



the
**Amazon
Conservation
Team**

**THE AMAZON CONSERVATION TEAM
AND AFFILIATES**

**Consolidated Financial Statements and
Supplementary Information**

For the Year Ended December 31, 2024

(With Summarized Financial Information for the Year Ended December 31, 2023)



**and
Report Thereon**



THE AMAZON CONSERVATION TEAM AND AFFILIATES

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Independent Auditors' Report

The Board of Directors of
The Amazon Conservation Team and Affiliates

Opinion

We have audited the consolidated financial statements of The Amazon Conservation Team (ACT-U.S.) and Affiliates (collectively referred to as "ACT"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ACT as of December 31, 2024, and the changes 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.

We did not audit the financial statements of Amazon Conservation Team Colombia (ACT-Colombia), Amazon Conservation Team Brasil (ACT-Brasil) or Amazon Conservation Team Guianas (ACT-Guianas), whose statements reflect total assets of \$1,137,444, \$501,187, and \$474,636, respectively, as of December 31, 2024, and total revenue and support of \$5,725,605, \$1,389,976 and \$1,970,463, respectively, for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for ACT-Colombia, ACT-Brasil and ACT-Guianas, are based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACT 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ACT's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS will always detect a material misstatement when it exists. 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 ACT'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACT'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2024 consolidating schedules of financial position, activities and cash flows (supplementary information) on pages 19-21 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 2024 information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

The consolidated financial statements of ACT as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated August 14, 2024, expressed an unmodified opinion on those statements. 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 consolidated financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
July 11, 2025

THE AMAZON CONSERVATION TEAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 2,154,113	\$ 1,637,432
Grants and pledges receivable	4,483,159	5,388,896
Note receivable	720,000	-
Field operating advances	-	574
Prepaid expenses	169,226	141,406
Investments	9,062,426	14,075,770
Property and equipment, net	2,615,805	3,539,360
Security deposit and other	11,924	35,428
	\$ 19,216,653	\$ 24,818,866
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 324,229	\$ 312,308
Refundable advances	1,064,201	640,878
	1,388,430	953,186
Net Assets		
Without donor restrictions	12,797,193	17,059,173
With donor restrictions	5,031,030	6,806,507
	17,828,223	23,865,680
	\$ 19,216,653	\$ 24,818,866

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

(With Summarized Financial Information For the Year Ended December 31, 2023)

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Contributions	\$ 1,519,744	\$ 392,103	\$ 1,911,847	\$ 2,050,833
Grants	1,923,752	1,834,336	3,758,088	8,930,379
In-kind contributions	92,404	-	92,404	834,977
Interest and investment income, net	737,807	-	737,807	1,251,873
Other	67,572	-	67,572	30,965
Foreign currency valuation (loss) gain	(180,811)	(159,705)	(340,516)	79,870
Net assets released from restrictions:				
Satisfaction of program restrictions	3,634,488	(3,634,488)	-	-
Satisfaction of time restrictions	207,723	(207,723)	-	-
TOTAL REVENUE AND SUPPORT	8,002,679	(1,775,477)	6,227,202	13,178,897
EXPENSES				
Program Services:				
Land management	5,709,482	-	5,709,482	5,106,916
Governance and culture	3,030,868	-	3,030,868	3,417,090
Sustainable alternatives livelihoods	1,529,407	-	1,529,407	1,562,633
Total Program Services	10,269,757	-	10,269,757	10,086,639
Supporting Services:				
General and administrative	1,465,044	-	1,465,044	1,420,874
Fundraising	533,894	-	533,894	618,313
Total Supporting Services	1,998,938	-	1,998,938	2,039,187
TOTAL EXPENSES	12,268,695	-	12,268,695	12,125,826
CHANGE IN NET ASSETS BEFORE TRANSLATION ADJUSTMENT	(4,266,016)	(1,775,477)	(6,041,493)	1,053,071
Translation adjustment	4,036	-	4,036	9,955
CHANGE IN NET ASSETS	(4,261,980)	(1,775,477)	(6,037,457)	1,063,026
NET ASSETS, BEGINNING OF YEAR	17,059,173	6,806,507	23,865,680	22,802,654
NET ASSETS, END OF YEAR	\$ 12,797,193	\$ 5,031,030	\$ 17,828,223	\$ 23,865,680

