



the  
**Amazon**  
Conservation  
Team

**THE AMAZON CONSERVATION TEAM  
AND AFFILIATES**

**Consolidated Financial Statements and  
Supplementary Information**

*For the Year Ended December 31, 2021*



**and  
Report Thereon**



**THE AMAZON CONSERVATION TEAM AND AFFILIATES**

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**For the Year Ended December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To 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, 2021, 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.

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ACT as of December 31, 2021, 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 Suriname (ACT-Suriname), whose statements reflect total assets of \$473,556, \$62,910 and \$472,009, respectively, as of December 31, 2021, and total revenue and support of \$4,286,955, \$642,845 and \$1,660,713, 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-Suriname, are based solely on the report 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 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 consolidating schedules of financial position, activities and cash flows (supplementary information) are presented for purposes of additional analysis and are 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 supplementary 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Marcum LLP*

Washington, DC  
August 17, 2022

**THE AMAZON CONSERVATION TEAM AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2021**

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|   |                                    |
|---|------------------------------------|
| <b>ASSETS</b>                           |                                    |
| Cash and cash equivalents               | \$ 6,736,898                       |
| Grants and pledges receivable           | 3,339,049                          |
| Field operating advances                | 39,851                             |
| Prepaid expenses                        | 72,857                             |
| Investments                             | 22,110,121                         |
| Property and equipment, net             | 704,300                            |
| Security deposit and other              | <u>40,267</u>                      |
| <b>TOTAL ASSETS</b>                     | <b><u><u>\$ 33,043,343</u></u></b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                                    |
| <b>Liabilities</b>                      |                                    |
| Accounts payable and accrued expenses   | \$ 290,611                         |
| Refundable advances                     | <u>313,804</u>                     |
| <b>TOTAL LIABILITIES</b>                | <b><u>604,415</u></b>              |
| <b>Net Assets</b>                       |                                    |
| Without donor restrictions              | 29,388,121                         |
| With donor restrictions                 | <u>3,050,807</u>                   |
| <b>TOTAL NET ASSETS</b>                 | <b><u>32,438,928</u></b>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b><u><u>\$ 33,043,343</u></u></b> |

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, 2021**

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|---|---------------------------------------|------------------------------------|----------------------|
| <b>REVENUE AND SUPPORT</b>  |                                       |                                    |                      |
| Contributions   | \$ 24,271,860                         | \$ 679,145                         | \$ 24,951,005        |
| Grants  | 777,702                               | 973,014                            | 1,750,716            |
| In-kind contributions   | 467,784                               | -                                  | 467,784              |
| Interest and investment income, net                                       | 159,437                               | -                                  | 159,437              |
| Other   | 21,160                                | -                                  | 21,160               |
| Forgiveness of PPP loan   | 240,118                               | -                                  | 240,118              |
| Foreign currency valuation (loss) gain                                    | (9,773)                               | (237,733)                          | (247,506)            |
| Net assets released from restrictions:                                    |                                       |                                    |                      |
| Satisfaction of program restrictions                                      | 2,525,575                             | (2,525,575)                        | -                    |
| Satisfaction of time restrictions   | 534,010                               | (534,010)                          | -                    |
|   | <u>28,987,873</u>                     | <u>(1,645,159)</u>                 | <u>27,342,714</u>    |
| <b>TOTAL REVENUE<br/>AND SUPPORT</b>                                      |                                       |                                    |                      |
|   | <u>28,987,873</u>                     | <u>(1,645,159)</u>                 | <u>27,342,714</u>    |
| <b>EXPENSES</b>   |                                       |                                    |                      |
| Program Services:   |                                       |                                    |                      |
| Land management   | 3,285,956                             | -                                  | 3,285,956            |
| Governance and culture  | 2,099,445                             | -                                  | 2,099,445            |
| Sustainable alternatives livelihoods                                      | 2,175,536                             | -                                  | 2,175,536            |
|   | <u>7,560,937</u>                      | <u>-</u>                           | <u>7,560,937</u>     |
| Total Program Services  | <u>7,560,937</u>                      | <u>-</u>                           | <u>7,560,937</u>     |
| Supporting Services:  |                                       |                                    |                      |
| General and administrative  | 1,021,051                             | -                                  | 1,021,051            |
| Fundraising   | 409,579                               | -                                  | 409,579              |
|   | <u>1,430,630</u>                      | <u>-</u>                           | <u>1,430,630</u>     |
| Total Supporting Services   | <u>1,430,630</u>                      | <u>-</u>                           | <u>1,430,630</u>     |
| <b>TOTAL EXPENSES</b>   | <u>8,991,567</u>                      | <u>-</u>                           | <u>8,991,567</u>     |
| Change in Net Assets Before Translation                                   |                                       |                                    |                      |
| Adjustment and Change in Control  | 19,996,306                            | (1,645,159)                        | 18,351,147           |
| Translation adjustment  | (10,196)                              | -                                  | (10,196)             |
| Excess of assets over liabilities<br>in change in control of ACT-Suriname | 203,289                               | 53,757                             | 257,046              |
|   | <u>20,189,399</u>                     | <u>(1,591,402)</u>                 | <u>18,597,997</u>    |
| <b>CHANGE IN NET ASSETS</b>   |                                       |                                    |                      |
|   | <u>20,189,399</u>                     | <u>(1,591,402)</u>                 | <u>18,597,997</u>    |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                                      | <u>9,198,722</u>                      | <u>4,642,209</u>                   | <u>13,840,931</u>    |
| <b>NET ASSETS, END OF YEAR</b>  | <u>\$ 29,388,121</u>                  | <u>\$ 3,050,807</u>                | <u>\$ 32,438,928</u> |

