

CONSERVATION STRATEGY FUND  
FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017



DEMELLO, MCAULEY,  
MCREYNOLDS & HOLLAND, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018 and 2017, 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 audits. We conducted our audits 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, 2018 and 2017, 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 10, 2019

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**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,268,269	\$ 1,948,371
Investments	14,522	38,364
Grants receivable	557,500	135,000
Contracts receivable	0	118,108
Prepaid expenses	81,229	72,942
<b>TOTAL CURRENT ASSETS</b>	<b>2,921,520</b>	<b>2,312,785</b>
<b>EQUIPMENT, NET</b>	0	0
<b>OTHER ASSETS</b>		
Grants receivable, non-current	180,000	200,000
Deposits	5,650	7,650
	<b>185,650</b>	<b>207,650</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,107,170</b>	<b>\$ 2,520,435</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 16,274	\$ 21,504
Accrued expenses	143,080	179,499
Contracts payable	7,000	63,623
Deferred revenue	130,882	108,689
<b>TOTAL CURRENT LIABILITIES</b>	<b>297,236</b>	<b>373,315</b>
 <b>NET ASSETS</b>		
Without donor restrictions	828,242	781,355
With donor restrictions	1,981,692	1,365,765
<b>TOTAL NET ASSETS</b>	<b>2,809,934</b>	<b>2,147,120</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,107,170</b>	<b>\$ 2,520,435</b>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2018 and 2017

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS		
Donations	\$ 57,770	\$ 81,622
Grants and awards	51,000	50,500
Contracts	245,590	360,470
Program fees	404,736	223,857
Direct income from foreign offices	46,232	0
Interest and dividends	738	578
Net realized and unrealized gains (losses) on investments	(7,057)	9,291
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	799,009	726,318
NET ASSETS RELEASED FROM RESTRICTION:		
Satisfaction of program restrictions	1,620,611	1,092,761
TOTAL NET ASSETS RELEASED FROM RESTRICTION	1,620,611	1,092,761
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	2,419,620	1,819,079
EXPENSES		
Program	2,067,939	1,697,468
Supporting services:		
Management and general	272,396	347,834
Fundraising	32,398	34,231
TOTAL FUNCTIONAL EXPENSES	2,372,733	2,079,533
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	46,887	(260,454)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Support	2,236,538	1,246,742
Net assets released from restriction	(1,620,611)	(1,092,761)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	615,927	153,981
INCREASE (DECREASE) IN NET ASSETS	662,814	(106,473)
NET ASSETS AT BEGINNING OF YEAR	2,147,120	2,253,593
NET ASSETS AT END OF YEAR	\$ 2,809,934	\$ 2,147,120

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**

	Program Services	Supporting Services		Total
	Conservation Services	Management and General	Fund- Raising	Total
Personnel:				
Salaries and wages	\$ 933,996	\$ 146,446	\$ 24,779	\$ 1,105,221
Payroll taxes	118,245	10,835	1,950	131,030
Employee benefits	152,579	34,429	4,611	191,619
Total personnel	1,204,820	191,710	31,340	1,427,870
Communications	13,917	1,216	62	15,195
Contract expenses	418,251	5,503	0	423,754
Dues and subscriptions	1,259	208	12	1,479
Expensed equipment	4,164	0	0	4,164
Insurance	494	4,712	0	5,206
Temporary employment	16,726	161	0	16,887
Occupancy	72,356	5,166	316	77,838
Office	7,351	477	536	8,364
Postage	848	629	4	1,481
Printing	4,545	1,219	0	5,764
Professional services	26,333	15,100	47	41,480
Repairs and maintenance	2,551	221	15	2,787
Supplies	23,086	1,683	10	24,779
Staff development and training	931	2,200	0	3,131
Training facility costs	126,460	0	0	126,460
Travel	139,527	42,191	56	181,774
Miscellaneous	4,320	0	0	4,320
Total functional expenses	<u>\$ 2,067,939</u>	<u>\$ 272,396</u>	<u>\$ 32,398</u>	<u>\$ 2,372,733</u>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2017**

