

**INTERNATIONAL CONSERVATION  
CAUCUS FOUNDATION**

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021



ICCF

# INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

## TABLE OF CONTENTS

	<b>Page</b>
<b>Independent Auditors' Report</b>	1-2
<b>Financials Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-17

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
International Conservation Caucus Foundation  
Washington, D.C.

### **Opinion**

We have audited the accompanying financial statements of the International Conservation Caucus Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and 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 financial statements referred to above present fairly, in all material respects, the financial position of International Conservation Caucus Foundation 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. 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 International Conservation Caucus Foundation 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, which raise substantial doubt about the International Conservation Caucus Foundation'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, including omissions, 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 International Conservation Caucus Foundation'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, which raise substantial doubt about the International Conservation Caucus Foundation'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.

*UHY LLP*

Columbia, Maryland  
September 26, 2023

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 568,061	\$ 463,325
Grants and contributions receivable	1,137,500	516,750
Due from Conservation Council of Nations	367,804	115,090
Prepaid expenses and security deposit	17,198	18,480
Cash surrender value of life insurance	50,437	44,514
Property and equipment, net	-	-
Right-of-use asset for office space	116,659	-
	<u>116,659</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,257,659</u>	<u>\$ 1,158,159</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 339,489	\$ 143,517
Grants payable	-	25,000
Paycheck Protection Program loan	-	107,274
Operating lease liability for office space	116,659	-
	<u>116,659</u>	<u>-</u>
<b>Total liabilities</b>	<u>456,148</u>	<u>275,791</u>
<b>NET ASSETS</b>		
Without donor restrictions	186,981	37,410
With donor restrictions	1,614,530	844,958
	<u>1,614,530</u>	<u>844,958</u>
<b>Total net assets</b>	<u>1,801,511</u>	<u>882,368</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,257,659</u>	<u>\$ 1,158,159</u>

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
For the years ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Contributions:						
Individuals	\$ 1,032,722	\$ -	\$ 1,032,722	\$ 975,852	\$ -	\$ 975,852
Corporations and foundations	531,517	2,135,000	2,666,517	1,057,500	441,750	1,499,250
Memberships	475,000	-	475,000	-	-	-
Paycheck Protection Program loan forgiveness	108,373	-	108,373	152,600	-	152,600
Other revenue and list rental revenue	16,475	-	16,475	4,226	-	4,226
Net assets released from restrictions	1,365,428	(1,365,428)	-	563,898	(563,898)	-
Total revenue and support	3,529,515	769,572	4,299,087	2,754,076	(122,148)	2,631,928
<b>Expenses</b>						
Program services	2,774,501	-	2,774,501	2,913,911	-	2,913,911
Supporting services:						
General and administrative	185,157	-	185,157	175,999	-	175,999
Fundraising	420,286	-	420,286	445,063	-	445,063
Total expenses	3,379,944	-	3,379,944	3,534,973	-	3,534,973
<b>Change in Net Assets</b>	149,571	769,572	919,143	(780,897)	(122,148)	(903,045)
<b>Net Assets - beginning of year</b>	37,410	844,958	882,368	818,307	967,106	1,785,413
<b>Net Assets - end of year</b>	\$ 186,981	\$ 1,614,530	\$ 1,801,511	\$ 37,410	\$ 844,958	\$ 882,368

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2022

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses:				
Salaries	\$ 806,080	\$ 71,513	\$ 32,250	\$ 909,843
Employee benefits	88,518	19,931	9,150	117,599
Payroll taxes	60,179	4,500	2,005	66,684
Total personnel expenses	<u>954,777</u>	<u>95,944</u>	<u>43,405</u>	<u>1,094,126</u>
Advertising	2,628	-	-	2,628
Bank service charges	2,474	1,776	-	4,250
Conferences, meetings, and events	139,476	551	-	140,027
Grant awards	468,200	-	-	468,200
Insurance	36,927	9,960	-	46,887
Interest	-	4,138	-	4,138
Mailing campaign expenses	526,236	12	376,701	902,949
Occupancy and field office rent	86,497	10,797	-	97,294
Office expenses	5,600	3,008	-	8,608
Printing and copying	4,383	712	180	5,275
Professional fees	151,561	29,827	-	181,388
Telephone and utilities	6,595	7,992	-	14,587
Travel and transportation	389,147	20,440	-	409,587
	<u>\$ 2,774,501</u>	<u>\$ 185,157</u>	<u>\$ 420,286</u>	<u>\$ 3,379,944</u>

See accompanying notes to financial statements.