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

	Program Services			Supporting Services			2024 Total	2023 Total	
	Land Management	Governance and Culture	Sustainable Alternatives Livelihoods	Total Program Services	General and Administrative	Fundraising			Total Supporting Services
Salaries and benefits	\$ 2,038,873	\$ 1,119,042	\$ 659,463	\$ 3,817,378	\$ 764,014	\$ 374,562	\$ 1,138,576	\$ 4,955,954	\$ 4,681,540
Support and activities with communities and local organizations	1,047,410	887,742	334,720	2,269,872	-	-	-	2,269,872	2,714,948
Field logistics and transportation	721,516	362,144	177,894	1,261,554	-	-	-	1,261,554	1,280,362
Project and field based consultants	1,090,921	221,697	170,895	1,483,513	-	-	-	1,483,513	991,301
Consulting services	197,637	185,291	85,882	468,810	99,131	59,200	158,331	627,141	680,710
Occupancy and equipment	45,256	55,543	23,168	123,967	141,569	-	141,569	265,536	290,050
Technology	17,185	18,128	10,696	46,009	154,219	11,339	165,558	211,567	264,193
Subgrants	230,018	54,398	-	284,416	-	-	-	284,416	213,806
Travel	26,507	23,425	8,804	58,736	11,252	40,872	52,124	110,860	202,219
Other	27,719	28,922	20,198	76,839	152,315	35,373	187,688	264,527	170,880
Publications	44,626	19,241	11,467	75,334	58,822	4,811	63,633	138,967	147,937
Telecommunications and office	44,411	26,831	15,831	87,073	42,912	6,671	49,583	136,656	138,412
Project and field equipment	74,167	9,255	4,015	87,437	-	-	-	87,437	117,292
Organizational meetings and workshops	10,832	19,209	6,374	36,415	40,810	1,066	41,876	78,291	100,264
Subtotal	5,617,078	3,030,868	1,529,407	10,177,353	1,465,044	533,894	1,998,938	12,176,291	11,993,914
Donated satellite imaging	92,404	-	-	92,404	-	-	-	92,404	131,912
TOTAL EXPENSES	\$ 5,709,482	\$ 3,030,868	\$ 1,529,407	\$ 10,269,757	\$ 1,465,044	\$ 533,894	\$ 1,998,938	\$ 12,268,695	\$ 12,125,826

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

(With Summarized Financial Information for the Year Ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,037,457)	\$ 1,063,026
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	123,423	223,353
Unrealized and realized gain on investments	(370,691)	(777,724)
Loss on sale of building	94,684	-
Donated land	-	(703,065)
Changes in assets and liabilities:		
Grants and pledges receivable	905,737	(3,596,473)
Field operating advances	574	27,715
Due from related party	-	1,940
Prepaid expenses	(27,820)	(61,836)
Security deposit and other	23,504	(4,870)
Accounts payable and accrued expenses	11,921	29,329
Refundable advances	423,323	564,658
	(4,852,802)	(3,233,947)
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(737,453)	(10,163,410)
Proceeds from sales of investments	6,121,488	13,530,087
Purchases of property and equipment	(14,552)	(116,180)
	5,369,483	3,250,497
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	516,681	16,550
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,637,432	1,620,882
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,154,113	\$ 1,637,432
SUPPLEMENTAL INFORMATION:		
NONCASH FINANCING TRANSACTION		
Non-cash note receivable from sale of building	\$ 720,000	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

The Amazon Conservation Team (ACT-U.S.) was incorporated under the laws of Virginia in 1998 as a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC).

The mission of ACT-U.S. is to partner with indigenous and other local communities to protect the tropical forest and strengthen traditional culture.

Outside of the United States, ACT-U.S. operates through branch offices that are locally registered in Colombia (ACT-Colombia), Brazil (ACT-Brasil), Suriname (ACT-Guianas) and Costa Rica (ACT-Costa Rica). These entities are dependent on ACT-U.S. for funding; participate in ACT-U.S.'s activities and decision-making; and carry out the general mission and international activities of ACT-U.S.