	Program Services	Supporting Services		Total
	Conservation Services	Management and General	Fund- Raising	Total
Personnel:				
Salaries and wages	\$ 829,218	\$ 240,582	\$ 28,495	\$ 1,098,295
Payroll taxes	99,929	24,232	1,595	125,756
Employee benefits	97,164	53,818	3,526	154,508
Total personnel	1,026,311	318,632	33,616	1,378,559
Communications	11,358	1,056	23	12,437
Contract expenses	298,188	6,048	0	304,236
Dues and subscriptions	2,590	680	0	3,270
Expensed equipment	4,372	0	0	4,372
Insurance	0	4,712	0	4,712
Temporary employment	14,803	191	0	14,994
Occupancy	67,048	5,306	113	72,467
Office	4,745	2,296	324	7,365
Postage	743	151	1	895
Printing	12,824	1,039	0	13,863
Professional services	23,597	4,460	16	28,073
Repairs and maintenance	2,661	552	6	3,219
Supplies	36,265	379	8	36,652
Staff development and training	1,313	530	0	1,843
Training facility costs	50,614	0	0	50,614
Travel	140,036	1,802	124	141,962
Total functional expenses	<u>\$ 1,697,468</u>	<u>\$ 347,834</u>	<u>\$ 34,231</u>	<u>\$ 2,079,533</u>

See accompanying notes.

**CONSERVATION STRATEGY FUND**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2018 and 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 662,814	\$ (106,473)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gain) loss on investments	7,057	(9,291)
Net non-cash donation	(14,522)	0
(Increase) decrease in operating assets:		
Accounts receivable	0	4,914
Grants receivable	(402,500)	289,320
Contracts receivable	118,108	(42,911)
Prepaid expenses	(6,287)	102,628
Increase (decrease) in operating liabilities:		
Accounts payable	(5,230)	(8,328)
Accrued expenses	(36,419)	70,222
Contracts payable	(56,623)	51,303
Deferred revenue	22,193	65,834
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	288,591	417,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	31,307	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	31,307	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	319,898	417,218
CASH AT BEGINNING OF THE YEAR	1,948,371	1,531,153
CASH AT END OF YEAR	\$ 2,268,269	\$ 1,948,371
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 0	\$ 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 offices in Washington DC and 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,

#### Presentation of Financial Statement of Not-For-Profit Entities

In August 2016, the FASB issued ASU No. 2016-14, "Not-For-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-For-Profit Entities" (ASU 2016-14), requires not-for-profit entities to present on the face of the statement of financial position and statement of activities amounts for two classes of net assets at the end of the period, rather than the previously required three classes and enhancement of certain disclosures. The amendment is effective for fiscal years beginning after December 15, 2017. The Organization has adopted ASU 2016-14 and applied it retrospectively as allowed by the standard. The adoption of ASU 2016-14 is a format presentation change. There is no financial impact on the financial statements and no impact on the cash provided or used in operations for any period presented.

#### 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, 2018 and 2017, included in cash and cash equivalents is \$0 and \$21,223, respectively, 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.

# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

### 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, 2018 and 2017, 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.

### 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.

### 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 is provided. 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.

### 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.

### Program Services

CSF has trained over 3,200 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 58 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.

# CONSERVATION STRATEGY FUND

## NOTES TO FINANCIAL STATEMENTS

### 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 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 10, 2019, 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 \$1,840,852 as of December 31, 2018 and \$1,396,145 as of December 31, 2017. CSF has not experienced any losses in such accounts. Management believes CSF is not exposed to any significant credit risk related to cash.

## CONSERVATION STRATEGY FUND NOTES TO FINANCIAL STATEMENTS

### 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.

	2018	2017
Financial assets, at year-end	\$ 2,840,291	\$ 2,239,843
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(1,981,692)	(1,365,765)
Board designations:		
Amounts set aside for liquidity reserve	(700,000)	(700,000)
	\$ 158,599	\$ 174,078

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 2018, CSF made contributions to the plan equal to 10% of the employee's gross salary. Employer contributions totaled \$56,757 and \$57,485 for the years ending December 31, 2018 and 2017, 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 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, 2018 and 2017.