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses:				
Salaries	\$ 593,174	\$ 19,135	\$ 25,513	\$ 637,822
Employee benefits	150,867	4,867	6,489	162,223
Payroll taxes	44,091	1,422	1,896	47,409
Total personnel expenses	<u>788,132</u>	<u>25,424</u>	<u>33,898</u>	<u>847,454</u>
Advertising	10,999	-	-	10,999
Bad debt expense	-	34,033	-	34,033
Bank service charges	-	5,923	-	5,923
Conferences, meetings, and events	135,174	-	-	135,174
Grant awards	1,019,294	-	-	1,019,294
Insurance	7,028	227	302	7,557
Interest	-	333	-	333
Mailing campaign expenses	439,968	15,999	343,974	799,941
Occupancy and field office rent	74,416	2,095	45,042	121,553
Office expenses	21,210	771	16,583	38,564
Printing and copying	12,811	413	551	13,775
Professional fees	103,565	90,416	4,226	198,207
Telephone and utilities	11,321	365	487	12,173
Travel and transportation	<u>289,993</u>	<u>-</u>	<u>-</u>	<u>289,993</u>
 Total expenses	 <u>\$ 2,913,911</u>	 <u>\$ 175,999</u>	 <u>\$ 445,063</u>	 <u>\$ 3,534,973</u>



**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
For the year ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 919,143	\$ (903,045)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Non-cash activities:		
Change in value of life insurance contract	(5,923)	12,797
Amortization of right-of-use asset for office space	86,439	-
Bad debt expense	-	34,033
Paycheck Protection Program loan forgiveness	(107,274)	(152,600)
Decrease (increase) in operating assets:		
Grants and contributions receivable	(620,750)	109,488
Due from Conservation Council of Nations	(252,714)	(115,090)
Prepaid expenses and security deposit	1,282	(10,700)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	195,972	561
Grants payable	(25,000)	25,000
Deferred rent	-	(9,415)
Operating lease liability	(86,439)	-
	<u>104,736</u>	<u>(1,008,971)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Paycheck Protection Program loans	<u>-</u>	<u>107,274</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	104,736	(901,697)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>463,325</u>	<u>1,365,022</u>
<b>Cash and Cash Equivalents, Ending of Year</b>	<u>\$ 568,061</u>	<u>\$ 463,325</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	\$ 4,138	\$ 333
Non-cash activities:		
Establishment of Operating Right-of-use asset	\$ 203,098	\$ -
Establishment of Operating Lease Liability	\$ 203,098	\$ -

# **INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**For the years ended December 31, 2022 and 2021**

### **NOTE 1 - NATURE OF THE 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**

#### **Basis of Accounting**

The financial statements of the Foundation 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 Foundation 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 Foundation and/or the passage of time. The Foundation 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 Foundation. The Foundation did not have any donor-imposed restrictions which are perpetual in nature as of December 31, 2022 and 2021.

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.

# **INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**For the years ended December 31, 2022 and 2021**

### **NOTE 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.

#### **Property and Equipment, Net**

Expenditures for furniture, fixtures and equipment are capitalized at cost. The Foundation capitalizes all property and equipment purchased with a cost of \$2,000 or more. Furniture, fixtures and equipment are depreciated on the straight-line basis over the estimated useful lives of three to seven years.

#### **Valuation of Long-lived Assets**

The Foundation reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

#### **Grants Payable**

The Foundation recognizes grant expense and the related liability in the year an unconditional grant is awarded.

#### **Compensated Absences**

Compensated annual leave has not been accrued since the Foundation did not keep track of leave accruals; therefore, it cannot be reasonably estimated. The Foundation's policy is to recognize these costs when actually paid.

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue and Support Recognition**

Support from 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. Restricted contributions, which have restrictions that are satisfied in the year received, 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 restriction is released. 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 barrier and a right of return, are recognized as support and revenue once the condition on which they depend are met. Revenue from government grants is recognized only to the extent of actual expenses incurred in compliance with the grants and subcontracts. Revenue recognized on grants and contributions, which have not been received, is reflected as grants and contributions receivable in the accompanying statements of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances in the accompanying statements of financial position.

The Foundation's revenue streams under contracts with customers are comprised of mailing list rental revenue. The Foundation's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a point in time. Mailing list rental revenue is recognized at the time of distribution of the lists to the interested parties.

