic. The pandemic has caused business disruption through mandated and voluntary closings of businesses for non-essential services and triggered volatility in financial markets and a significant negative impact on the global economy. The Foundation's management has concluded that while it is reasonably possible that COVID-19 could have a negative impact on the Foundation's results of operations, the specific impact is not readily determinable. However, there are no comparable recent events which may provide guidance as to the effect of the spread of the pandemic. As a result, the ultimate impact of the COVID-19 outbreak is highly uncertain and subject to change. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.