

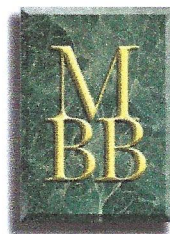
Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

**LA CRUZ HABITAT PROTECTION PROJECT
dba FORESTS FOR MONARCHS**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND
FINANCIAL STATEMENTS**

31 DECEMBER 2019



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
La Cruz Habitat Protection Project dba Forests for Monarchs

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of La Cruz Habitat Protection Project dba Forests for Monarchs (LCHPP-FFM), which comprise the statement of financial position as of 31 December 2019 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Montemayor Britton Bender PC

22 February 2021
Austin, Texas

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LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

ASSETS

Current assets

Cash	<u>\$98,973</u>
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LIABILITIES AND NET ASSETS

Current liabilities	\$0
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Net assets without donor restrictions	<u>98,973</u>
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	<u><u>\$98,973</u></u>
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See accompanying notes and Independent Accountant's Review Report.

LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

STATEMENT OF ACTIVITIES

YEAR ENDED 31 DECEMBER 2019

REVENUE	Without Donor <u>Restrictions</u>
Contributions	\$112,404
Grants	<u>64,600</u>
	<u>177,004</u>
EXPENSES	
Program	126,179
Administrative	12,298
Fundraising	<u>4,919</u>
	<u>143,396</u>
CHANGE IN NET ASSETS	33,608
BEGINNING NET ASSETS	<u>65,365</u>
ENDING NET ASSETS	<u><u>\$98,973</u></u>

See accompanying notes and Independent Accountant's Review Report.

LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED 31 DECEMBER 2019

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Contract services	\$77,516	\$9,014	\$3,605	\$90,135
Payroll and related	13,330	1,550	620	15,500
Public outreach	11,036	0	0	11,036
Travel and meetings	9,077	1,056	422	10,555
Monitoring services	9,380	0	0	9,380
Operations	4,373	509	203	5,085
Other	<u>1,467</u>	<u>169</u>	<u>69</u>	<u>1,705</u>
	<u>\$126,179</u>	<u>\$12,298</u>	<u>\$4,919</u>	<u>\$143,396</u>

See accompanying notes and Independent Accountant's Review Report.

LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$33,608</u>
NET CHANGE IN CASH	33,608
BEGINNING CASH	<u>65,365</u>
ENDING CASH	<u>\$98,973</u>

See accompanying notes and Independent Accountant's Review Report.

LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

La Cruz Habitat Protection Project dba Forests for Monarchs (LCHPP-FFM) is a nonprofit organization whose mission is to reforest land in and around the Monarch Butterfly Biosphere Reserve where millions of monarch butterflies spend each winter, and in the Highland Lakes Area of Michoacán, Mexico. LCHPP-FFM is supported primarily by contributions from individuals and corporations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

LCHPP-FFM uses the accrual basis of accounting. Revenue is recorded as the funds are considered earned. Expenses are recorded when incurred regardless of when paid.

FINANCIAL STATEMENT PRESENTATION

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

LCHPP-FFM has evaluated subsequent events through the date of the Independent Accountant's Review Report, the date the financial statements were available to be issued.

LA CRUZ HABITAT PROTECTION PROJECT dba FORESTS FOR MONARCHS

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are those reported in contract services, payroll and related, travel and meetings, operations, and other expenses, which are allocated based on management's review and analysis of the specific expenses.

FEDERAL INCOME TAXES

LCHPP-FFM is exempt from federal income tax under Internal Revenue Code section 501(c)(3) except to the extent it has unrelated business income. LCHPP-FFM did not have any unrelated business income and accordingly, no provision for income taxes has been made in the accompanying financial statements. LCHPP-FFM's policy is to record interest and penalties related to income taxes as interest and other expense, respectively. At 31 December 2019, no interest and penalties have been or are required to be accrued.

NOTE 3: CONCENTRATIONS

93% of total revenue was received from two donors.

NOTE 4: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	<u>\$98,973</u>
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As part of LCHPP-FFM's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from LCHPP-FFM's operating accounts.

NOTE 5: CHANGE IN ACCOUNTING PRINCIPLE

On 21 June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The update assists entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and determining whether a contribution is conditional. LCHPP-FFM has implemented ASU 2018-08 and has adjusted the presentation in these financial statements accordingly.