**Functional Allocation of Expenses**

The costs of providing programs and services are summarized on a functional basis in the accompanying financial statements. The Foundation incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Foundation 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, occupancy, office expenses, telephone, and insurance.

Joint costs of informational materials or activities that include a fundraising appeal have been allocated among fundraising and the appropriate program or general and administrative functions.

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising**

The Foundation expenses the costs of advertising as they are incurred. Advertising expense totaled \$2,628 and \$10,999 for the years ended December 31, 2022 and 2021, respectively.

**Income Taxes**

The Foundation 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, 2022 and 2021, since the Foundation had no unrelated business income during both years. The Foundation has been recognized by the IRS as a publicly supported organization and is not a private foundation.

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

**Adoption of Lease Accounting Standard**

Effective January 1, 2022, the Foundation adopted the requirements of FASB ASC 842, *Leases*. This new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as finance leases when the Foundation expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, if the Foundation is not expected to consume a major part of the economic benefits of the leased assets, then they are classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the statements of activities, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows. Leases with a term of less than 12 months will not be recorded as the ROU asset and lease liability, and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Foundation elected to adopt FASB ASC 842, *Leases*, by applying the optional transition method, which allows the Foundation to initially apply the new lease standard at the adoption date of January 1, 2022. There was no cumulative effect adjustment to the opening balance of net assets. The Foundation's reporting for leases in the prior year (2021) is presented in accordance with the prior historical accounting treatment.

The Foundation elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Foundation also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the ROU assets.

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2022 and 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adoption of Lease Accounting Standard (Continued)**

Total lease cost consists of two components: amortization expense related to the write-off of the ROU assets and interest expense from lease liabilities. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term. Lease liabilities are measured and recorded at the present value of future lease payments using a discount rate. Because the Foundation generally does not have access to the rate implicit in each lease, lease liabilities are measured using the risk-free rate as the discount rate. ROU assets are generally measured and recorded at the sum of the lease liability, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

**NOTE 3 - GRANTS AND CONTRIBUTIONS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Due within one year:		
Corporate contributions	\$ 137,500	\$ 266,750
Grants	<u>1,000,000</u>	<u>250,000</u>
Total net assets with donor restrictions	<u>\$ 1,137,500</u>	<u>\$ 516,750</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Cost:		
Computer equipment and software	\$ 23,466	\$ 23,466
Furniture and fixtures	<u>16,241</u>	<u>16,241</u>
	39,707	39,707
Less: accumulated depreciation	<u>(39,707)</u>	<u>(39,707)</u>
	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the years ended December 31, 2022 and 2021.

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**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. As of December 31, 2022 and 2021, the Foundation maintained net assets with donor restrictions for the following programs:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions:		
Indonesia program	\$ 110,759	\$ 238,171
Ocean's program	65,071	577,244
Bahamas program	-	29,543
Africa program	28,243	-
ICCF UK program	<u>1,410,457</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 1,614,530</u>	<u>\$ 844,958</u>

**NOTE 6 - LINE OF CREDIT**

The Foundation had a \$50,000 line of credit that was closed in November 2022. The loan was 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 accrued at the prime rate of interest published by the Wall Street Journal plus 2.5%. There were no principal amounts outstanding at December 31, 2022 and 2021. In addition, there were no drawdowns, principal repayments, or interest expense during the years ended December 31, 2022 and 2021.

**NOTE 7 - PAYCHECK PROTECTION PROGRAM LOANS**

In March 2021 and May 2020, the Foundation received loans for \$107,274 and \$152,600, respectively, from a local bank under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses. The notes bear interest at 1% and matures in two years.

In March 2022, the 2021 loan of \$107,274, plus interest of \$1,099, was forgiven by the U.S. Small Business Administration (SBA) and reported as loan forgiveness revenue in the accompanying statements of activities during the year ended December 31, 2022. In October 2021, the 2020 loan of \$152,600 was also forgiven by the SBA and is reported as loan forgiveness revenue in the accompanying statements of activities during the year ended December 31, 2021.

# INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### NOTE 7 - PAYCHECK PROTECTION PROGRAM LOANS (Continued)

According to the rules of the SBA, the Foundation is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Foundation's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Foundation may be required to adjust previously reported amounts and disclosures in the financial statements.

### NOTE 8 - EMPLOYEE BENEFIT PLAN

The Foundation maintains a defined contribution plan (the Plan) pursuant to 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 totaled \$14,758 and \$28,785 for the years ended December 31, 2022 and 2021, respectively.

