

AMERICAN FRIENDS OF CANADIAN CONSERVATION

Reviewed Financial Statements

March 31, 2024 and 2023

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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, 2024 and 2023, 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 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
May 9, 2025

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF FINANCIAL POSITION

March 31, 2024 and 2023

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 194,957 | \$ 300,010 |
| Contributions and grants receivable | 117,855 | 112,218 |
| Prepaid expenses and other assets | 749 | 800 |
| Total current assets | 313,561 | 413,028 |
| Contributions and Grants Receivable, net of current portion | 218,637 | 327,956 |
| Land Held for Conservation | 2,106,748 | 2,653,655 |
| Total assets | <u>\$ 2,638,946</u> | <u>\$ 3,394,639</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 105,200 | \$ 31,040 |
| Refundable grants | - | 8,195 |
| Total liabilities | 105,200 | 39,235 |
| Net Assets | | |
| Without donor restrictions | 2,119,249 | 2,742,299 |
| With donor restrictions | 414,497 | 613,105 |
| Total net assets | <u>2,533,746</u> | <u>3,355,404</u> |
| Total liabilities and net assets | <u>\$ 2,638,946</u> | <u>\$ 3,394,639</u> |

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF ACTIVITIES For the Years Ended March 31, 2024 and 2023

| | 2024 | | | 2023 | | |
|--|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|----------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support and Revenue | | | | | | |
| Contributions and grants | \$ 1,655,025 | \$ 26,810 | \$ 1,681,835 | \$ 1,333,537 | \$ 499,123 | \$ 1,832,660 |
| Contributions of land held for conservation | 905,543 | - | 905,543 | 317,138 | - | 317,138 |
| Net assets released from restrictions | 225,418 | (225,418) | - | 83,600 | (83,600) | - |
| Total support and revenue | 2,785,986 | (198,608) | 2,587,378 | 1,734,275 | 415,523 | 2,149,798 |
| Expenses | | | | | | |
| Program services | 3,244,359 | - | 3,244,359 | 1,744,003 | - | 1,744,003 |
| General and administrative | 131,417 | - | 131,417 | 141,289 | - | 141,289 |
| Fundraising | 33,260 | - | 33,260 | 29,312 | - | 29,312 |
| Total expenses | 3,409,036 | - | 3,409,036 | 1,914,604 | - | 1,914,604 |
| Change in net assets | (623,050) | (198,608) | (821,658) | (180,329) | 415,523 | 235,194 |
| Net Assets, beginning of year | 2,742,299 | 613,105 | 3,355,404 | 2,922,628 | 197,582 | 3,120,210 |
| Net Assets, end of year | \$ 2,119,249 | \$ 414,497 | \$ 2,533,746 | \$ 2,742,299 | \$ 613,105 | \$ 3,355,404 |

See accompanying notes and independent accountant's review report.

AMERICAN FRIENDS OF CANADIAN CONSERVATION

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended March 31, 2024 and 2023

| | 2024 | | | | 2023 | | | |
|-------------------------------|---------------------|-------------------------------|------------------|---------------------|---------------------|-------------------------------|------------------|---------------------|
| | Program Services | General and Administrative | Fundraising | Total | Program Services | General and Administrative | Fundraising | Total |
| Grants to other organizations | \$ 3,079,816 | \$ - | \$ - | \$ 3,079,816 | \$ 1,647,987 | \$ - | \$ - | \$ 1,647,987 |
| Payroll | 77,037 | 61,769 | 33,260 | 172,066 | - | 36,871 | 18,436 | 55,307 |
| Professional fees | 77,745 | 37,482 | - | 115,227 | 78,110 | 68,887 | 2,180 | 149,177 |
| Telecommunications | - | 10,649 | - | 10,649 | - | 9,846 | - | 9,846 |
| Other | 3,837 | 5,756 | - | 9,593 | 10,163 | 10,739 | - | 20,902 |
| Travel | - | 6,760 | - | 6,760 | - | 66 | - | 66 |
| Dues and subscriptions | 4,379 | 100 | - | 4,479 | - | 5,049 | - | 5,049 |
| Rent | - | 3,969 | - | 3,969 | - | 1,492 | - | 1,492 |
| Insurance | - | 3,948 | - | 3,948 | - | 6,749 | - | 6,749 |
| Conferences and training | 1,545 | - | - | 1,545 | 7,743 | - | 7,743 | 15,486 |
| Office and supplies | - | 984 | - | 984 | - | 1,590 | 953 | 2,543 |
| | <u>\$ 3,244,359</u> | <u>\$ 131,417</u> | <u>\$ 33,260</u> | <u>\$ 3,409,036</u> | <u>\$ 1,744,003</u> | <u>\$ 141,289</u> | <u>\$ 29,312</u> | <u>\$ 1,914,604</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, 2024 and 2023

| | 2024 | 2023 |
|---|------------------|-----------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (821,658) | \$ 235,194 |
| Adjustments to reconcile change in net assets to net cash flows from operations: | | |
| Contribution of land held for conservation | (1,548,943) | (317,138) |
| Land awarded to others | 2,095,850 | 455,529 |
| Change in operating assets and liabilities: | | |
| Contributions and grants receivable | 103,682 | (433,424) |
| Prepaid expenses and other assets | 51 | 2,445 |
| Accounts payable | 74,160 | (1,711) |
| Refundable grants | (8,195) | (8,950) |
| Net cash flows from operating activities and change in cash and cash equivalents | (105,053) | (68,055) |
| Cash and Cash Equivalents, beginning of the year | 300,010 | 368,065 |
| Cash and Cash Equivalents, end of the year | \$ 194,957 | \$ 300,010 |

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:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Stewardship of land held for conservation | \$ 86,541 | \$ 175,830 |
| Restricted for future periods | 327,956 | 437,275 |
| | <u>\$ 414,497</u> | <u>\$ 613,105</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 two donors represented 38% of total support and revenue for the year ended March 31, 2024. Contributions and grants from three donors represented 73% of total support and revenue for the year ended March 31, 2023.

Contributions and grants receivable expected to be collected in one year 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, 2024.

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, 2024 and 2023.

Noncurrent contributions and grants receivable at March 31, 2024 and 2023, 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 97% and 99% of total contributions and grants receivable at March 31, 2024 and 2023, respectively.

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, 2024 and 2023, 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 May 9, 2025.

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, 2024 and 2023, available to meet general expenditures within one year of the statement of financial position date:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Financial Assets | | |
| Cash and cash equivalents | \$ 194,957 | \$ 300,010 |
| Contributions and grants receivable | 336,492 | 440,174 |
| | 531,449 | 740,184 |
| Less: Amounts Not Available to be Used Within One Year for General Expenditures | | |
| Contributions and grants receivable not collectible within the next year | (218,637) | (327,956) |
| Net assets with donor restrictions for purpose | (86,541) | (175,830) |
| | <u>\$ 226,271</u> | <u>\$ 236,398</u> |

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, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|-----------------------------------|------------|------------|
| Location | Acres | Acres |
| Beauvais Point | 9 | 9 |
| Goose Island | 92 | 92 |
| Little Annapolis Lake | - | 130 |
| Mabou Highlands/MacKinnon's Brook | - | 62 |
| North Harbour | - | 82 |
| Robinson Wood | 24 | 24 |
| | <u>125</u> | <u>399</u> |