### NOTE F — CONCENTRATIONS

During the years ended December 31, 2018 and 2017, \$1,146,566 and \$1,254,789, respectively, which is approximately 50% and 65% of CSF's current year funding from grants and awards, was awarded by three grantors.

**CONSERVATION STRATEGY FUND  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G — RECEIVABLES**

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

	<u>2018</u>	<u>2017</u>
Cargill Foundation	\$ 270,000	\$ 85,000
Moore Foundation	0	50,000
David and Lucile Packard Foundation	287,500	0
Total	<u>\$ 557,500</u>	<u>\$ 135,000</u>

Grants receivable, non-current at December 31, consist of the following:

	<u>2018</u>	<u>2017</u>
Cargill Foundation	\$ 180,000	\$ 0
MacArthur Foundation	0	200,000
	<u>\$ 180,000</u>	<u>\$ 200,000</u>

Contracts receivable at December 31, consist of the following:

	<u>2018</u>	<u>2017</u>
Nature Serve	\$ 0	\$ 5,725
New Venture Fund	0	27,403
DAI Bridge	0	48,986
Sonoma County	0	5,120
USAID	0	13,581
World Wildlife Federation	0	17,293
	<u>\$ 0</u>	<u>\$ 118,108</u>

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

At December 31, 2018, 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	\$ 344,180	\$ 325,000	\$ (343,332)	\$ 325,848
Gordon & Betty Moore Fnd.	315,955	0	(263,914)	52,041
The Handsel Foundation	20,198	0	0	20,198
German Federal Enterprise for International Cooperation	37,986	0	(37,986)	0
Good Energies Foundation	44,372	116,538	(151,117)	9,793
Packard Foundation	372,313	825,000	(542,356)	654,957
Cargill Foundation	230,761	900,000	(260,880)	869,881
Walton Family Foundation	0	70,000	(21,026)	48,974
	<u>\$ 1,365,765</u>	<u>\$ 2,236,538</u>	<u>\$ (1,620,611)</u>	<u>\$ 1,981,692</u>

For purposes of this schedule, the additions to net assets with donor restrictions include amounts released from restrictions for 2018 or contract adjustments (negative amounts). 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, 2017, CSF's net assets with donor restrictions consist of the following:

	Beginning	Additions	Expended	Ending
MacArthur Foundation	\$ 123,833	\$ 400,000	\$ (179,653)	\$ 344,180
Gordon & Betty Moore Fnd.	33,326	290,000	(7,371)	315,955
The Handsel Foundation	20,198	0	0	20,198
German Federal Enterprise for International Cooperation	53,565	(1,105)	(14,474)	37,986
Good Energies Foundation	16,634	314,789	(287,051)	44,372
Packard Foundation	326,702	250,000	(204,389)	372,313
Cargill Foundation	324,702	0	(93,941)	230,761
New Venture Fund	24,456	0	(24,456)	0
World Wildlife Fund	63,428	(6,942)	(56,486)	0
Walton Family Foundation	224,940	0	(224,940)	0
	<u>\$ 1,211,784</u>	<u>\$ 1,246,742</u>	<u>\$ (1,092,761)</u>	<u>\$ 1,365,765</u>

For purposes of this schedule, the additions to net assets with donor restrictions include amounts released from restrictions for 2017 or contract adjustments (negative amounts). All of the net assets with donor restrictions are restricted for the purpose stated in each grant.

### NOTE I — PROGRAM FEES

Program fees are as follows:

	2018	2017
Brazil and Indonesia cost share income	\$ 283,836	\$ 85,395
Tuition income - gross	120,900	138,462
	<u>\$ 404,736</u>	<u>\$ 223,857</u>

### NOTE J — LEASES

CSF leases office space in Arcata, California, for \$1.025 per month on a month-to-month basis. CSF leases office space in Washington DC for \$2,300 per month with a lease until September 30, 2019. CSF also leases office space in Peru and Bolivia. Total office rent expense for the year ending December 31, 2018 and 2017, is \$72,462 and \$66,773, respectively.

### NOTE K — RELATED PARTIES

CSF contracts with a conservation organizations located in Brazil and Indonesia. The Brazilian and Indonesian organizations were incorporated 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, 2018 and 2017, payments to these organizations totaled \$561,541 and \$352,601, respectively.