ACT has on-the-ground presence in Colombia, Suriname, Brazil and Costa Rica, where each project is managed in partnership with local communities sharing knowledge and experience. ACT-Europe was established to support fundraising activities in Europe.

Principles of Consolidation

The consolidated financial statements include the accounts and transactions of ACT-U.S., ACT-Colombia, ACT-Brasil, ACT-Guianas and ACT-Costa Rica (collectively referred to as ACT).

ACT-U.S., ACT-Brasil, ACT-Europe, ACT-Colombia, ACT-Guianas and ACT-Costa Rica have been consolidated due to the presence of control and economic interest in ACT-Brasil, ACT-Europe, ACT-Colombia, ACT-Costa Rica, and ACT-Guianas by ACT-U.S., as required under accounting principles general accepted in the United States of America.

The activities of ACT-Costa Rica and ACT-Europe were deemed to be insignificant for separate presentation and these activities have been included with ACT-U.S. in these consolidated financial statements.

Basis of Presentation

The consolidated financial statements of ACT have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

ACT considers demand deposits, money market funds and all deposits with original maturities of three months or less when acquired to be cash and cash equivalents.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Notes Receivable

Notes receivable are recognized when ACT has a contractual right to receive cash or other financial assets from another entity and are initially measured at fair value, typically the transaction price. This receivable is subsequently measured at amortized cost using the effective interest method, and interest income is recognized on an accrual basis. ACT evaluates the collectability of its notes receivable on a regular basis in accordance with Accounting Standards Codification (ASC) 326, *Financial Instruments—Credit Losses*. As of December 31, 2024, management has assessed the notes receivable for potential credit losses. Based on this evaluation, which includes consideration of the creditworthiness of the counterparties, historical payment performance, and prevailing economic conditions, management has determined that no allowance for credit losses is necessary as of the reporting date. Management will continue to monitor the notes receivable and adjust the allowance as necessary in response to changes in borrower circumstances or economic conditions.

Investments

Investments consist of fixed-income and equity mutual funds. The investments are recorded in the accompanying consolidated financial statements at their fair value, with gains and losses included in investment income, net in the consolidated statement of activities. Fair value is the price that would be received to sell an asset or liability through an orderly transaction between market participants at the measurement date.

Fair Value Measurement

Accounting standards define fair value and establish a framework for measuring fair value for those assets and liabilities that are measured at fair value on a recurring basis. In accordance with the fair value measurement standards, ACT has categorized its applicable financial instruments into a required 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 the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized on the basis of the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that ACT has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of December 31, 2024, ACT’s investments, as described in Note 5 of these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation and Amortization

All acquisitions of property, equipment and software greater than \$5,000 and an estimated useful life in excess of more than a year are capitalized at cost and are being depreciated or amortized using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining life of the lease. Building and improvements are recorded at cost and are depreciated using the straight-line method over their useful lives of 45 years, except for those related assets in Guianas, whose useful lives are 15 years. Expenditures for major additions and improvements are capitalized; expenditures for maintenance and repairs are charged to expense when incurred. Upon the retirement or disposal of the assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses, as appropriate.

Impairment of Long-Lived Assets

ACT reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of December 31, 2024, ACT has not recognized an impairment loss.

Classification of Net Assets

ACT’s net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of ACT at the discretion of ACT’s management and the Board of Directors (Board). From time to time, the Board designates a portion of these net assets for specific purposes, which makes that portion unavailable for use at management’s discretion.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or future time periods. These donor restrictions can be temporary in nature in that they will be met by actions of ACT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2024, ACT had no net assets with donor restrictions that are required to be maintained in perpetuity.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Unconditional grants and contributions are recognized as revenue and support in the accounting period in which they are received or when the unconditional promise to give is made. Unconditional grants and contributions are considered available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue and support with donor restrictions in the accompanying consolidated statement of activities. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and released from restrictions. Grants and pledges receivable represent amounts unconditionally committed by grantors that ACT has not received as of year-end.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at net present value when the discount is significant to the consolidated financial statements. Amortization of the discount is included in grants in the accompanying consolidated statement of activities.

