

AMERICAN FRIENDS OF CANADIAN CONSERVATION

Reviewed Financial Statements

March 31, 2023 and 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
American Friends of Canadian Conservation
Bellingham, Washington

We have reviewed the accompanying financial statements of American Friends of Canadian Conservation (a nonprofit organization), which comprise the statements of financial position as of March 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of American Friends of Canadian Conservation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2023 and 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Greenwood Ohlund

Seattle, Washington
July 19, 2023

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF FINANCIAL POSITION March 31, 2023 and 2022

	2023	2022
Current Assets		
Cash and cash equivalents	\$ 300,010	\$ 368,065
Contributions and grants receivable	112,218	6,750
Prepaid expenses and other assets	800	3,245
Total current assets	413,028	378,060
Contributions and Grants Receivable, net of current portion	327,956	-
Land Held for Conservation	2,653,655	2,792,046
Total assets	\$ 3,394,639	\$ 3,170,106
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 31,040	\$ 32,751
Refundable grants	8,195	17,145
Total liabilities	39,235	49,896
Net Assets		
Without donor restrictions	2,742,299	2,922,628
With donor restrictions	613,105	197,582
Total net assets	3,355,404	3,120,210
Total liabilities and net assets	\$ 3,394,639	\$ 3,170,106

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF ACTIVITIES For the Years Ended March 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions and grants	\$ 1,333,537	\$ 499,123	\$ 1,832,660	\$ 2,550,244	\$ -	\$ 2,550,244
Contributions of land held for conservation	317,138	-	317,138	176,095	-	176,095
Net assets released from restrictions	83,600	(83,600)	-	8,018	(8,018)	-
Total support and revenue	1,734,275	415,523	2,149,798	2,734,357	(8,018)	2,726,339
Expenses						
Program services	1,744,003	-	1,744,003	2,417,218	-	2,417,218
General and administrative	141,289	-	141,289	74,194	-	74,194
Fundraising	29,312	-	29,312	6,125	-	6,125
Total expenses	1,914,604	-	1,914,604	2,497,537	-	2,497,537
Change in net assets	(180,329)	415,523	235,194	236,820	(8,018)	228,802
Net Assets, beginning of year	2,922,628	197,582	3,120,210	2,685,808	205,600	2,891,408
Net Assets, end of year	<u>\$ 2,742,299</u>	<u>\$ 613,105</u>	<u>\$ 3,355,404</u>	<u>\$ 2,922,628</u>	<u>\$ 197,582</u>	<u>\$ 3,120,210</u>

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended March 31, 2023 and 2022

	2023				2022			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Grants to other organizations	\$ 1,647,987	\$ -	\$ -	\$ 1,647,987	\$ 2,354,463	\$ -	\$ -	\$ 2,354,463
Professional fees	78,110	68,887	2,180	149,177	62,755	47,806	6,125	116,686
Payroll	-	36,871	18,436	55,307	-	-	-	-
Other	10,163	10,739	-	20,902	-	4,172	-	4,172
Conferences and training	7,743	-	7,743	15,486	-	-	-	-
Telecommunications	-	9,846	-	9,846	-	7,176	-	7,176
Insurance	-	6,749	-	6,749	-	6,158	-	6,158
Dues and subscriptions	-	5,049	-	5,049	-	5,931	-	5,931
Office and supplies	-	1,590	953	2,543	-	741	-	741
Rent	-	1,492	-	1,492	-	1,328	-	1,328
Travel	-	66	-	66	-	882	-	882
	<u>\$ 1,744,003</u>	<u>\$ 141,289</u>	<u>\$ 29,312</u>	<u>\$ 1,914,604</u>	<u>\$ 2,417,218</u>	<u>\$ 74,194</u>	<u>\$ 6,125</u>	<u>\$ 2,497,537</u>

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF CASH FLOWS For the Years Ended March 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 235,194	\$ 228,802
Adjustments to reconcile change in net assets to net cash flows from operations:		
Contribution of land held for conservation	(317,138)	(176,095)
Land awarded to others	455,529	-
Change in operating assets and liabilities:		
Contributions and grants receivable	(433,424)	2,443
Prepaid expenses and other assets	2,445	(1,818)
Accounts payable	(1,711)	(196,527)
Refundable grants	(8,950)	(965)
	(68,055)	(144,160)
Cash and Cash Equivalents, beginning of the year	368,065	512,225
Cash and Cash Equivalents, end of the year	\$ 300,010	\$ 368,065

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

American Friends of Canadian Conservation (the Organization) is a nonprofit organization with a mission to protect and to promote the protection of the ecological integrity and other conservation values of the natural areas of Canada through securement of fee title and less than fee interests in land and support of Canadian conservation nonprofits and agencies.

