

FINANCIAL STATEMENTS



AMAZON CONSERVATION ASSOCIATION

**FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

AMAZON CONSERVATION ASSOCIATION

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amazon Conservation Association
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Amazon Conservation Association (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 the Organization as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 the Organization'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.

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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 Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



August 19, 2025

AMAZON CONSERVATION ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

ASSETS		
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,374,635	\$ 2,526,273
Investments	629,169	-
Contributions and grants receivable	1,576,640	500,563
Loan receivable	-	84,906
Prepaid expenses	<u>5,971</u>	<u>3,786</u>
Total current assets	<u>3,586,415</u>	<u>3,115,528</u>
FIXED ASSETS		
Equipment and furniture	23,379	23,379
Website	<u>45,000</u>	<u>45,000</u>
	68,379	68,379
Less: Accumulated depreciation and amortization	<u>(68,379)</u>	<u>(61,863)</u>
Net fixed assets	<u>-</u>	<u>6,516</u>
OTHER ASSETS		
Contributions and grants receivable, net	494,876	479,340
Right-of-use asset, net	55,374	137,662
Deposits	<u>6,558</u>	<u>6,558</u>
Total other assets	<u>556,808</u>	<u>623,560</u>
TOTAL ASSETS	<u>\$ 4,143,223</u>	<u>\$ 3,745,604</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 141,302	\$ 449,708
Accrued salaries and related benefits	24,304	23,060
Refundable advances	11,012	83,263
Operating lease liability	<u>66,559</u>	<u>96,258</u>
Total current liabilities	243,177	652,289
NONCURRENT LIABILITIES		
Operating lease liability, net	<u>-</u>	<u>66,559</u>
Total liabilities	<u>243,177</u>	<u>718,848</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	452,733	1,392,414
Board designated	<u>629,169</u>	<u>600,000</u>
Without donor restrictions net assets	1,081,902	1,992,414
With donor restrictions	<u>2,818,144</u>	<u>1,034,342</u>
Total net assets	<u>3,900,046</u>	<u>3,026,756</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,143,223</u>	<u>\$ 3,745,604</u>

See accompanying notes to financial statements.

AMAZON CONSERVATION ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 1,929,692	\$ 2,782,439	\$ 4,712,131	\$ 3,251,780
Other revenue	39,725	-	39,725	17,811
Net investment return	1,129	-	1,129	-
Net assets released from donor restrictions	<u>998,637</u>	<u>(998,637)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,969,183</u>	<u>1,783,802</u>	<u>4,752,985</u>	<u>3,269,591</u>
EXPENSES				
Program Services:				
Protect Wild Places	1,274,974	-	1,274,974	1,097,762
Empower People	764,973	-	764,973	703,166
Put Science and Technology to Work	<u>1,111,099</u>	<u>-</u>	<u>1,111,099</u>	<u>1,020,953</u>
Total program services	<u>3,151,046</u>	<u>-</u>	<u>3,151,046</u>	<u>2,821,881</u>
Supporting Services:				
Management and General	189,282	-	189,282	248,914
Fundraising	<u>539,367</u>	<u>-</u>	<u>539,367</u>	<u>412,852</u>
Total supporting services	<u>728,649</u>	<u>-</u>	<u>728,649</u>	<u>661,766</u>
Total expenses	<u>3,879,695</u>	<u>-</u>	<u>3,879,695</u>	<u>3,483,647</u>
Change in net assets	(910,512)	1,783,802	873,290	(214,056)
Net assets at beginning of year	<u>1,992,414</u>	<u>1,034,342</u>	<u>3,026,756</u>	<u>3,240,812</u>
NET ASSETS AT END OF YEAR	\$ <u>1,081,902</u>	\$ <u>2,818,144</u>	\$ <u>3,900,046</u>	\$ <u>3,026,756</u>