ACT also has conditional grants where revenue is recognized upon the completion of certain milestones and or the occurrence of certain events. A grant is considered conditional if the agreement includes a measureable performance or barrier and a right of return. Amounts that have been collected in advance but have not been earned are included in refundable advances in the accompanying consolidated statement of financial position.

Donated Services

ACT received donated services consisting of commercial satellite imagery to strengthen ACT's community-based conservation efforts in the diverse ecosystems of the Amazon rainforest. The value of these donated services is recorded at their fair value through a calculation based on the donated graphing data provided, which is then multiplied by the effective market rates for the SecureWatch platform. Donated services are reflected in the accompanying consolidated statement of activities as in-kind contributions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses.

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area have been reported as an expense of that function. Direct salaries and benefits are allocated on the basis of time sheets. Costs such as occupancy, depreciation and amortization, and other administrative costs that benefit multiple functions are allocated proportionally on the basis of total direct costs incurred.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The conversion of financial statement balances into U.S. dollars (USD) follows Financial Accounting Standards Board (FASB) ASC Topic 830, *Foreign Currency Matters*, which permits an entity to present its consolidated financial statements in any currency. If the currency in the financial statements differs from the entity's functional currency, ACT translates all assets and liabilities at the current rate at the date of the consolidated statement of financial position. Revenue and expense balances are translated at exchange rates at the transaction date or using an average rate for the period of the transactions.

The balances for ACT-Colombia reported in the consolidated statement of financial position are translated at \$1 USD to 4,409 Colombian Peso (COP) on the basis of the market representative rate at December 31, 2024. The balances for ACT-Colombia reported in the consolidated statement of activities are translated at \$1 USD to 4,074 COP.

The balances for ACT-Brasil reported in the consolidated statement of financial position are translated at \$1 USD to 6.19 Brazilian Real (BRL) on the basis of the market representative rate at December 31, 2024. The balances for ACT-Brasil reported in the consolidated statement of activities are translated at \$1 USD to 5.25 BRL.

The balances for ACT-Guianas reported in the consolidated statement of financial position are translated at \$1 USD to 34.59 Suriname Dollars (SRD) on the basis of the market representative rate at December 31, 2024. The balances for ACT-Guianas reported in the consolidated statement of activities are translated at \$1 USD to 34.59 SRD.

Estimates

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

2. Grants and Pledges Receivable

As of December 31, 2024, grants and pledges receivable were expected to be collected as follows:

Due in less than one year	\$ 2,714,629
Due in one to five years	<u>1,835,010</u>
Total	4,549,639
Less: Present value discount (3.6%)	<u>(66,480)</u>
Grants and Pledges Receivable, Net	<u>\$ 4,483,159</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

3. Note Receivable

As of December 31, 2024, ACT-U.S. holds a note receivable resulting from the sale of a building in Falls Church, VA, which was previously classified as held for sale. The building was sold for \$720,000, with consideration consisting of a note receivable for \$720,000. The sale resulted in the recognition of a loss amounting to \$94,684. The promissory note has a principal balance of \$720,000, carries an interest rate of 5.5%, and matures on December 31, 2027. As of December 31, 2024, the current portion of the note receivable (amount due within one year) is \$12,000, and the non-current portion is \$708,000. The note also requires monthly interest payments. Interest income of \$3,300 was recognized on the promissory note in the consolidated statement of activities for the year ended December 31, 2024.

4. Conditional Grants

During the year ended December 31, 2024, ACT-U.S. received a conditional grant totaling approximately \$330,000, which required certain milestones and/or the incurrence of other conditions to be met prior to revenue recognition. During the year ended December 31, 2024, ACT-U.S. had recognized revenue of approximately \$33,000 under this award. As of December 31, 2024, ACT-U.S. had not recognized revenue under this award of approximately \$300,000.

During the year December 31, 2024, ACT-Brasil, ACT-Colombia and ACT-Guianas received conditional grants, which required certain milestones and/or the incurrence of other conditions to be met prior to revenue recognition. As of December 31, 2024, ACT-Brasil, ACT-Colombia and ACT-Guianas has a refundable advances of \$415,984, \$633,156 and \$15,061, respectively, representing amounts that had been collected but the milestones of the grant had not been met.