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, 2021**

|                                       | Program Services    |                        |                                      | Supporting Services    |                            |                   |                           |                     |
|---------------------------------------|---------------------|------------------------|--------------------------------------|------------------------|----------------------------|-------------------|---------------------------|---------------------|
|                                       | Land Management     | Governance and Culture | Sustainable Alternatives Livelihoods | Total Program Services | General and Administrative | Fundraising       | Total Supporting Services | Total               |
| Salaries and benefits                 | \$ 614,763          | \$ 699,636             | \$ 537,269                           | \$ 1,851,668           | \$ 452,013                 | \$ 309,375        | \$ 761,388                | \$ 2,613,056        |
| Local community assistance            | 573,901             | 241,284                | 565,446                              | 1,380,631              | 200                        | -                 | 200                       | 1,380,831           |
| Field transportation and logistics    | 534,232             | 410,048                | 241,236                              | 1,185,516              | -                          | -                 | -                         | 1,185,516           |
| Field-related consultants and other   | 407,369             | 191,760                | 287,369                              | 886,498                | -                          | -                 | -                         | 886,498             |
| Consulting services                   | 127,551             | 179,932                | 90,766                               | 398,249                | 127,295                    | 65,875            | 193,170                   | 591,419             |
| Subgrants                             | 186,720             | 128,841                | 254,242                              | 569,803                | -                          | -                 | -                         | 569,803             |
| Construction and land acquisition     | 210,687             | 3,095                  | 86,933                               | 300,715                | -                          | -                 | -                         | 300,715             |
| Organizational meetings and workshops | 1,006               | 14,190                 | 1,126                                | 16,322                 | 205,598                    | 510               | 206,108                   | 222,430             |
| Publications                          | 37,225              | 61,339                 | 27,392                               | 125,956                | 27,165                     | 150               | 27,315                    | 153,271             |
| Occupancy and equipment               | 19,723              | 44,214                 | 19,198                               | 83,135                 | 62,320                     | -                 | 62,320                    | 145,455             |
| Technology                            | 15,807              | 25,471                 | 12,371                               | 53,649                 | 51,448                     | 9,393             | 60,841                    | 114,490             |
| Project and field equipment           | 36,127              | 35,228                 | 3,789                                | 75,144                 | 3,443                      | -                 | 3,443                     | 78,587              |
| Travel                                | 5,846               | 15,810                 | 4,754                                | 26,410                 | 33,310                     | 17,873            | 51,183                    | 77,593              |
| Telecommunications and office expense | 15,136              | 17,588                 | 15,453                               | 48,177                 | 19,218                     | 4,691             | 23,909                    | 72,086              |
| Other                                 | 32,079              | 31,009                 | 28,192                               | 91,280                 | 39,041                     | 1,712             | 40,753                    | 132,033             |
| Subtotal                              | 2,818,172           | 2,099,445              | 2,175,536                            | 7,093,153              | 1,021,051                  | 409,579           | 1,430,630                 | 8,523,783           |
| Donated satellite imaging             | 467,784             | -                      | -                                    | 467,784                | -                          | -                 | -                         | 467,784             |
| <b>TOTAL EXPENSES</b>                 | <b>\$ 3,285,956</b> | <b>\$ 2,099,445</b>    | <b>\$ 2,175,536</b>                  | <b>\$ 7,560,937</b>    | <b>\$ 1,021,051</b>        | <b>\$ 409,579</b> | <b>\$ 1,430,630</b>       | <b>\$ 8,991,567</b> |

