

CONSERVATION STRATEGY FUND  
FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019



DEMELLO, MCAULEY,  
MCREYNOLDS & HOLLAND, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**DEMELLO, MCAULEY,  
MCREYNOLDS & HOLLAND, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Conservation Strategy Fund

We have audited the accompanying financial statements of Conservation Strategy Fund (a nonprofit organization), 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 audit. We conducted our audit 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 of 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 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 reasonable 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 Conservation Strategy Fund as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Demello, McAuley, McReynolds & Holland, LLP*

Eureka, California  
September 28, 2021

**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,259,589	\$ 2,349,140
Investments	0	9,209
Grants receivable	450,280	180,000
Contracts receivable	88,211	92,394
Prepaid expenses	365,138	12,063
<b>TOTAL CURRENT ASSETS</b>	<b>3,163,218</b>	<b>2,642,806</b>
<b>EQUIPMENT, NET</b>	0	0
<b>OTHER ASSETS</b>		
Deposits	1,050	1,050
	1,050	1,050
<b>TOTAL ASSETS</b>	<b>\$ 3,164,268</b>	<b>\$ 2,643,856</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,153	\$ 13,512
Accrued expenses	148,962	140,419
Contracts payable	19,250	16,051
Deferred revenue	184,954	132,650
<b>TOTAL CURRENT LIABILITIES</b>	<b>368,319</b>	<b>302,632</b>
 <b>NET ASSETS</b>		
Without donor restrictions	1,202,599	859,364
With donor restrictions	1,593,350	1,481,860
<b>TOTAL NET ASSETS</b>	<b>2,795,949</b>	<b>2,341,224</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,164,268</b>	<b>\$ 2,643,856</b>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS		
Donations	\$ 62,533	\$ 96,180
Grants and awards	234,851	32,000
Contracts	694,925	593,443
Tuition income	37,300	37,490
Direct income from foreign offices	318,224	255,304
Miscellaneous revenue	0	5,157
Interest and dividends	21,238	8,916
Net realized and unrealized gains (losses) on investments	0	(1,037)
Paycheck Protection Program funds	113,238	0
	<b>1,482,309</b>	<b>1,027,453</b>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	<b>1,482,309</b>	<b>1,027,453</b>
NET ASSETS RELEASED FROM RESTRICTION		
Satisfaction of program restrictions	771,890	1,186,837
	<b>771,890</b>	<b>1,186,837</b>
TOTAL NET ASSETS RELEASED FROM RESTRICTION	<b>771,890</b>	<b>1,186,837</b>
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<b>2,254,199</b>	<b>2,214,290</b>
EXPENSES		
Program	1,698,118	1,872,340
Supporting services:		
Management and general	189,276	279,789
Fundraising	23,570	31,037
	<b>1,910,964</b>	<b>2,183,166</b>
TOTAL FUNCTIONAL EXPENSES	<b>1,910,964</b>	<b>2,183,166</b>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<b>343,235</b>	<b>31,124</b>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Support	883,380	687,003
Net assets released from restriction	(771,890)	(1,186,837)
	<b>111,490</b>	<b>(499,834)</b>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<b>111,490</b>	<b>(499,834)</b>
INCREASE (DECREASE) IN NET ASSETS	<b>454,725</b>	<b>(468,710)</b>
NET ASSETS AT BEGINNING OF YEAR	<b>2,341,224</b>	<b>2,809,934</b>
NET ASSETS AT END OF YEAR	<b>\$ 2,795,949</b>	<b>\$ 2,341,224</b>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2020**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Conservation Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Personnel:				
Salaries and wages	\$ 754,875	\$ 112,023	\$ 8,586	\$ 875,484
Payroll taxes	78,515	8,446	819	87,780
Employee benefits	62,190	16,912	934	80,036
Total personnel	895,580	137,381	10,339	1,043,300
Communications	11,018	875	55	11,948
Contract expenses	611,498	34,096	12,189	657,783
Dues and subscriptions	4,877	3,165	0	8,042
Interest	0	1,038	0	1,038
Insurance	2,718	244	0	2,962
Temporary employment	12,577	155	0	12,732
Occupancy	45,774	2,880	260	48,914
Office	9,754	1,408	692	11,854
Printing	88	4,300	2	4,390
Professional services	33,479	2,064	25	35,568
Supplies	6,669	470	8	7,147
Training facility costs	33,727	0	0	33,727
Travel	30,359	1,200	0	31,559
Total functional expenses	<u>\$ 1,698,118</u>	<u>\$ 189,276</u>	<u>\$ 23,570</u>	<u>\$ 1,910,964</u>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Conservation Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Personnel:				
Salaries and wages	\$ 774,178	\$ 161,679	\$ 22,873	\$ 958,730
Payroll taxes	87,806	12,682	1,888	102,376
Employee benefits	95,460	38,553	5,172	139,185
Total personnel	957,444	212,914	29,933	1,200,291
Communications	11,698	1,694	260	13,652
Contract expenses	458,247	38,044	0	496,291
Dues and subscriptions	2,861	282	21	3,164
Expensed equipment	7,877	3	0	7,880
Insurance	4,328	707	0	5,035
Temporary employment	14,922	0	0	14,922
Occupancy	63,214	6,974	327	70,515
Office	9,787	2,114	442	12,343
Printing	1,705	688	0	2,393
Professional services	14,786	15,293	0	30,079
Supplies	9,968	276	53	10,297
Training facility costs	182,069	0	0	182,069
Travel	133,434	800	1	134,235
Total functional expenses	<u>\$ 1,872,340</u>	<u>\$ 279,789</u>	<u>\$ 31,037</u>	<u>\$ 2,183,166</u>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 454,725	\$ (468,710)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gain) loss on investments	0	1,037
Net non-cash donation	(10,587)	(9,819)
(Increase) decrease in operating assets:		
Grants receivable	(270,280)	557,500
Contracts receivable	4,183	(92,394)
Prepaid expenses	(353,075)	73,766
Increase (decrease) in operating liabilities:		
Accounts payable	1,641	(2,762)
Accrued expenses	8,543	(2,661)
Contracts payable	3,199	9,051
Deferred revenue	52,304	1,768
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(109,347)	66,776
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	19,796	14,095
NET CASH PROVIDED BY INVESTING ACTIVITIES	19,796	14,095
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,551)	80,871
CASH AT BEGINNING OF THE YEAR	2,349,140	2,268,269
CASH AT END OF YEAR	\$ 2,259,589	\$ 2,349,140
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 1,038	\$ 0
Taxes paid	\$ 0	\$ 0