AMAZON CONSERVATION ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024							2023
	Program Services				Supporting Services			
	Protect Wild Places	Empower People	Put Science and Technology to Work	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Grant awards	\$ 914,610	\$ 404,609	\$ 404,609	\$ 1,723,828	\$ -	\$ -	\$ -	\$ 1,723,828
Salaries and benefits	253,621	253,621	497,221	1,004,463	95,962	379,604	475,566	1,480,029
Professional fees	28,197	28,197	55,280	111,674	10,669	42,204	52,873	164,547
Office supplies and equipment	20,814	20,814	40,806	82,434	7,875	31,154	39,029	121,463
Occupancy	14,745	14,745	28,907	58,397	5,579	22,069	27,648	86,045
Travel and entertainment	14,535	14,535	28,496	57,566	5,500	21,756	27,256	84,822
Meetings and conferences	12,372	12,372	24,256	49,000	4,681	18,518	23,199	72,199
Office expense	9,815	9,815	19,243	38,873	3,587	14,685	18,272	57,145
Accounting	-	-	-	-	46,543	-	46,543	46,543
Printing and copying	2,651	2,651	5,197	10,499	1,003	3,968	4,971	15,470
Postage and delivery	2,118	2,118	4,152	8,388	801	3,170	3,971	12,359
Phone and communications	1,216	1,216	2,384	4,816	460	1,820	2,280	7,096
Depreciation and amortization	-	-	-	-	6,516	-	6,516	6,516
Business insurance	280	280	548	1,108	106	419	525	1,633
TOTAL	\$ 1,274,974	\$ 764,973	\$ 1,111,099	\$ 3,151,046	\$ 189,282	\$ 539,367	\$ 728,649	\$ 3,879,695
								\$ 3,483,647

See accompanying notes to financial statements.

AMAZON CONSERVATION ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 873,290	\$ (214,056)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	6,516	9,677
Realized and unrealized gain on investments	(1,503)	-
Change in discount on long-term contributions and grants receivable	224	20,660
Amortization of right-of-use asset	82,288	80,779
Decrease (increase) in:		
Accounts receivable	-	259
Contributions and grants receivable	(1,091,837)	(461,964)
Prepaid expenses	(2,185)	16,214
(Decrease) increase in:		
Accounts payable and accrued liabilities	(308,406)	387,446
Accrued salaries and related benefits	1,244	3,291
Refundable advances	(72,251)	(117,050)
Operating lease liability	<u>(96,258)</u>	<u>(92,362)</u>
Net cash used by operating activities	<u>(608,878)</u>	<u>(367,106)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(666,984)	-
Proceeds from sales of investments	39,318	-
Repayments of loan receivable	<u>84,906</u>	<u>-</u>
Net cash used by investing activities	<u>(542,760)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,151,638)	(367,106)
Cash and cash equivalents at beginning of year	<u>2,526,273</u>	<u>2,893,379</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,374,635</u>	<u>\$ 2,526,273</u>

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Amazon Conservation Association (the Organization) is a non-profit organization, incorporated and located in the District of Columbia. The Organization's mission is to unite science, innovation and people to protect the western Amazon - the greatest wild forest on earth. This mission is accomplished through the following:

- Protecting wild places through creating new conservation areas, managing lands and natural resources for a changing climate, and connecting vital areas for species conservation; and
- Empowering people to become champions for conservation while improving their quality of life by education initiatives, building local partnerships and knowledge, and promoting forest-friendly livelihoods;
- Putting science and conservation to work by managing premier biological research stations, and using cutting-edge technology to detect, analyze and stop deforestation.

Through employing this holistic approach to conservation, the Organization aims to achieve its vision of a thriving Amazon that sustains the full diversity of life. These activities are funded primarily through contributions and grants from foundations, Government agencies, and individuals.

Program services -

Protect Wild Places - The Organization protects critical ecosystems and biodiversity in Peru and Bolivia by helping create and manage protected areas; ensuring landscape connectivity essential for species survival and climate adaptation; and directly addressing threats to local habitats. The Organization further helps protect the entire Amazon basin by employing the satellite, drone, and radar technologies to identify, analyze, and report the most urgent cases of deforestation and fires across all nine Amazonian countries in real-time. Examples of this work include supporting the creation of over 24 conservation areas protecting 9.3 million acres of irreplaceable ecosystems across Peru and Bolivia; planting hundreds of thousands of trees to restore damaged habitats; and supporting local communities, indigenous groups, and Governments to develop management plans that ensure sustainable resource use and conservation efforts in protected areas and indigenous territories in the long-run.