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, 2021**

|   |                            |
|---|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                            |
| Change in net assets  | \$ 18,597,997              |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                            |
| Depreciation and amortization   | 32,854                     |
| Unrealized and realized loss on investments   | 187,158                    |
| Forgiveness of PPP loan   | (240,118)                  |
| Interest on PPP loan  | 3,218                      |
| Cash portion of change in control of ACT-Suriname   | (120,245)                  |
| Changes in assets and liabilities:  |                            |
| Grants and pledges receivable   | 574,449                    |
| Field operating advances  | (39,805)                   |
| Due from related party  | -                          |
| Prepaid expenses  | (46,473)                   |
| Security deposit and other  | (12,059)                   |
| Accounts payable and accrued expenses   | 114,160                    |
| Refundable advances   | 172,341                    |
| Due to related party  | (60,314)                   |
|   | <u>19,163,163</u>          |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  |                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                            |
| Purchases of investments  | (21,112,827)               |
| Proceeds from sales of investments  | 565,103                    |
| Cash portion of change in control of ACT-Suriname   | 120,245                    |
| Change in control of ACT-Suriname property and equipment                                    | (157,463)                  |
| Purchases of property and equipment   | (432,450)                  |
|   | <u>(21,017,392)</u>        |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  |                            |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>  |                            |
|   | (1,854,229)                |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   |                            |
|   | <u>8,591,127</u>           |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   |                            |
|   | <u><u>\$ 6,736,898</u></u> |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                            |
| <b>NONCASH INVESTING AND FINANCING TRANSACTION</b>  |                            |
| Forgiveness of PPP loan   | <u>\$ 240,118</u>          |
| Change in control of ACT-Suriname property and equipment                                    | <u>\$ 157,463</u>          |

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, 2021

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#### 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), the Netherlands (ACT-Europe) and Suriname (ACT-Suriname). 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 and Brazil, 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-Europe and ACT-Suriname (collectively referred to as ACT). ACT-U.S., ACT-Brasil, ACT-Europe, ACT-Colombia and ACT-Suriname have been consolidated due to the presence of control and economic interest in ACT-Brasil, ACT-Europe and ACT-Colombia by ACT-U.S., as required under accounting principles general accepted in the United States of America. Effective January 1, 2021, ACT-Suriname's financial activity is included in ACT's consolidated financial statements (See Note 2). All intercompany balances and transactions have been eliminated in consolidation.

The activities of 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, 2021

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

##### **Investments**

Investments consist of fixed-income and equity mutual funds and money market funds. The investments are recorded in the accompanying consolidated financial statements at their fair value, with gains and losses included in investment income 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.

*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, 2021, only 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. 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.

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

##### **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, 2021, 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. 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, 2021, ACT had no net assets with donor restrictions that are required to be maintained in perpetuity.

##### **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 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.

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

**Revenue Recognition (continued)**

Paycheck Protection Program (PPP) loan forgiveness was recognized as revenue in the period the loan was forgiven by the Small Business Association (SBA).

**Donated Services**

ACT received donated services primarily 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 reflected in the accompanying consolidated statement of activities as in-kind contributions and is recorded at their fair value.

**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.

**Foreign Currency Translation**

The conversion of financial statement balances into U.S. dollars (USD) follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 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 3,981 Colombian Peso (COP) on the basis of the market representative rate at December 31, 2021. The balances for ACT-Colombia reported in the consolidated statement of activities are translated at \$1 USD to 3,742 COP.

The balances for ACT-Brasil reported in the consolidated statement of financial position are translated at \$1 USD to 5.58 Brazilian Real (BRL) on the basis of the market representative rate at December 31, 2021. The balances for ACT-Brasil reported in the consolidated statement of activities are translated at \$1 USD to 5.30 BRL.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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

**Foreign Currency Translation (continued)**

The balances for ACT-Suriname reported in the consolidated statement of financial position are translated at \$1 USD to 20.342 Suriname Dollars (SRD) on the basis of the market representative rate at December 31, 2021. The balances for ACT-Suriname reported in the consolidated statement of activities are translated at \$1 USD to 20.342 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. Change in Control of ACT-Suriname

ACT-Suriname is an affiliate of ACT-U.S. In August 2021, ACT-Suriname amended its operating agreement with ACT-U.S., whereby effective January 1, 2021, the appointment of ACT-Suriname's board members and executive leadership will be subject to review by ACT-U.S. As a result, effective January 1, 2021, ACT-Suriname's financial activity is included in ACT-U.S.'s audited consolidated statements due to effective control.

For the year ended December 31, 2021, ACT-U.S. recognized an excess of assets over liabilities assumed in the change in control of ACT-Suriname in the amount of \$257,046 as a result of the aforementioned change in control. The fair value of the assets and liabilities of ACT-Suriname assumed by ACT as of January 1, 2021 are summarized as follows:

**Assets:**

|                                |                   |
|--------------------------------|-------------------|
| Cash and cash equivalents      | \$ 120,245        |
| Grants and accounts receivable | 190,226           |
| Prepaid expenses               | 4,149             |
| Security deposit and others    | 16,915            |
| Property and equipment         | <u>157,463</u>    |
| Total Assets                   | <u>\$ 488,998</u> |

**Liabilities:**

|                                       |                   |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | \$ 214,393        |
| Deferred revenue                      | 14,215            |
| Due to related parties                | <u>3,344</u>      |
| Total Liabilities                     | <u>\$ 231,952</u> |
| Excess                                | <u>\$ 257,046</u> |

ACT did not incur any other significant costs or make any significant cash outlays relating to the change in control during the year ended December 31, 2021.

