

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

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

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

**Opinion**

We have audited the financial statements of Fauna & Flora International USA, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Fauna & Flora International USA, Inc. as of December 31, 2023 and 2022, 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 (GAAS). 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 Fauna & Flora International USA, Inc. 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, that raise substantial doubt about Fauna & Flora International USA, Inc.'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 GAAS 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 GAAS, 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 Fauna & Flora International USA, Inc.'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 Fauna & Flora International USA, Inc.'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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Alexandria, Virginia  
September 18, 2024

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 920,001	\$ 2,196,053
Unconditional promises to give	134,339	259,653
Prepaid expenses	2,521	-
Deposit	22,000	22,000
<b>Total assets</b>	<b>\$ 1,078,861</b>	<b>\$ 2,477,706</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 24,996	\$ 29,517
Payable to FFI	595,045	1,325,394
Total liabilities	620,041	1,354,911
<b>NET ASSETS</b>		
Without donor restrictions	320,605	628,866
With donor restrictions		
Conservation projects	138,215	493,929
Total net assets	458,820	1,122,795
<b>Total liabilities and net assets</b>	<b>\$ 1,078,861</b>	<b>\$ 2,477,706</b>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 618,156	\$ 698,356	\$ 1,316,512
<b>EXPENSES</b>			
Grants to Support Conservancy	1,052,946	-	1,052,946
Management and General	111,643	-	111,643
Fundraising	815,898	-	815,898
Total expenses	1,980,487	-	1,980,487
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	1,054,070	(1,054,070)	-
<b>Change in net assets</b>	(308,261)	(355,714)	(663,975)
Net assets at beginning of year	628,866	493,929	1,122,795
<b>Net assets at end of year</b>	<u>\$ 320,605</u>	<u>\$ 138,215</u>	<u>\$ 458,820</u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 618,217	\$ 933,032	\$ 1,551,249
<b>EXPENSES</b>			
Grants to Support Conservancy	1,722,966	-	1,722,966
Management and General	262,514	-	262,514
Fundraising	398,238	-	398,238
Total expenses	2,383,718	-	2,383,718
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	1,752,864	(1,752,864)	-
<b>Change in net assets</b>	(12,637)	(819,832)	(832,469)
Net assets at beginning of year	641,503	1,313,761	1,955,264
<b>Net assets at end of year</b>	<u>\$ 628,866</u>	<u>\$ 493,929</u>	<u>\$ 1,122,795</u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2023 and 2022

<u>2023</u>	Grants to Support Conservancy	Management and General	Fundraising	Total
Grants and assistance	\$ 1,052,946	\$ -	\$ -	\$ 1,052,946
Personnel	-	-	443,236	443,236
Professional fees	-	54,944	291,400	346,344
Conferences and meetings	-	3,019	-	3,019
Occupancy	-	34,730	-	34,730
Equipment	-	4,136	-	4,136
Travel	-	-	68,377	68,377
Insurance	-	841	-	841
Office expenses	-	13,973	12,885	26,858
<b>Total expenses</b>	<b>\$ 1,052,946</b>	<b>\$ 111,643</b>	<b>\$ 815,898</b>	<b>\$ 1,980,487</b>
<u>2022</u>	Grants to Support Conservancy	Management and General	Fundraising	Total
Grants and assistance	\$ 1,722,966	\$ -	\$ -	\$ 1,722,966
Personnel	-	-	127,888	127,888
Professional fees	-	210,872	221,120	431,992
Conferences and meetings	-	2,739	-	2,739
Occupancy	-	34,730	-	34,730
Equipment	-	737	-	737
Travel	-	-	26,758	26,758
Insurance	-	358	-	358
Office expenses	-	13,078	22,432	35,510
Credit card fees	-	-	40	40
<b>Total expenses</b>	<b>\$ 1,722,966</b>	<b>\$ 262,514</b>	<b>\$ 398,238</b>	<b>\$ 2,383,718</b>

See accompanying notes.



**FAUNA & FLORA INTERNATIONAL USA, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (663,975)	\$ (832,469)
Adjustments to reconcile change in net assets to change in cash		
(Increase) decrease in assets		
Unconditional promises to give	125,314	857,563
Prepaid expenses	(2,521)	5,788
Increase (decrease) in liabilities		
Accounts payable	(4,521)	20,457
Payable to FFI	(730,349)	686,860
<b>Change in cash</b>	<u>(1,276,052)</u>	<u>738,199</u>
Cash at beginning of year	<u>2,196,053</u>	<u>1,457,854</u>
<b>Cash at end of year</b>	<u><u>\$ 920,001</u></u>	<u><u>\$ 2,196,053</u></u>

See accompanying notes.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

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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 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, 2023 and 2022

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Leases**

FFI USA does not recognize short-term leases in the statements of financial position. For these leases, FFI USA recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. FFI USA also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, FFI USA uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Date of Management's Review**

Management has evaluated subsequent events through September 18, 2024, the date which the financial statements were available to be issued.

NOTE 2—LEASE

FFI USA sub-leases office space in Washington, D.C. on a month-to-month basis. For the years ended December 31, 2023 and 2022, rent expense for this lease totaled \$34,729 each year.

NOTE 3—CONCENTRATIONS

**Contributions**

For the years ended December 31, 2023 and 2022, 15% and 13%, respectively, of FFI USA's support was received from one donor.

**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, 2023 and 2022, FFI's uninsured cash balances totaled \$670,001 and \$1,946,053, respectively.

NOTE 4—TRANSACTIONS WITH RELATED PARTIES

For the years ended December 31, 2023 and 2022, FFI USA received a grant contribution of \$10,000 and \$25,000, respectively, from a foundation that was founded by a board member of FFI USA's family.

FFI USA is related to Fauna & Flora International (FFI) through common board members. For the years ended December 31, 2023 and 2022, FFI USA awarded FFI grants to support conservancy of \$1,052,946 and \$1,722,966, respectively.

**FAUNA & FLORA INTERNATIONAL USA, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 4—TRANSACTIONS WITH RELATED PARTIES (continued)

At December 31, 2023 and 2022, amounts payable to FFI consist of the following:

	2023	2022
Grants	\$ 285,723	\$ 1,019,677
FFI staff time	291,400	291,400
Fundraising and operational expenses	17,922	14,317
Payable to FFI	\$ 595,045	\$ 1,325,394

NOTE 5—RETIREMENT PLAN

All employees who have completed 3 months of employment are eligible to participate in the plan. FFI USA contributes the equivalent of 3% of an employee's annual compensation. FFI USA retirement plan expense under this plan for the years ended December 31, 2023 and 2022 totaled \$2,734 and \$1,650, respectively.

NOTE 6—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 general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions.

	2023	2022
Financial assets at year-end:		
Cash	\$ 920,001	\$ 2,196,053
Unconditional promises to give	134,339	259,653
Total financial assets at year-end	1,054,340	2,455,706
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(138,215)	(493,929)
Financial assets available to meet cash needs for general expenditures within one year	\$ 916,125	\$ 1,961,777

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.