See accompanying notes.



# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Conservation Strategy Fund (CSF) is presented to assist in understanding CSF's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

#### Nature of Activities

CSF is a nonprofit public charity corporation, founded in 1998. Its mission is to teach environmental organizations around the world to use economics and strategic analysis to conserve nature. CSF has an office in Arcata, California; La Paz, Bolivia, Indonesia and Lima, Peru. Contributions from private foundations, U.S. government agencies, individuals, and other conservation organizations primarily support CSF's activities.

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables and other liabilities.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, CSF considers cash and cash equivalents to include all cash and money market accounts held in banks and other financial institutions, including certificates of deposit, with a maturity of three months or less. The carrying amounts reported in the statement of financial position approximate fair market values because of the short maturities of those instruments. CSF used to maintain a separate bank account to comply with a funder's requirement that cash be held in a separate account. As of December 31, 2020 and 2019, included in cash and cash equivalents is \$0 of funds subject to donor restrictions and reported as deferred revenue.

#### Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value in the statement of financial position and are considered Level 1 investments. Unrealized gains and losses are included in the statement of activities.

#### Contributions

CSF accounts for contributions received and made in accordance with accounting standards for not-for-profit organizations. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the nature of donor restrictions, if any.

#### Allowance for Doubtful Accounts

CSF evaluates the collectability of program fees, grants and contracts receivable in order to determine the allowance for doubtful accounts. As of December 31, 2020 and 2019, CSF determined the various receivables are fully collectable and recorded \$0 for the allowance for doubtful accounts. Based on historical experience, CSF does not expect amounts to become uncollectible, however if they are, they will be charged to operations as a bad debt expense. The impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

### Equipment

Equipment is capitalized at its estimated fair value when donated or at cost when purchased. Equipment donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Equipment is depreciated using the straight-line method, over the asset's estimated useful life, which ranges from five to seven years. CSF's threshold for capitalizing equipment is \$5,000.

### Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S.GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2020, the first day of the Company's fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

The adoption resulted in no change to retained earnings as of January 1, 2020.

### Revenue Recognition

CSF recognizes revenue on the accrual basis of accounting. Contract revenue and program fees are recognized as revenue in the period in which the services are provided. All contract revenue is for performance obligations satisfied over time. Revenue on long-term contracts is matched with expenses each quarter and any profit or loss is recognized when the project is complete. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (either by passage of time or by use) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### Contract Assets and Liabilities

There are no contract assets on the balance sheet and contract liabilities are deferred revenues.

### Performance Obligations

For performance obligations related to contracts, control transfers to the customer over time. The service being provided is consulting and a report that is produced. The revenue is based on the contract price and the payment schedule is agreed to by both parties and stated in the contract. Revenue is recognized based on actual costs incurred on the project.