**THE AMAZON CONSERVATION TEAM AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

3. Grants and Pledges Receivable

As of December 31, 2021, grants and pledges receivable were expected to be collected as follows:

|                                    |                     |
|------------------------------------|---------------------|
| Due in less than one year          | \$ 1,934,648        |
| Due in one to five years           | <u>1,453,815</u>    |
| Total                              | 3,388,463           |
| Less: Present value discount (3%)  | <u>(49,414)</u>     |
| Grants and Pledges Receivable, Net | <u>\$ 3,339,049</u> |

4. Conditional Grants

During the year ended December 31, 2021, ACT-U.S. had a conditional grant totaling approximately \$536,971, which required certain milestones and/or the incurrence of other conditions to be met prior to revenue recognition. During the year ended December 31, 2021, ACT-U.S. recognized \$8,856, under this award. As of December 31, 2021, ACT-U.S. had not yet recognized \$528,115, under this award as associated milestones had not yet been met. Of the amount not yet recognized as of December 31, 2021, \$232,781 was paid to ACT-U.S. in advance.

ACT-Colombia held a refundable advance of \$66,996 as of December 31, 2021, and ACT-Suriname held a refundable advance of \$14,027 as of December 31, 2021. These refundable advances are included in the accompanying consolidated statement of financial position.

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, 2021, aggregated by the fair value hierarchy level with which those measurements were made:

|  | Total<br>Fair Value  | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|--|----------------------|---|---|--|
| Fixed-income mutual funds <sup>(a)</sup> | \$ 15,684,068        | \$ 15,684,068   | \$ -  | \$ -   |
| Equity mutual funds <sup>(a)</sup>       | 6,397,704            | 6,397,704   | -   | -  |
| Money market funds <sup>(b)</sup>        | <u>28,349</u>        | <u>28,349</u>   | <u>-</u>  | <u>-</u>   |
| Total                                    | <u>\$ 22,110,121</u> | <u>\$ 22,110,121</u>  | <u>\$ -</u>   | <u>\$ -</u>  |

<sup>(a)</sup> *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.

**THE AMAZON CONSERVATION TEAM AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

5. Investments and Fair Value Measurement (continued)

(b) *Money market funds* – These funds are held in accounts that are actively traded, are priced using independent market prices in the primary trading market and are classified as Level 1 on the basis of the availability of quotes for identical assets.

For the year ended December 31, 2021, investment income consisted of the following:

|                        |                          |
|------------------------|--------------------------|
| Interest and dividends | \$ 377,770               |
| Unrealized losses      | (213,226)                |
| Investment fees        | (31,175)                 |
| Realized gains         | <u>26,068</u>            |
| Investment Income, Net | <u><u>\$ 159,437</u></u> |

6. Property and Equipment and Accumulated Depreciation and Amortization

ACT held the following property and equipment as of December 31, 2021:

|   | <u>ACT-U.S.</u>          | <u>Colombia</u>          | <u>Brasil</u>          | <u>Suriname</u>          | <u>ACT-<br/>Total</u>    |
|---|--------------------------|--------------------------|------------------------|--------------------------|--------------------------|
| Leasehold improvements                                | \$ 210,329               | \$ -                     | \$ -                   | \$ -                     | \$ 210,329               |
| Building  | -                        | 291,775                  | -                      | 168,716                  | 460,491                  |
| Land  | -                        | -                        | -                      | 72,353                   | 72,353                   |
| Vehicle   | -                        | -                        | -                      | 53,220                   | 53,220                   |
| Computer equipment                                    | 15,712                   | 49,452                   | 5,025                  | -                        | 70,189                   |
| Furniture, fixtures<br>and equipment                  | -                        | 19,722                   | -                      | -                        | 19,722                   |
| Software and development                              | <u>309,333</u>           | <u>-</u>                 | <u>-</u>               | <u>-</u>                 | <u>309,333</u>           |
| Total Property<br>and Equipment                       | 535,374                  | 360,949                  | 5,025                  | 294,289                  | 1,195,637                |
| Less: Accumulated<br>Depreciation and<br>Amortization | <u>(363,402)</u>         | <u>(82,392)</u>          | <u>(1,002)</u>         | <u>(44,541)</u>          | <u>(491,337)</u>         |
| Property and<br>Equipment, Net                        | <u><u>\$ 171,972</u></u> | <u><u>\$ 278,557</u></u> | <u><u>\$ 4,023</u></u> | <u><u>\$ 249,748</u></u> | <u><u>\$ 704,300</u></u> |