The Organization provides funding for the conservation and stewardship activities of approved Canadian charities that have been pre-qualified as grantees. The Organization acts as an agent of these grantees, and therefore these activities are not presented on the statement of activities. These activities support the preservation of Canada's natural heritage and build the capacity of Canadian entities engaged in natural resource preservation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available to support the general operations of the Organization.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended contributions restricted for particular purposes or future periods. Net assets with donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purpose or as time restrictions are met. Net assets with donor restrictions consists of the following at March 31:

	<u>2023</u>	<u>2022</u>
Stewardship of land held for conservation	\$ 175,830	\$ 197,582
Restricted for future periods	<u>437,275</u>	<u>-</u>
	<u>\$ 613,105</u>	<u>\$ 197,582</u>

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts held at financial institutions. On occasion, the Organization has cash balances in excess of federally insured limits.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

NOTES TO FINANCIAL STATEMENTS

Revenue Recognition/Receivables

Contribution and grant revenues are recognized when the unconditional award is made. Contributions and grants received are recorded as support without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions. Conditional contributions and grants are not included as support until the conditions are substantially met.

Contributions and grants from three donors represented 73% of total support and revenue for the year ended March 31, 2023. Contributions and grants from two donors represented 70% of total support and revenue for the year ended March 31, 2022.

Contributions and grants receivable are expected to be collected in one year and are recorded at net realizable value. Contributions and grants receivable expected to be received in more than one year are discounted to net present value at a rate based on management's estimate commensurate with the related risk. As a result of this adjustment, promises to give are initially recognized at fair value. The initial discount and subsequent amortization are recognized in contribution revenue. Management does not believe a discount was necessary at March 31, 2023.

Management reviews the collectability of contributions and grants receivable on a periodic basis, determines the amount estimated to be uncollectible, and establishes an allowance. The Organization charges off receivables against the allowance when management determines that a receivable is not collectible. Management determined no allowance was necessary at March 31, 2023 and 2022.

Noncurrent contributions and grants receivable at March 31, 2023 and 2022, are expected to be collected within one to five years of the date of the statement of financial position.

Contributions and grants receivable from one donor represented 99% of total contributions and grants receivable at March 31, 2023. There were no concentrations of contributions and grants receivable at March 31, 2022.

Land Held for Conservation

Land held for conservation is stated at cost if purchased, or at estimated fair value if donated. During the years ended March 31, 2023 and 2022, contributions of land held for conservation were received from one donor and one donor, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Professional fees, payroll and other are allocated based on estimates of use of resources.

Income Tax Status

The Organization is a tax-exempt organization under the provisions of the Internal Revenue Code Section 501(c)(3).

AMERICAN FRIENDS OF CANADIAN CONSERVATION

NOTES TO FINANCIAL STATEMENTS

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was July 19, 2023.

Note 2 – Liquidity and Availability of Resources

The Organization evaluates its financial assets throughout the year to ensure adequate liquidity to meet short-term operating requirements and long-term financial stability. The following table reflects the Organization's financial assets as of March 31, 2023 and 2022, available to meet general expenditures within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and cash equivalents	\$ 300,010	\$ 368,065
Contributions and grants receivable	440,174	6,750
	<u>740,184</u>	<u>374,815</u>
Less: Amounts Not Available to be Used Within One Year for General Expenditures		
Net assets with donor restrictions	<u>(613,105)</u>	<u>(197,582)</u>
	<u>\$ 127,079</u>	<u>\$ 177,233</u>

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AMERICAN FRIENDS OF CANADIAN CONSERVATION

NOTES TO FINANCIAL STATEMENTS

Note 3 – Easements

The Organization regularly receives donations of easements for conservation and also grants these easements to approved Canadian charities. The fair value of easements is impractical to determine and, therefore, no value has been recognized in the financial statements.

Easements held at March 31, 2023 and 2022 are as follows:

Location	2023	2022
	Acres	Acres
Beauvais Point	9	9
Bleak Bay	-	337
Channel Lot	-	2
Copenhagen Island	-	50
Echo Island	-	3
French Island	-	23
Goose Island	92	-
Little Annapolis Lake	130	130
Mabou Highlands/MacKinnon's Brook	62	205
Midway Island	-	12
North Harbour	82	82
Robinson Wood	24	24
Wilderness Island	-	10
	<u>399</u>	<u>887</u>