Empower People - The Organization empowers local people by building a forest-based economy that can fuel sustainable development and climate resilience to the region; combating nature crimes to stop illegal deforestation and improve the long-term protection of natural resources; and building the next generation of conservationists. Examples of this work include providing indigenous groups and Government authorities with real-time data on illegal deforestation so they can take action before the destruction gets to a point of no return; training prosecutors and judges to understand and use satellite and drone technologies in the prosecution of environmental crimes; supporting local producer groups in the production, transformation, marketing, and sale of forest goods like açai berries and Brazil nuts as an alternative to destructive livelihoods like gold mining; and providing training for local people on a wide variety of conservation-related topics, such as forest fire prevention, human-wildlife conflict mitigation, species protection, and more.

Put Science and Technology to Work - The Organization develops innovative conservation solutions through science and technology by employing their network of biological research stations in Peru and Bolivia as living laboratories where they carry out and host robust scientific research; developing and testing cutting-edge technologies to be used to advance understanding and protection of the Amazon; and facilitating learning and education of the next generation of scientists and conservationists.

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Program services (continued) -

Furthermore, the Organization's real-time monitoring program integrates the latest advances in satellite-based technologies, artificial intelligence, and machine learning to provide a regional perspective of the challenges and opportunities for the entire Amazon, such as through analyses on the impact of roads, carbon, and fires. Examples of this work include monitoring biodiversity health with the tropic's largest camera trap grid; developing and managing the Amazonian Fruits and Climate Change Observatory to provide local producers and decision makers in Bolivia data on sustainable production; hosting scientists and students from around the world to conduct research on the impacts of climate change at four premier biological stations; and developing a fire monitoring app that can be used by the public and media to track fires happening in any Amazonian nation in real-time.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Cash and cash equivalents -

The Organization considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$2,308 as of December 31, 2024. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions and grants receivable -

Contributions and grants receivable include unconditional promises to give that are expected to be collected in future years. Contributions and grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term contributions and grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions and grants.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2024 totaled \$6,516.

Income taxes -

The Organization is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Support from contributions and grants -

Contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from contributions and grants (continued) -

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Organization's refundable advances totaled \$11,012 as of December 31, 2024.

In addition, the Organization may obtain funding source agreements related to conditional contributions, which will be received in future years. The Organization's unrecognized conditional contributions to be received in future years totaled \$705,863 as of December 31, 2024.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

Functional allocation of expenses -

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as salaries and benefits, were allocated based on estimated time and effort.

Foreign operations -

A significant portion of the Organization's activities and programs is in foreign operating environments, and any disruption in these geographic locations could adversely affect the Organization.

Foreign currency translation -

The U.S. Dollar is the functional currency for the Organization's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into U.S. Dollars at the exchange rate in effect at the date of the Statement of Financial Position.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ 2,308	\$ -	\$ -	\$ 2,308
U.S. Government Securities	<u>-</u>	<u>626,861</u>	<u>-</u>	<u>626,861</u>
TOTAL	<u>\$ 2,308</u>	<u>\$ 626,861</u>	<u>\$ -</u>	<u>\$ 629,169</u>

Net investment return consisted of the following for the year ended December 31, 2024:

Interest and dividends	\$ 5
Realized and unrealized gain on investments	1,503
Investment expenses paid to external investment advisors	<u>(379)</u>
NET INVESTMENT RETURN	<u>\$ 1,129</u>

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

The Organization has received written promises to give from various donors totaling \$2,092,400 as of December 31, 2024. Contributions and grants receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using a discount rate of 4.22%.