Depreciation and amortization expense was \$32,854 for the year ended December 31, 2021.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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, 2021, ACT's net assets without donor restrictions were as follows:

|   |                      |
|---|----------------------|
| Undesignated – ACT-U.S.                     | \$ 26,922,603        |
| Undesignated – ACT-Colombia                 | 278,557              |
| Undesignated – ACT-Brasil                   | 110                  |
| Undesignated – ACT-Suriname                 | 321,374              |
| Board-designated strategic reserve fund     | <u>1,865,477</u>     |
| Total Net Assets Without Donor Restrictions | <u>\$ 29,388,121</u> |

The board-designated strategic reserve fund was 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, 2021, net assets with donor restrictions were available as follows:

|  |                     |
|--|---------------------|
| Subject to expenditure for specified purpose:      |                     |
| Governance and culture                             | \$ 1,330,663        |
| Land management                                    | 862,519             |
| Sustainable alternatives livelihoods               | <u>178,480</u>      |
| Total Subject to Expenditure for Specified Purpose | <u>2,371,662</u>    |
| Subject to the passage of time:                    |                     |
| General support for future periods                 | <u>679,145</u>      |
| Total Subject to the Passage of Time               | <u>679,145</u>      |
| Total Net Assets With Donor Restrictions           | <u>\$ 3,050,807</u> |

8. Note Payable

During the year ended December 31, 2020, ACT entered into a SBA loan with its financial institution under the PPP in the amount of \$236,900. ACT submitted for forgiveness of the PPP loan, and received notice of forgiveness on August 23, 2021. As a result, ACT recognized the forgiveness of the loan and the accumulated interest in the amount of \$240,118 in the accompanying consolidated statement of activities.

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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#### 9. Commitments and Risks

##### **Operating Lease**

In June 2006, ACT-U.S. entered into a noncancelable operating lease for its office space in Arlington, Virginia. The lease was amended several times and expired on December 31, 2020. In March 2021, the lease was further amended, to lease the space for two additional years through December 31, 2022. The lease amendment provided for a flat rate during the lease term and no other changes to the lease.

Future minimum lease payments required under this lease due during the year ending December 31, 2022, is \$42,000.

Total rent expense attributable to ACT's office space was \$78,925 for the year ended December 31, 2021, and is included in occupancy and equipment in the accompanying consolidated statement of functional expenses.

##### **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, 2021, ACT-U.S. had approximately \$6,445,000 composed of demand deposits, which exceeded the maximum limit insured by FDIC by approximately \$5,301,000. 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, Suriname and Brazil. ACT maintains cash accounts in Brazil, Colombia and Suriname 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, 2021, assets in these countries totaled approximately \$980,000 which represented approximately 3% of ACT's total consolidated assets.

##### **Concentration of Revenue Risk**

For the year ended December 31, 2021, ACT recognized revenue of \$23,860,000 from four donors, which represents approximately 86% of ACT's total consolidated revenue and support, excluding the foreign currency valuation loss. Additionally, ACT was owed \$2,858,901 from two donors, which accounted for 86% of ACT's grants and pledges receivable as of December 31, 2021.

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

#### 10. 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, 2021, were as follows:

|   |                      |
|---|----------------------|
| Financial assets at year-end:                                   |                      |
| Cash and cash equivalents                                       | \$ 6,736,898         |
| Current grants and pledges receivable                           | 1,934,648            |
| Investments   | <u>22,110,121</u>    |
| Total Financial Assets at Year-End                              | 30,781,667           |
| Less amounts not available to be used within one year:          |                      |
| Amounts restricted by donors with purpose and time restrictions | (1,596,992)          |
| Amounts unavailable to management without Board approval:       |                      |
| Board-designated strategic reserve fund                         | <u>(1,865,477)</u>   |
| Total Financial Assets Available Within One Year                | <u>\$ 27,319,198</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.

#### 11. Related-Party Transactions

During the year ended December 31, 2021, ACT worked through a partnership with Iniciativas para el Desarrollo Humano Sostenible (IDEHS) located in Costa Rica. This foreign entity is a separately incorporated nonprofit organization. ACT provided significant financial support to the organization. However, ACT does not have control of IDEHS, which would require consolidation under GAAP, as defined in FASB ASC Topic 958-810, *Not-for-Profit Entities – Consolidation*.

ACT had entered into a memorandum of agreement (MOA) with this organization. The purpose of the MOA was for both organizations to collaborate in activities contributing to their shared purpose and philosophy of conserving terrestrial and aquatic ecosystems, and partnering with local communities to strengthen traditional culture. Under the MOA, ACT

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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#### 11. Related-Party Transactions (continued)

provided a majority of the foreign nonprofit organizations' financial resources and technical assistance. The MOA also indicated that ACT, in collaboration with its partner, would execute a majority of the fundraising activities and that those fundraising activities were subject to modification at any time by both parties' mutual consent.