### Variable Considerations

There are no elements of variable consideration in the contracts and no financing components.

### Scholarships

CSF offers scholarships and discounts to attendees of the International Training Course. Program fee income reflects the net of gross fees for all attendees less the scholarship awarded or the discount provided.

# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

### Program Services

CSF has trained over 3,500 people from 90 countries and has conducted over a hundred economic analyses that have shaped decision-making across the globe. CSF project partners range from local activists and indigenous tribes to large international non-governmental organizations and development banks. CSF focuses its work in regions where capacity needs are intense, and which still have tremendous conservation opportunities – particularly in tropical forests rich in biodiversity. CSF analyses in these regions have influenced more than \$21 billion in investment decisions and helped conserve more than 60 million acres of natural ecosystems, with untold benefits for human communities.

### Management and General

Management and general includes the functions necessary to ensure coordination and articulation of CSF's program strategy through executive management, maintaining program administration, and managing the financial responsibilities of CSF.

### Fundraising

Fundraising provides the structure necessary to encourage and secure public support from U.S. government agencies and private financial support from individuals, foundations and corporations.

### Donated Services and Materials

CSF receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition as contributed services have not been satisfied. Donated goods, when received, are reflected as in-kind contributions in the accompanying statements at their estimated fair market values at date of receipt.

### Indirect Cost Allocations

The financial statements report certain categories of expenses that are attributable to program activities and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Indirect costs (shared costs and overhead costs) are allocated using U.S. direct staff hours. The cost allocation plan is applied consistently to all programs regardless of funding source and negotiated indirect rate. The process for the allocation is: 1) each office has a separate project code to bill recurring approved share costs, 2) on a quarterly basis, the cost allocation percentage is determined by summing the hours worked on all projects by direct staff, and 3) the accounting system's indirect allocation function distributes those percentages to projects and funders by creating allocation steps and groups to distribute those costs. The field offices' costs are shared to the projects being implemented by staff located in those countries. The U.S. costs are shared to projects where U.S. based staff and consultants are working directly.

### Tax Exempt Status

CSF is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation code Section 23701.

The Organization's federal and state tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have three and four year statute of limitations, respectively. The Organization would recognize accrued interest and penalties associated with uncertain tax provisions, if any, as part of the income tax provision.

### Net Assets

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying

# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

out the operations of CSF. Temporarily restricted net assets include those subject to a donor or funding source restriction and for which the applicable restriction was not met at the end of the current reporting period. Permanently restricted net assets include those subject to non-expiring donor restrictions, such as endowments.

### Subsequent Events

Management has evaluated subsequent events through September 28, 2021, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

### **NOTE B — CONCENTRATIONS OF CREDIT RISK**

CSF maintains a majority of its cash in accounts at Wells Fargo Bank, JPMorgan Chase Bank and Edward Jones which, at times, may exceed federally insured limits. The maximum amount of loss due to this risk was \$1,221,636 as of December 31, 2020 and \$1,407,756 as of December 31, 2019. CSF has not experienced any losses in such accounts. Management believes CSF is not exposed to any significant credit risk related to cash.

### **NOTE C — AVAILABILITY OF FINANCIAL ASSETS**

The following reflects CSF's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<b>2020</b>	<b>2019</b>
Financial assets, at year-end	\$ 2,709,869	\$ 2,538,349
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(1,593,350)	(1,481,860)
Board designations:		
Amounts set aside for liquidity reserve	(768,672)	(763,000)
	\$ 347,847	\$ 293,489

CSF periodically receives support of restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, CSF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of CSF's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### **NOTE D — DEFINED CONTRIBUTION PENSION PLAN**

CSF has a SEP IRA plan. CSF full-time employees become eligible to participate in the plan on the first day of the month one-year subsequent to employee's date of hire. In 2019, CSF made contributions to the plan equal to 10% of the employee's gross salary. Employer contributions totaled \$41,667 and \$54,545 for the years ending December 31, 2020 and 2019, respectively.

### **NOTE E — COMMITMENTS AND CONTINGENCIES**

Conditions contained within the various contracts awarded to CSF are subject to the funding agency's criteria and regulations under which expenditures may be claimed and are subject to audit under such regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with their

## CONSERVATION STRATEGY FUND NOTES TO FINANCIAL STATEMENTS

established criteria. In such cases, CSF could be held responsible for repayments to the funding agency for any questioned costs or be subject to reductions of future funding. Management does not anticipate any questioned costs for the contracts and grants administered during the years ending December 31, 2020 and 2019.