5. Investments and Fair Value Measurement

The following table summarizes ACT's investments measured at fair value on a recurring basis as of December 31, 2024, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Total Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Fixed-income mutual funds ^(a)	\$ 6,498,713	\$ 6,498,713	\$ -	\$ -
Equity mutual funds ^(a)	<u>2,563,713</u>	<u>2,563,713</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 9,062,426</u>	<u>\$ 9,062,426</u>	<u>\$ -</u>	<u>\$ -</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

5. Investments and Fair Value Measurement (continued)

(a) *Mutual funds* – Level 1 investments include mutual funds and are valued at the net asset value of shares held at year-end. The funds have readily available quoted market prices from an active market where there is significant transparency in the executed/quoted market price.

6. Property and Equipment and Accumulated Depreciation and Amortization

ACT held the following property and equipment as of December 31, 2024:

	ACT-U.S.	Colombia	Brasil	Guianas	ACT- Total
Building	\$1,411,104	\$ 291,775	\$ -	\$ 167,159	\$1,870,038
Land	703,065	-	-	70,991	774,056
Vehicle	-	-	-	53,220	53,220
Computer equipment	-	115,792	16,486	-	132,278
Furniture, fixtures and equipment	-	83,392	20,316	-	103,708
Software and development	<u>214,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,220</u>
Total Property and Equipment	2,328,389	490,959	36,802	291,370	3,147,520
Less: Accumulated Depreciation and Amortization	<u>(211,051)</u>	<u>(228,105)</u>	<u>(13,645)</u>	<u>(78,914)</u>	<u>(531,715)</u>
Property and Equipment, Net	<u>\$2,117,338</u>	<u>\$ 262,854</u>	<u>\$ 23,157</u>	<u>\$ 212,456</u>	<u>\$2,615,805</u>

Depreciation and amortization expense was \$123,423 for the year ended December 31, 2024.

7. Net Assets

Net Assets Without Donor Restrictions

ACT's net assets without donor restrictions are composed of undesignated amounts and Board-designated amounts for a strategic reserve fund. As of December 31, 2024, ACT's net assets without donor restrictions were as follows:

Undesignated – ACT-U.S.	\$ 10,395,061
Undesignated – ACT-Colombia	262,856
Undesignated – ACT-Brasil	3,127
Undesignated – ACT-Guianas	217,193
Board-designated strategic reserve fund – ACT-Guianas	38,122
Board-designated strategic reserve fund – ACT-U.S.	<u>1,880,834</u>
Total Net Assets Without Donor Restrictions	<u>\$ 12,797,193</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

7. Net Assets (continued)

Net Assets Without Donor Restrictions (continued)

The Board-designated strategic reserve fund for U.S. and Guianas were created to secure ACT's long-term financial viability and address unforeseen adverse business events. In addition, the reserve may be used for one-time, nonrecurring expenses related to arising new programmatic initiatives that can build long-term capacity for ACT.

Net Assets With Donor Restrictions

As of December 31, 2024, net assets with donor restrictions were available as follows:

Subject to expenditure for specified purpose:	
Land management	\$ 2,130,424
Sustainable alternatives livelihoods	207,928
Governance and culture	<u>1,925,575</u>
Total Subject to Expenditure for Specified Purpose	<u>4,263,927</u>
Subject to the passage of time:	
General support for future periods	<u>767,103</u>
Total Subject to the Passage of Time	<u>767,103</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,031,030</u>

8. Commitments and Risks

Credit Risk

ACT-U.S. maintains its cash and cash equivalents with several U.S. commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2024, ACT-U.S. exceeded the maximum limit insured by FDIC by approximately \$544,000. ACT-U.S. monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents.

Foreign Operations

ACT principally operates in Colombia, Guianas and Brazil. ACT maintains cash accounts in Brazil, Colombia and Guianas for program operations. The future of these programs can be adversely affected by a number of potential factors, such as currency devaluations, terrorist activities or changes in political climate. As of December 31, 2024, assets in these countries totaled approximately \$1,869,000 which represented approximately 10% of ACT's total consolidated assets.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. Commitments and Risks (continued)

Concentration of Revenue Risk

For the year ended December 31, 2024, ACT was owed approximately \$3,542,000 from four donors, which accounted for 79% of ACT's grants and pledges receivable as of December 31, 2024.