For the year ended December 31, 2021, ACT provided \$126,232 to IDEHS for program and operational expenses. These expenses were covered with a combination of funds with and without donor restrictions. ACT records the amounts transferred as field operating advances until the affiliate provides documentation to show that the advances were used in accordance with the applicable grant agreements. As of December 31, 2021, ACT-Costa Rica owed ACT-U.S. \$39,851. The amount is included in field operating advances in the accompanying consolidated statement of financial position.

#### 12. 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 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 \$48,075 for the year ended December 31, 2021, 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 \$58,765 for the year ended December 31, 2021.

ACT-Suriname's total pension expense was \$1,525 for the year ended December 31, 2021.

## THE AMAZON CONSERVATION TEAM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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#### 13. 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, 2021, as there was no significant net unrelated business income.

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-Suriname 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, 2021, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status.

As of December 31, 2021, 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.

#### 14. Subsequent Events

ACT's management has evaluated subsequent events through August 17, 2022, the date the consolidated financial statements were available to be issued. In February 2022, ACT purchased an office building in Fairfax, VA. Also in 2022, ACT established control over a related party, ACT-Costa Rica, which will be consolidated with ACT for the year ended December 31, 2022. There were no other 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, 2021

|   | ACT-U.S.             | ACT-Brasil       | ACT-Colombia      | ACT-Suriname      | Eliminations        | Total                |
|---|----------------------|------------------|-------------------|-------------------|---------------------|----------------------|
| <b>ASSETS</b>                           |                      |                  |                   |                   |                     |                      |
| Cash and cash equivalents               | \$ 6,425,517         | \$ 54,963        | \$ 163,032        | \$ 93,386         | \$ -                | \$ 6,736,898         |
| Grants and pledges receivable           | 3,232,020            | -                | 12,425            | 94,604            | -                   | 3,339,049            |
| Field operating advances                | 179,470              | -                | -                 | -                 | (139,619)           | 39,851               |
| Due from related party                  | 1,385                | -                | -                 | 8,765             | (10,150)            | -                    |
| Prepaid expenses                        | 60,154               | 3,924            | -                 | 8,779             | -                   | 72,857               |
| Investments                             | 22,110,121           | -                | -                 | -                 | -                   | 22,110,121           |
| Property and equipment, net             | 171,972              | 4,023            | 278,557           | 249,748           | -                   | 704,300              |
| Security deposit and other              | 3,998                | -                | 19,542            | 16,727            | -                   | 40,267               |
| <b>TOTAL ASSETS</b>                     | <b>\$ 32,184,637</b> | <b>\$ 62,910</b> | <b>\$ 473,556</b> | <b>\$ 472,009</b> | <b>\$ (149,769)</b> | <b>\$ 33,043,343</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                      |                  |                   |                   |                     |                      |
| <b>Liabilities</b>                      |                      |                  |                   |                   |                     |                      |
| Accounts payable and accrued expenses   | \$ 115,401           | \$ 14,203        | \$ 26,899         | \$ 134,108        | \$ -                | \$ 290,611           |
| Refundable advances                     | 232,781              | -                | 66,996            | 14,027            | -                   | 313,804              |
| Due to related party                    | 68                   | 48,597           | 101,104           | -                 | (149,769)           | -                    |
| <b>TOTAL LIABILITIES</b>                | <b>348,250</b>       | <b>62,800</b>    | <b>194,999</b>    | <b>148,135</b>    | <b>(149,769)</b>    | <b>604,415</b>       |
| <b>Net Assets</b>                       |                      |                  |                   |                   |                     |                      |
| Without donor restrictions              | 28,788,080           | 110              | 278,557           | 321,374           | -                   | 29,388,121           |
| With donor restrictions                 | 3,048,307            | -                | -                 | 2,500             | -                   | 3,050,807            |
| <b>TOTAL NET ASSETS</b>                 | <b>31,836,387</b>    | <b>110</b>       | <b>278,557</b>    | <b>323,874</b>    | <b>-</b>            | <b>32,438,928</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 32,184,637</b> | <b>\$ 62,910</b> | <b>\$ 473,556</b> | <b>\$ 472,009</b> | <b>\$ (149,769)</b> | <b>\$ 33,043,343</b> |

See independent auditors' report on supplementary information.

**THE AMAZON CONSERVATION TEAM AND AFFILIATES**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**For the Year Ended December 31, 2021**