### **NOTE F — CONCENTRATIONS**

During the years ended December 31, 2020 and 2019, \$698,572 and \$807,021, respectively, which is approximately 69% and 65% of CSF's current year funding from grants and awards, was awarded by three grantors.

### **NOTE G — RECEIVABLES**

Grants receivable at December 31, expected to be collected within one year, consist of the following:

	<u>2020</u>	<u>2019</u>
Cargill Foundation	\$ 0	\$ 180,000
David and Lucile Packard Foundation	325,000	0
Environmental Defense Fund	29,100	0
Porticus	96,180	0
Total	<u>\$ 450,280</u>	<u>\$ 180,000</u>

All the grants are considered current.

Contracts receivable at December 31, consist of the following:

	<u>2020</u>	<u>2019</u>
Forum Fisheries Agency	\$ 0	\$ 52,803
Conservation International	0	22,949
UNDP Paraguay	40,310	4,689
UNDP Ecuador	0	8,383
UNDP Colombia	10,133	0
The Nature Conservancy	33,882	3,570
PEW	1,319	0
Namibia Nature Fund	2,567	0
	<u>\$ 88,211</u>	<u>\$ 92,394</u>

### **NOTE H — NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2020, CSF's net assets with donor restrictions consist of the following:

	<u>Beginning</u>	<u>Additions</u>	<u>Expended</u>	<u>Ending</u>
MacArthur Foundation	\$ 132,517	\$ 0	\$ (80,157)	\$ 52,360
The Handsel Foundation	20,198	0	0	20,198
Packard Foundation	675,336	670,000	(393,953)	951,383
Cargill Foundation	635,811	0	(224,462)	411,349
Walton Family Foundation	15,039	58,200	(44,219)	29,020
New Venture Fund	2,959	59,000	(28,299)	33,660
Porticus	0	96,180	(800)	95,380
	<u>\$ 1,481,860</u>	<u>\$ 883,380</u>	<u>\$ (771,890)</u>	<u>\$ 1,593,350</u>

All of the net assets with donor restrictions are restricted for the purpose stated in each grant.

## CONSERVATION STRATEGY FUND NOTES TO FINANCIAL STATEMENTS

At December 31, 2019, CSF's net assets with donor restrictions consist of the following:

	Beginning	Additions	Expended	Ending
MacArthur Foundation	\$ 325,848	\$ 0	\$ (193,331)	\$ 132,517
Gordon & Betty Moore Fnd.	52,041	0	(52,041)	0
The Handsel Foundation	20,198	0	0	20,198
Good Energies Foundation	9,793	54,503	(64,296)	0
Packard Foundation	654,957	400,000	(379,621)	675,336
Cargill Foundation	869,881	0	(234,070)	635,811
Walton Family Foundation	48,974	50,000	(83,935)	15,039
New Venture Fund	0	182,500	(179,541)	2,959
	<u>\$ 1,981,692</u>	<u>\$ 687,003</u>	<u>\$ (1,186,835)</u>	<u>\$ 1,481,860</u>

All of the net assets with donor restrictions are restricted for the purpose stated in each grant.

### **NOTE I — DIRECT INCOME FROM FOREIGN OFFICES**

Direct income from foreign offices is as follows:

	2020	2019
Brazil	\$ 318,224	\$ 238,667
Bolivia	0	16,637
	<u>\$ 318,224</u>	<u>\$ 255,304</u>

### **NOTE J — LEASES**

CSF leases office space in Arcata, California, for \$1,025 per month on a month-to-month basis. CSF also leases office space in Peru and Bolivia. Total office rent expense for the year ending December 31, 2020 and 2019, is \$48,665 and \$65,598, respectively.

### **NOTE K — RELATED PARTIES**

CSF operates offices in Bolivia, Peru, Indonesia and Brazil. Brazil and Indonesia were incorporated as independent NGO's under the laws of their home countries. CSF's Executive Director is also a board member of the Brazilian and Indonesian organizations. CSF has entered into service agreements with the Brazilian and Indonesian organizations to provide conservation activities. For the years ending December 31, 2020 and 2019, payments to these organizations totaled \$541,845 and \$494,693, respectively.

### **NOTE L — SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared an outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on CSF's operational and financial performance will depend on certain developments, including duration and spread of the outbreak, impact on customers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

In April of 2020 CSF was loaned proceeds ("loan") from Chase Bank, in the aggregate amount of \$112,000, pursuant to the Paycheck Protection Program (PPP) under Division A, Title 1 of the CARES Act, which was enacted March 27,

**CONSERVATION STRATEGY FUND  
NOTES TO FINANCIAL STATEMENTS**

2020. The full amount of the loan was forgiven on April 7, 2021.