9. Availability and Liquidity

ACT regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. ACT's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2024, were as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,154,113
Current grants and pledges receivable	2,714,629
Investments	<u>9,062,426</u>
Total Financial Assets at Year-End	13,931,168
Less amounts not available to be used within one year:	
Amounts restricted by donors with purpose restrictions	(2,578,917)
Amounts unavailable to management without Board approval:	
Board-designated strategic reserve fund	<u>(1,918,956)</u>
Total Financial Assets Available Within One Year	<u>\$ 9,433,295</u>

ACT has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of ACT throughout the year. This is done through monitoring and reviewing ACT's cash flow needs on a monthly basis. As a result, management is aware of the cyclical nature of ACT's cash flow related to ACT's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. ACT can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs. Additionally, ACT maintains Board-designated net assets that ACT does not intend to spend for these purposes, but which could be made available for current operations with Board approval, if necessary.

10. Pension Plans

ACT-U.S. sponsors a 403(b) pension plan (the 403(b) Plan). Employees are eligible to participate in the 403(b) Plan immediately after employment and may contribute up to the limits established by the IRC. ACT-U.S. provides matching contributions to employees

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

10. Pension Plans (continued)

participating in the pension plan as follows; the first two years of employment, the matching contribution is 2%; years three to five, the matching contribution is 4%; and after five years, the matching contribution is 6%.

Employer contributions are 50% vested on the one-year anniversary of the employee's start date and are 100% vested on the second-year anniversary of the employee's start date. ACT-U.S.'s total pension expense was \$64,515 for the year ended December 31, 2024, and is included in salaries and benefits in the accompanying consolidated statement of functional expenses.

The privatized and fully funded pension system in Colombia is controlled by the national government through the Ministry of Social Welfare. The current system is regulated by Law 100, which was issued in December 1993. Under the defined-contribution system, individuals have a choice of six private pension providers with which to open an account and make mandatory contributions (obligatory pensions). Contributions are made jointly by the employee (25% of the contribution) and the employer (75% of the contribution). Currently, the total pension contribution is 16% of an employee's gross salary. The employee's portion is 4% and the employer's contribution is 12%. Employers are required by law to enroll and to make the contributions on behalf of the employees and themselves. ACT-Colombia's total pension expense was \$166,897 for the year ended December 31, 2024.

The National Institute of Social Security (INSS, Instituto Nacional do Seguro Social) is the Brazilian agency in charge of the pension and social security systems. Employees' contribution rates range from 8% to 11%, depending on the amount of their compensation. The employer contribution usually ranges from 26.8% to 28.8% (20% allocated to the National Social Security Institute, or INSS, and up to 8.8% to other social security taxes), based on the employee's monthly salary. There is a cap to the individual contribution, which represents 11% applied upon the maximum contribution income. There is no cap to the employer's contribution. ACT-Brasil's total pension expense was \$82,587 for the year ended December 31, 2024.

ACT-Guianas has a defined contribution plan arrangement for their employees with the General Pension Fund of Guianas (Algemeen Pensioenfonds Suriname). ACT-Guianas's total pension expense was \$1,247 for the year ended December 31, 2024.

11. Income Taxes

ACT-U.S. is exempt from income taxes under Section 501(c)(3) of the IRC, and is only taxed on net unrelated business income. No provision for income taxes has been made in the consolidated financial statements for the year ended December 31, 2024, as there was no significant net unrelated business income.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

11. Income Taxes (continued)

ACT-Colombia is a taxpayer under the special tax regime laws in Colombia and is not subject to the presumptive income regime. The net earnings or surplus, if any, that is not exempt in nature will be levied at a 20% rate. The net earnings or surplus will be exempt when the maximum corporate body designates it (directly or indirectly) for programs developing its corporate objective in the year following the year in which the earnings or surplus is obtained.