|  | Without Donor Restrictions |                |                   |                   | With Donor Restrictions |             |                |                 | Eliminations       | Total                |
|--|----------------------------|----------------|-------------------|-------------------|-------------------------|-------------|----------------|-----------------|--------------------|----------------------|
|  | ACT-U.S.                   | ACT-Brasil     | ACT-Colombia      | ACT-Suriname      | ACT-U.S.                | ACT-Brasil  | ACT-Colombia   | ACT-Suriname    |                    |                      |
| <b>REVENUE AND SUPPORT</b>   |                            |                |                   |                   |                         |             |                |                 |                    |                      |
| Contributions  | \$ 24,274,666              | \$ -           | \$ 147,183        | \$ -              | \$ 679,145              | \$ -        | \$ -           | \$ -            | \$ (149,989)       | \$ 24,951,005        |
| Grants   | 170,978                    | 642,194        | 4,138,666         | 440,015           | 862,276                 | -           | -              | 1,161,346       | (5,664,759)        | 1,750,716            |
| In-kind contributions  | 467,784                    | -              | -                 | -                 | -                       | -           | -              | -               | -                  | 467,784              |
| Interest and investment income, net                                    | 158,338                    | 651            | 1,043             | 56                | -                       | -           | -              | -               | (651)              | 159,437              |
| Other  | -                          | -              | 63                | 21,097            | -                       | -           | -              | -               | -                  | 21,160               |
| Forgiveness of PPP loan  | 240,118                    | -              | -                 | -                 | -                       | -           | -              | -               | -                  | 240,118              |
| Foreign currency valuation gain (loss)                                 | (40,224)                   | -              | -                 | 38,199            | (237,733)               | -           | -              | -               | (7,748)            | (247,506)            |
| Net assets released from restrictions:                                 |                            |                |                   |                   |                         |             |                |                 |                    |                      |
| Satisfaction of program restrictions                                   | 2,360,737                  | -              | 2,843             | 1,212,603         | (2,360,737)             | -           | (2,843)        | (1,212,603)     | -                  | -                    |
| Satisfaction of time restrictions                                      | 534,010                    | -              | -                 | -                 | (534,010)               | -           | -              | -               | -                  | -                    |
| <b>TOTAL REVENUE AND SUPPORT</b>                                       | <b>28,166,407</b>          | <b>642,845</b> | <b>4,289,798</b>  | <b>1,711,970</b>  | <b>(1,591,059)</b>      | <b>-</b>    | <b>(2,843)</b> | <b>(51,257)</b> | <b>(5,823,147)</b> | <b>27,342,714</b>    |
| <b>EXPENSES</b>  |                            |                |                   |                   |                         |             |                |                 |                    |                      |
| Program Services:  |                            |                |                   |                   |                         |             |                |                 |                    |                      |
| Land management  | 3,004,355                  | 110,627        | 1,992,271         | 406,883           | -                       | -           | -              | -               | (2,228,180)        | 3,285,956            |
| Sustainable alternatives livelihoods                                   | 1,907,427                  | 154,243        | 1,376,982         | 401,566           | -                       | -           | -              | -               | (1,664,682)        | 2,175,536            |
| Governance and culture   | 1,936,065                  | 377,935        | 772,557           | 785,436           | -                       | -           | -              | -               | (1,772,548)        | 2,099,445            |
| <b>Total Program Services</b>  | <b>6,847,847</b>           | <b>642,805</b> | <b>4,141,810</b>  | <b>1,593,885</b>  | <b>-</b>                | <b>-</b>    | <b>-</b>       | <b>-</b>        | <b>(5,665,410)</b> | <b>7,560,937</b>     |
| Supporting Services:   |                            |                |                   |                   |                         |             |                |                 |                    |                      |
| General and administrative   | 1,178,788                  | -              | -                 | -                 | -                       | -           | -              | -               | (157,737)          | 1,021,051            |
| Fundraising  | 409,579                    | -              | -                 | -                 | -                       | -           | -              | -               | -                  | 409,579              |
| <b>Total Supporting Services</b>                                       | <b>1,588,367</b>           | <b>-</b>       | <b>-</b>          | <b>-</b>          | <b>-</b>                | <b>-</b>    | <b>-</b>       | <b>-</b>        | <b>(157,737)</b>   | <b>1,430,630</b>     |
| <b>TOTAL EXPENSES</b>  | <b>8,436,214</b>           | <b>642,805</b> | <b>4,141,810</b>  | <b>1,593,885</b>  | <b>-</b>                | <b>-</b>    | <b>-</b>       | <b>-</b>        | <b>(5,823,147)</b> | <b>8,991,567</b>     |
| <b>CHANGE IN NET ASSETS BEFORE TRANSLATION ADJUSTMENT</b>              | <b>19,730,193</b>          | <b>40</b>      | <b>147,988</b>    | <b>118,085</b>    | <b>(1,591,059)</b>      | <b>-</b>    | <b>(2,843)</b> | <b>(51,257)</b> | <b>-</b>           | <b>18,351,147</b>    |
| Translation adjustment   | -                          | 70             | (10,266)          | -                 | -                       | -           | -              | -               | -                  | (10,196)             |
| Excess of assets over liabilities in change in control of ACT-Suriname | -                          | -              | -                 | 203,289           | -                       | -           | -              | 53,757          | -                  | 257,046              |
| <b>CHANGE IN NET ASSETS</b>  | <b>19,730,193</b>          | <b>110</b>     | <b>137,722</b>    | <b>321,374</b>    | <b>(1,591,059)</b>      | <b>-</b>    | <b>(2,843)</b> | <b>2,500</b>    | <b>-</b>           | <b>18,597,997</b>    |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                                   | <b>9,057,887</b>           | <b>-</b>       | <b>140,835</b>    | <b>-</b>          | <b>4,639,366</b>        | <b>-</b>    | <b>2,843</b>   | <b>-</b>        | <b>-</b>           | <b>13,840,931</b>    |
| <b>NET ASSETS, END OF YEAR</b>   | <b>\$ 28,788,080</b>       | <b>\$ 110</b>  | <b>\$ 278,557</b> | <b>\$ 321,374</b> | <b>\$ 3,048,307</b>     | <b>\$ -</b> | <b>\$ -</b>    | <b>\$ 2,500</b> | <b>\$ -</b>        | <b>\$ 32,438,928</b> |

