

**FAUNA & FLORA INTERNATIONAL USA, INC.**

FINANCIAL STATEMENTS

December 31, 2020 and 2019

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Fauna & Flora International USA, Inc.  
Washington, D.C.

We have audited the accompanying financial statements of Fauna & Flora International USA, Inc., 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 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 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***

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 auditor's 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fauna & Flora International USA, Inc. 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.



Wegner CPAs, LLP  
Alexandria, Virginia  
July 27, 2021

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 695,109	\$ 422,543
Unconditional promises to give	171,187	112,609
Prepaid expenses	5,788	5,513
Deposit	22,000	-
<b>Total assets</b>	<u>\$ 894,084</u>	<u>\$ 540,665</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,492	\$ 31,082
Payable to FFI	93,012	250,451
<b>Total liabilities</b>	102,504	281,533
<b>NET ASSETS</b>		
Without donor restrictions	409,823	80,972
With donor restrictions	381,757	178,160
<b>Total net assets</b>	<u>791,580</u>	<u>259,132</u>
<b>Total liabilities and net assets</b>	<u>\$ 894,084</u>	<u>\$ 540,665</u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 768,463	\$ 855,601	\$ 1,624,064
<b>EXPENSES</b>			
Grants to support conservancy	903,055	-	903,055
Management and general	67,701	-	67,701
Fundraising	120,860	-	120,860
Total expenses	1,091,616	-	1,091,616
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	652,004	(652,004)	-
<b>Change in net assets</b>	328,851	203,597	532,448
Net assets at beginning of year	80,972	178,160	259,132
<b>Net assets at end of year</b>	<u>\$ 409,823</u>	<u>\$ 381,757</u>	<u>\$ 791,580</u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 3,027,115	\$ 523,158	\$ 3,550,273
Interest income	1	-	1
Total support and revenue	3,027,116	523,158	3,550,274
<b>EXPENSES</b>			
Grants to support conservancy	3,227,543	-	3,227,543
Management and general	125,570	-	125,570
Fundraising	68,260	-	68,260
Total expenses	3,421,373	-	3,421,373
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	377,598	(377,598)	-
<b>Change in net assets</b>	(16,660)	145,560	128,900
Net assets at beginning of year	97,632	32,600	130,232
<b>Net assets at end of year</b>	<u>\$ 80,972</u>	<u>\$ 178,160</u>	<u>\$ 259,132</u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2020 and 2019

<u>2020</u>	Grants to Support Conservancy	Management and General	Fundraising	Total
Grants and assistance	\$ 903,055	\$ -	\$ -	\$ 903,055
Personnel	-	-	21,935	21,935
Professional fees	-	20,627	96,921	117,548
Occupancy	-	34,422	-	34,422
Equipment	-	4,546	-	4,546
Travel	-	-	452	452
Insurance	-	1,533	-	1,533
Office expenses	-	6,573	1,552	8,125
<b>Total expenses</b>	<b>\$ 903,055</b>	<b>\$ 67,701</b>	<b>\$ 120,860</b>	<b>\$ 1,091,616</b>
	Grants to Support Conservancy	Management and General	Fundraising	Total
<u>2019</u>				
Grants and assistance	\$ 3,227,543	\$ -	\$ -	\$ 3,227,543
Professional fees	-	85,797	64,389	150,186
Occupancy	-	32,921	-	32,921
Travel	-	2,398	3,871	6,269
Insurance	-	1,674	-	1,674
Office expenses	-	2,780	-	2,780
<b>Total expenses</b>	<b>\$ 3,227,543</b>	<b>\$ 125,570</b>	<b>\$ 68,260</b>	<b>\$ 3,421,373</b>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 532,448	\$ 128,900
Adjustments to reconcile change in net assets to change in cash		
(Increase) decrease in assets		
Unconditional promises to give	(58,578)	118,741
Prepaid expenses	(275)	(123)
Deposit	(22,000)	-
Increase (decrease) in liabilities		
Accounts payable	(21,590)	15,090
Payable to FFI	(157,439)	41,642
<b>Change in cash</b>	<u>272,566</u>	<u>304,250</u>
Cash at beginning of year	<u>422,543</u>	<u>118,293</u>
<b>Cash at end of year</b>	<u><u>\$ 695,109</u></u>	<u><u>\$ 422,543</u></u>

See accompanying notes.



**FAUNA & FLORA INTERNATIONAL USA, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Fauna & Flora International USA, Inc. (FFI USA) is a non-profit organization created in 2016 that works to conserve threatened species and ecosystems worldwide, choosing solutions that are sustainable, based on sound science, and that take account of human needs. FFI USA is primarily funded by contributions and grants.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Expense Allocation**

Expenses are classified according to the program services and supporting activities for which they were incurred and are reported on a functional basis in the accompanying statements of functional expenses. Direct costs associated with specific programs are recorded as program services expenses. Direct costs associated with management and general and fundraising are recorded as supporting activities.

**Income Tax Status**

FFI USA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, FFI USA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Date of Management’s Review**

Management has evaluated subsequent events through July 27, 2021, the date which the financial statements were available to be issued.

NOTE 2—NET ASSETS

At December 31, 2020 and 2019, net assets with donor restrictions are restricted for conservation projects.

NOTE 3—CONCENTRATIONS

**Contributions**

For the years ended December 31, 2020 and 2019, 58% and 92% of FFI USA’s support was received from five donors.

**Credit Risk**

FFI USA maintains its cash balances at one financial institution located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, FFI USA’s uninsured cash balances total approximately \$445,000 and \$172,000, respectively.

NOTE 4—LIQUIDITY AND AVAILABILITY

The following reflects FFI USA’s financial assets as of the date of the statements of financial position, reduced by amounts not available for expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

	2020	2019
Financial assets at year-end:		
Cash	\$ 695,109	\$ 422,543
Unconditional promises to give	171,187	112,609
Deposit	22,000	-
Total financial assets at year-end	\$ 888,296	\$ 535,152
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(381,757)	(178,160)
Financial assets available to meet cash needs for general expenditures within one year	\$ 506,539	\$ 356,992

As part of FFI USA’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations comes due.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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**NOTE 5—TRANSACTIONS WITH RELATED PARTIES**

FFI USA is related to Fauna & Flora International (FFI) through common board members. For the years ended December 31, 2020 and 2019, FFI USA paid FFI grants to support conservancy of \$903,055 and \$3,227,543, respectively.

At December 31, 2020 and 2019, amounts payable to FFI consist of the following:

	2020	2019
Grants	\$ 78,500	\$ 101,444
FFI staff time	9,164	19,370
Operating advance	-	100,000
Legal fees	-	9,556
Office rent	-	22
Consulting fees	-	7,322
Travel	-	10,007
Subscriptions	-	2,730
Membership income	1,290	-
Office expenses	4,058	-
	\$ 93,012	\$ 250,451
Payable to FFI		

**NOTE 6—RISKS AND UNCERTAINTIES**

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. FFI USA's office has continued its work remotely. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time, the potential related financial impact cannot be reasonably estimated.