ACT-Brasil is a private non-profit association and is exempt from income taxes and social contribution on net profits under the terms of Law No. 9,532 / 97, article 15, fulfilling the requirements established in this legislation.

ACT-Guianas is a non-governmental organization under Surinamese law and is exempt from income taxes.

ACT has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. ACT evaluated its uncertainty in income taxes for the year ended December 31, 2024, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status.

As of December 31, 2024, the statute of limitations for certain tax years remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which ACT-U.S. files tax returns; however, there are currently no audits pending or in progress. It is ACT-U.S.'s policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

12. Prior Year Summarized Financial Information

The accompanying consolidated 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 GAAP. Accordingly, such information should be read in conjunction with ACT's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

13. Subsequent Events

ACT's management has evaluated subsequent events through July 11, 2025 the date the consolidated financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2024

	<u>ACT-U.S.</u>	<u>ACT-Brasil</u>	<u>ACT-Colombia</u>	<u>ACT-Guianas</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 936,718	\$ 465,660	\$ 650,446	\$ 101,289	\$ -	\$ 2,154,113
Grants and pledges receivable	4,109,167	4,330	218,227	151,435	-	4,483,159
Note receivable	720,000	-	-	-	-	720,000
Field operating advances	79,657	-	-	-	(79,657)	-
Due from related party	212,793	-	2,751	1,076	(216,620)	-
Prepaid expenses	161,564	-	-	7,662	-	169,226
Investments	9,062,426	-	-	-	-	9,062,426
Property and equipment, net	2,117,338	23,157	262,854	212,456	-	2,615,805
Security deposit and other	-	8,040	3,166	718	-	11,924
TOTAL ASSETS	<u>\$ 17,399,663</u>	<u>\$ 501,187</u>	<u>\$ 1,137,444</u>	<u>\$ 474,636</u>	<u>\$ (296,277)</u>	<u>\$ 19,216,653</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 131,944	\$ 14,837	\$ 16,221	\$ 161,227	\$ -	\$ 324,229
Refundable advances	-	415,984	633,156	15,061	-	1,064,201
Due to related party	3,827	67,239	225,211	-	(296,277)	-
TOTAL LIABILITIES	<u>135,771</u>	<u>498,060</u>	<u>874,588</u>	<u>176,288</u>	<u>(296,277)</u>	<u>1,388,430</u>
Net Assets						
Without donor restrictions	12,275,895	3,127	262,856	255,315	-	12,797,193
With donor restrictions	4,987,997	-	-	43,033	-	5,031,030
TOTAL NET ASSETS	<u>17,263,892</u>	<u>3,127</u>	<u>262,856</u>	<u>298,348</u>	<u>-</u>	<u>17,828,223</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,399,663</u>	<u>\$ 501,187</u>	<u>\$ 1,137,444</u>	<u>\$ 474,636</u>	<u>\$ (296,277)</u>	<u>\$ 19,216,653</u>

See independent auditors' report on supplementary information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2024