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

3. CONTRIBUTIONS AND GRANTS RECEIVABLE (Continued)

Contributions and grants receivable are expected to be collected as follows as of December 31, 2024:

Less than one year	\$ 1,576,640
One to five years	<u>515,760</u>
Total	2,092,400
Less: Allowance to discount balance to present value	<u>(20,884)</u>
CONTRIBUTIONS AND GRANTS RECEIVABLES, NET	<u>\$ 2,071,516</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2024:

Subject to expenditure for specified purpose:	
Protect Wild Places	\$ 939,381
Empower People	939,381
Put Science and Technology to Work	<u>939,382</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 2,818,144</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Protect Wild Places	\$ 332,879
Empower People	332,879
Put Science and Technology to Work	<u>332,879</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 998,637</u>

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,374,635
Investments	629,169
Contributions and grants receivable	<u>1,576,640</u>
Subtotal financial assets available within one year	3,580,444
Less: Donor restricted funds	(2,818,144)
Less: Board designated funds	<u>(629,169)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 133,131</u>

AMAZON CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

5. LIQUIDITY AND AVAILABILITY (Continued)

The Organization has a policy to structure their financial assets to be available and liquid as its obligations become due. As of December 31, 2024, the Organization had financial assets equal to approximately one month of operating expenses. The Organization's Board designated funds can be released to meet the financial needs of the Organization upon Board approval.

In addition, the Organization has a line of credit agreement (as further discussed in Note 6) which allows for additional available borrowings up to \$150,000.

6. LINE OF CREDIT

During January 2021, the Organization obtained a \$150,000 bank line of credit without a maturity date. The loan agreement is reviewed annually by the bank. Amounts borrowed under this agreement bear interest at the Wall Street Journal prime rate plus 1.5% (8% at December 31, 2024). The line is secured by cash held in accounts at the same financial institution. There was no outstanding balance on this line of credit as of December 31, 2024.

7. LEASE COMMITMENTS

The Organization follows FASB ASC 842 for leases. The Organization has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Organization has also elected to use the risk-free rate of 1.37% as the lease discount rate for all leases as allowed under FASB ASC 842.

The Organization leases office space in Washington, D.C. The lease commenced during February 2015 and will expire in August 2025. Base monthly rent is \$6,308, increasing by a factor of 2.75% each lease year which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

Lease expense for the year ended December 31, 2024 totaled \$83,800, which is included in Occupancy in the Statement of Functional Expenses. The total cash paid for the year ended December 31, 2024 was \$97,770 for the operating lease.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2024:

Year Ending December 31, 2025	\$ 66,822
Less: Imputed interest	<u>(263)</u>
TOTAL	<u>\$ 66,559</u>

8. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan (the Plan) covering all employees working 20 or more hours per week and after three months of service. The Organization provides a 100% match of each eligible employee's contribution, up to 5% of covered compensation. Contributions to the Plan during the year ended December 31, 2024 totaled \$54,019.

AMAZON CONSERVATION ASSOCIATION

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9. CONCENTRATION OF REVENUE

Approximately 42% of the Organization's support and revenue for the year ended December 31, 2024 was derived from one donor. The Organization has no reason to believe that its relationship with this donor will be discontinued in the foreseeable future.

10. AFFILIATE TRANSACTIONS

ACCA is a non-profit civil association incorporated under the laws of Peru. It was founded in 1999. ACCA works with the Organization toward the achievement of the Organization's goals and objectives in Peru. The Organization provides some funding to ACCA to support its programs. The Organization does not have any control over ACCA.

ACEAA is a non-profit organization incorporated under the laws of Bolivia. It was founded in 2011. ACEAA works with the Organization toward the achievement of the Organization's goals and objectives in Bolivia. The Organization provides some funding to ACEAA to support its programs. The Organization does not have any control over ACEAA.

During the year ended December 31, 2024, the Organization made payments of \$910,669 and \$554,874 to ACCA and ACEAA, respectively. As of December 31, 2024, the Organization owed ACCA \$26,000 and ACEAA \$68,000, which is included in accounts payable and accrued liabilities in the Statement of Financial Position.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 19, 2025, the date the financial statements were issued.

Subsequent to year end, the Organization entered into an agreement for new office space that commenced on August 1, 2025 and expires on January 30, 2031. Payments under the new agreement are \$5,626 per month and increase 4% each year.