### NOTE 9 - ALLOCATION OF JOINT COSTS

During the years ended December 31, 2022 and 2021, the Foundation incurred joint costs for informational materials used for direct mail campaigns that included fundraising appeals. The allocated joint costs incurred comprise the following as of December 31:

	<u>2022</u>	<u>2021</u>
Program expenses	\$ 526,236	\$ 439,968
General and administrative expenses	12	15,999
Fundraising expenses	<u>376,701</u>	<u>343,974</u>
Total joint costs	<u>\$ 902,949</u>	<u>\$ 799,941</u>

### NOTE 10 - RELATED PARTIES

The Foundation provides office space and administrative assistance to the Conservation Council of Nations (CCN). The Foundation is reimbursed for consulting services performed by the President of the Foundation and reimbursed for expenditures paid on behalf of CCN. As of December 31, 2022 and 2021, the Foundation recorded a receivable of \$367,804 and \$115,090 due from the Conservation Council of Nations for reimbursed expenses, respectively. The Foundation expects the amounts due to be reimbursed within one year, and no allowance has been recorded.

During the years ended December 31, 2022 and 2021, the Foundation awarded grants totaling \$245,000 and \$800,000 to CCN, respectively.



# INTERNATIONAL CONSERVATION CAUCUS FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

### NOTE 11 - MEMORANDUM OF UNDERSTANDING

The ICCF Group, which includes the Foundation, has offices in Africa (ICCF-Kenya), Europe (ICCF-UK), Asia (ICCF-Indonesia), and Latin America (ICCF-Colombia). Each ICCF office is established as a separate legal entity, is registered in the host country, and has its own Board of Directors. The President of the Foundation is a board member of the other entities. The foreign entities have charitable status in their respective countries and their role is to further the mission of the ICCF Group. These separate legal entities are bound by a collaboration agreement that ensures a common purpose for all. Individual memorandum of understanding (MOU) agreements exist between the Foundation and ICCF-UK, ICCF-Kenya, and ICCF-Colombia to establish the agreement regarding use of logos, acronym, and legal name and to establish activities and responsibilities. An agreement with ICCF-Indonesia is in process.

The Foundation and ICCF-UK also share one common board member. During the years ended December 31, 2022 and 2021, the Foundation awarded grants totaling \$223,200 and \$194,294 to ICCF-UK, respectively.

### NOTE 12 - OFFICE LEASE

The Foundation has an amended lease agreement for office space in Washington, D.C., which expires on April 30, 2024.

The right-of-use asset for operating office space was initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges if applicable relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

As of December 31, 2022, the right-of-use asset related to the operating lease was as follows:

Cost	\$	203,098
Less: accumulated amortization		<u>(86,439)</u>
Right-of-use asset, net	\$	<u>116,659</u>

As of December 31, 2022, the office lease liability was as follows:

Current portion	\$	87,343
Long-term portion		<u>29,316</u>
Total lease liability	\$	<u>116,659</u>

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2022 and 2021

**NOTE 12 - OFFICE LEASE (Continued)**

The weighted-average remaining lease term for the operating lease as of December 31, 2022 was 1.33 years. The weighted-average discount rate for the operating lease as of December 31, 2022 was 1.04%.

Future minimum lease payments for years ending December 31 are summarized as follows:

2023	\$	88,140
2024		<u>29,380</u>
Total undiscounted cash flows		117,520
Less: present value discount		<u>(861)</u>
Total lease liabilities	\$	<u>116,659</u>

Rent expense for the Foundation's headquarters totaled \$94,673 and \$104,548 for the years ended December 31, 2022 and 2021, respectively, which are included in occupancy expenses in the statements of activities.

**NOTE 13 - LIQUIDITY AND FUNDS AVAILABLE**

The Foundation 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 568,061	\$ 463,325
Grants and contracts receivable	1,137,500	516,750
Due from Conservation Council of Nations	<u>367,804</u>	<u>115,090</u>
Total financial assets	2,073,365	1,095,165
Less those unavailable for general expenditure within one year due to:		
Donor-imposed restrictions	<u>(1,614,530)</u>	<u>(844,958)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 458,835</u>	<u>\$ 250,207</u>

**INTERNATIONAL CONSERVATION CAUCUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 14 - CONCENTRATION RISKS**

The Foundation 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 up to \$250,000. The Foundation has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

**NOTE 15 - SUBSEQUENT EVENTS**

All subsequent events have been evaluated through September 26, 2023, which is the date the financial statements were available to be issued. There were no events which require adjustments or disclosures to these financial statements.