	Without Donor Restrictions				With Donor Restrictions				Eliminations	Total
	ACT-U.S.	ACT-Brasil	ACT-Colombia	ACT-Guianas	ACT-U.S.	ACT-Brasil	ACT-Colombia	ACT-Guianas		
REVENUE AND SUPPORT										
Contributions	\$ 1,515,509	\$ -	\$ -	\$ 4,235	\$ 392,103	\$ -	\$ -	\$ -	\$ -	\$ 1,911,847
Grants	277,538	1,389,976	5,669,871	1,814,421	1,687,074	-	-	147,262	(7,228,054)	3,758,088
In-kind contributions	92,404	-	-	-	-	-	-	-	-	92,404
Interest and investment income, net	736,406	-	1,365	36	-	-	-	-	-	737,807
Other	10,237	-	54,369	2,966	-	-	-	-	-	67,572
Foreign currency valuation (loss) gain	(182,354)	-	-	1,543	(159,705)	-	-	-	-	(340,516)
Net assets released from restrictions:										
Satisfaction of program restrictions	3,478,288	-	-	156,200	(3,478,288)	-	-	(156,200)	-	-
Satisfaction of time restrictions	207,723	-	-	-	(207,723)	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	6,135,751	1,389,976	5,725,605	1,979,401	(1,766,539)	-	-	(8,938)	(7,228,054)	6,227,202
EXPENSES										
Program Services:										
Land management	4,206,318	219,064	3,892,276	830,585	-	-	-	-	(3,438,761)	5,709,482
Sustainable alternatives livelihoods	1,342,701	212,196	719,582	400,261	-	-	-	-	(1,145,333)	1,529,407
Governance and culture	2,841,130	957,883	1,118,360	757,455	-	-	-	-	(2,643,960)	3,030,868
Total Program Services	8,390,149	1,389,143	5,730,218	1,988,301	-	-	-	-	(7,228,054)	10,269,757
Supporting Services:										
General and administrative	1,465,044	-	-	-	-	-	-	-	-	1,465,044
Fundraising	533,894	-	-	-	-	-	-	-	-	533,894
Total Supporting Services	1,998,938	-	-	-	-	-	-	-	-	1,998,938
TOTAL EXPENSES	10,389,087	1,389,143	5,730,218	1,988,301	-	-	-	-	(7,228,054)	12,268,695
CHANGE IN NET ASSETS BEFORE TRANSLATION ADJUSTMENT	(4,253,336)	833	(4,613)	(8,900)	(1,766,539)	-	-	(8,938)	-	(6,041,493)
Translation adjustment	-	4,574	(538)	-	-	-	-	-	-	4,036
CHANGE IN NET ASSETS	(4,253,336)	5,407	(5,151)	(8,900)	(1,766,539)	-	-	(8,938)	-	(6,037,457)
NET ASSETS, BEGINNING OF YEAR	16,529,231	(2,280)	268,007	264,215	6,754,536	-	-	51,971	-	23,865,680
NET ASSETS, END OF YEAR	\$ 12,275,895	\$ 3,127	\$ 262,856	\$ 255,315	\$ 4,987,997	\$ -	\$ -	\$ 43,033	\$ -	\$ 17,828,223

See independent auditors' report on supplementary information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF CASH FLOWS
For the Year Ended December 31, 2024

	ACT-U.S.	ACT-Brasil	ACT-Colombia	ACT-Guianas	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Change in net assets	\$ (6,019,875)	\$ 5,407	\$ (5,151)	\$ (17,838)	\$ -	\$ (6,037,457)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation and amortization	94,208	4,101	10,950	14,164	-	123,423
Unrealized and realized gain on investments	(370,691)	-	-	-	-	(370,691)
Loss on sale of building	94,684	-	-	-	-	94,684
Changes in assets and liabilities:						
Grants and pledges receivable	1,216,076	(4,330)	(215,803)	(90,206)	-	905,737
Field operating advances	(24,435)	-	-	-	25,009	574
Due from related party	(212,793)	-	88,379	57,884	66,530	-
Prepaid expenses	(23,808)	-	-	(4,012)	-	(27,820)
Security deposit and other	-	2,244	21,260	-	-	23,504
Accounts payable and accrued expenses	49,419	(5,432)	(77,491)	45,425	-	11,921
Refundable advances	-	415,984	31,669	(24,330)	-	423,323
Due to related party	(146,263)	12,591	225,211	-	(91,539)	-
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(5,343,478)	430,565	79,024	(18,913)	-	(4,852,802)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	(737,453)	-	-	-	-	(737,453)
Proceeds from sales of investments	6,121,488	-	-	-	-	6,121,488
Purchases of property and equipment	(3,213)	(5,123)	(6,216)	-	-	(14,552)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	5,380,822	(5,123)	(6,216)	-	-	5,369,483
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,344	425,442	72,808	(18,913)	-	516,681
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	899,374	40,218	577,638	120,202	-	1,637,432
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 936,718	\$ 465,660	\$ 650,446	\$ 101,289	\$ -	\$ 2,154,113
SUPPLEMENTAL INFORMATION:						
NON-CASH INVESTING ACTIVITIES						
Non-cash note receivable from sale of building	\$ 720,000	\$ -	\$ -	\$ -	\$ -	\$ 720,000

See independent auditors' report on supplementary information.