See independent auditors' report on supplementary information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF CASH FLOWS  
For the Year Ended December 31, 2021

|   | ACT-U.S.            | ACT-Brasil       | ACT-Colombia      | ACT-Suriname     | Eliminations | Total               |
|---|---------------------|------------------|-------------------|------------------|--------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                  |                   |                  |              |                     |
| Change in net assets  | \$ 18,139,134       | \$ 110           | \$ 134,879        | \$ 323,874       | \$ -         | \$ 18,597,997       |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                     |                  |                   |                  |              |                     |
| Depreciation and amortization   | 5,050               | 734              | 18,627            | 8,443            | -            | 32,854              |
| Unrealized and realized loss on investments   | 187,158             | -                | -                 | -                | -            | 187,158             |
| Forgiveness of PPP loan   | (240,118)           | -                | -                 | -                | -            | (240,118)           |
| Interest on PPP loan  | 3,218               | -                | -                 | -                | -            | 3,218               |
| Cash portion of change in control of ACT-Suriname   | -                   | -                | -                 | (120,245)        | -            | (120,245)           |
| Changes in assets and liabilities:  |                     |                  |                   |                  |              |                     |
| Grants and pledges receivable   | 612,870             | -                | 56,183            | (94,604)         | -            | 574,449             |
| Field operating advances  | 58,544              | -                | -                 | -                | (98,349)     | (39,805)            |
| Due from related party  | (1,385)             | -                | -                 | (8,765)          | 10,150       | -                   |
| Prepaid expenses  | (38,547)            | (1,480)          | -                 | (8,779)          | 2,333        | (46,473)            |
| Security deposit and other  | -                   | -                | 4,668             | (16,727)         | -            | (12,059)            |
| Accounts payable and accrued expenses   | 9,643               | 10,811           | (40,402)          | 134,108          | -            | 114,160             |
| Refundable advances   | 232,781             | -                | (74,467)          | 14,027           | -            | 172,341             |
| Due to related party  | (60,246)            | (37,573)         | (48,361)          | -                | 85,866       | (60,314)            |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>  | <b>18,908,102</b>   | <b>(27,398)</b>  | <b>51,127</b>     | <b>231,332</b>   | <b>-</b>     | <b>19,163,163</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                  |                   |                  |              |                     |
| Purchases of investments  | (21,112,827)        | -                | -                 | -                | -            | (21,112,827)        |
| Proceeds from sales of investments  | 565,103             | -                | -                 | -                | -            | 565,103             |
| Cash portion of change in control of ACT-Suriname   | -                   | -                | -                 | 120,245          | -            | 120,245             |
| Change in control of ACT-Suriname property and equipment  | -                   | -                | -                 | (157,463)        | -            | (157,463)           |
| Purchases of property and equipment   | (171,972)           | (3,185)          | (156,565)         | (100,728)        | -            | (432,450)           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <b>(20,719,696)</b> | <b>(3,185)</b>   | <b>(156,565)</b>  | <b>(137,946)</b> | <b>-</b>     | <b>(21,017,392)</b> |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>(1,811,594)</b>  | <b>(30,583)</b>  | <b>(105,438)</b>  | <b>93,386</b>    | <b>-</b>     | <b>(1,854,229)</b>  |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | <b>8,237,111</b>    | <b>85,546</b>    | <b>268,470</b>    | <b>-</b>         | <b>-</b>     | <b>8,591,127</b>    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <b>\$ 6,425,517</b> | <b>\$ 54,963</b> | <b>\$ 163,032</b> | <b>\$ 93,386</b> | <b>\$ -</b>  | <b>\$ 6,736,898</b> |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                     |                  |                   |                  |              |                     |
| <b>NONCASH INVESTING AND FINANCING TRANSACTION</b>  |                     |                  |                   |                  |              |                     |
| Forgiveness of PPP loan   | \$ 240,118          | \$ -             | \$ -              | \$ -             | \$ -         | \$ 240,118          |
| Change in control of ACT-Suriname property and equipment  | \$ -                | \$ -             | \$ -              | \$ 157,463       | \$ -         | \$ 157,463          |

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