

**TRUST FOR CONSERVATION INNOVATION**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013**

# TRUST FOR CONSERVATION INNOVATION

December 31, 2014 and 2013

## CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 – 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 18

## **Independent Auditor's Report**

To the Board of Directors  
Trust for Conservation Innovation  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Trust for Conservation Innovation (a California nonprofit public benefit corporation), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trust for Conservation Innovation as of December 31, 2014 and 2013, 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.

*Le. Ho i Company, LLP*

Daly City, California  
July 23, 2015

**TRUST FOR CONSERVATION INNOVATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2014 and 2013

	<i>Notes</i>	<b>2014</b>	<b>2013</b>
<b><u>Assets</u></b>			
Current Assets			
Cash and cash equivalents		\$ 481,023	\$ 77,386
Investments	2	4,327,293	2,670,369
Grants receivable	3	1,294,064	406,085
Contracts receivable		196,843	212,917
Other receivable		55,837	18,448
Inventories		44,944	-
Prepaid expenses and other assets		89,644	41,719
Total Current Assets		6,489,648	3,426,924
Property and equipment, net of accumulated depreciation	4	5,930	10,505
Grants receivable, noncurrent	3	10,000	-
Deposits		4,183	2,183
<b>Total Assets</b>		<b>\$ 6,509,761</b>	<b>\$ 3,439,612</b>
<b><u>Liabilities and Net Assets</u></b>			
Current Liabilities			
Accounts payable and accrued expenses		\$ 611,997	\$ 512,932
Grants payable		-	6,300
Accrued compensation		117,695	43,884
Deferred revenue		64,984	75,396
Total Current Liabilities		794,676	638,512
Net Assets			
Unrestricted net assets			
Available for operations		888,890	463,650
Designated for supported projects		179,461	21,739
Total unrestricted net assets		1,068,351	485,389
Temporarily restricted net assets	5	4,646,734	2,315,711
Total Net Assets		5,715,085	2,801,100
<b>Total Liabilities and Net Assets</b>		<b>\$ 6,509,761</b>	<b>\$ 3,439,612</b>

See accompanying notes to financial statements.

**TRUST FOR CONSERVATION INNOVATION**  
STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2014 and 2013

	Notes	Year Ended December 31, 2014			Year Ended December 31, 2013		
		Unrestricted	Temporarily		Unrestricted	Temporarily	
			Restricted	Total		Restricted	Total
<b>Support and Revenues</b>							
Foundation grants		\$ -	\$ 7,329,438	\$ 7,329,438	\$ -	\$ 4,507,797	\$ 4,507,797
Contributions		-	3,255,754	3,255,754	-	536,758	536,758
Government contracts		628,936	-	628,936	811,500	-	811,500
Fee-for-service contracts		470,033	-	470,033	328,882	-	328,882
Investment return	2	29	-	29	1,787	-	1,787
Other revenue		241,027	-	241,027	98,121	-	98,121
Assignment/return of grants	6	-	(21,913)	(21,913)	-	(295,713)	(295,713)
Net assets released from restrictions							
Fulfillment of purpose restrictions or time lapsed	5	8,232,256	(8,232,256)	-	5,308,306	(5,308,306)	-
Total support and revenues		<u>9,572,281</u>	<u>2,331,023</u>	<u>11,903,304</u>	<u>6,548,596</u>	<u>(559,464)</u>	<u>5,989,132</u>
<b>Expenses</b>							
Program services		8,226,357	-	8,226,357	5,891,921	-	5,891,921
General and administrative		516,217	-	516,217	479,859	-	479,859
Fundraising		246,745	-	246,745	181,431	-	181,431
Total expenses		<u>8,989,319</u>	<u>-</u>	<u>8,989,319</u>	<u>6,553,211</u>	<u>-</u>	<u>6,553,211</u>
<b>Change in Net Assets</b>		582,962	2,331,023	2,913,985	(4,615)	(559,464)	(564,079)
<b>Net Assets, beginning of year</b>		<u>485,389</u>	<u>2,315,711</u>	<u>2,801,100</u>	<u>490,004</u>	<u>2,875,175</u>	<u>3,365,179</u>
<b>Net Assets, end of year</b>		<u>\$ 1,068,351</u>	<u>\$ 4,646,734</u>	<u>\$ 5,715,085</u>	<u>\$ 485,389</u>	<u>\$ 2,315,711</u>	<u>\$ 2,801,100</u>

See accompanying notes to financial statements.

**TRUST FOR CONSERVATION INNOVATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended December 31, 2014 and 2013

	Year Ended December 31, 2014			Year Ended December 31, 2013				
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
<b>Expenses</b>								
Salaries	\$ 1,495,716	\$ 316,690	\$ 94,061	\$ 1,906,467	\$ 898,441	\$ 259,751	\$ 58,843	\$ 1,217,035
Payroll taxes and fringe benefits	352,602	74,609	6,018	433,229	173,844	56,083	7,914	237,841
Professional services	2,723,737	34,328	128,091	2,886,156	3,020,121	82,501	102,424	3,205,046
Grants and contributions	2,345,158	-	-	2,345,158	739,322	-	-	739,322
Travel, conferences, and meetings	732,434	2,632	1,959	737,025	505,572	711	10,273	516,556
Occupancy	249,065	50,863	-	299,928	182,129	44,152	135	226,416
Supplies and equipment	246,307	11,742	11,113	269,162	289,406	9,333	1,841	300,580
Depreciation	1,335	3,240	-	4,575	9,585	6,443	-	16,028
Other expenses	80,003	22,113	5,503	107,619	73,501	20,885	1	94,387
<b>Total Expenses</b>	<b>\$ 8,226,357</b>	<b>\$ 516,217</b>	<b>\$ 246,745</b>	<b>\$ 8,989,319</b>	<b>\$ 5,891,921</b>	<b>\$ 479,859</b>	<b>\$ 181,431</b>	<b>\$ 6,553,211</b>

See accompanying notes to financial statements.

**TRUST FOR CONSERVATION INNOVATION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2014 and 2013

	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,913,985	\$ (564,079)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,575	16,028
Net unrealized gain on investment in marketable securities	-	(1,662)
Net realized loss on sales of marketable securities	9	14,004
(Increase) decrease in:		
Grants receivable	(897,979)	436,415
Contracts receivable	16,074	(43,682)
Other receivable	(37,389)	(9,016)
Inventories	(44,944)	-
Prepaid expenses and other assets	(47,925)	63,281
Deposits	(2,000)	7,703
Increase (decrease) in:		
Accounts payable and accrued expenses	99,065	168,288
Grants payable	(6,300)	(7,766)
Accrued compensation	73,811	(556)
Deferred revenue	(10,412)	(53,174)
Net Cash Provided by Operating Activities	2,060,570	25,784
<b>Cash Flows from Investing Activities</b>		
Purchases of marketable securities	(2,762,368)	(719,318)
Proceeds from sales and redemption of marketable securities	1,105,435	697,000
Net Cash Used in Investing Activities	(1,656,933)	(22,318)
<b>Net Increase in Cash and Cash Equivalents</b>	403,637	3,466
<b>Cash and Cash Equivalents, beginning of year</b>	77,386	73,920
<b>Cash and Cash Equivalents, end of year</b>	\$ 481,023	\$ 77,386

See accompanying notes to financial statements.

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** – Trust for Conservation Innovation (TCI) was incorporated in California in October 2001 as a nonprofit public benefit corporation for the purpose of developing and supporting environmental projects seeking to transform public and private enterprises into sustainable operations that conserve and protect the environment for the benefit of the public. TCI's administrative office is located in San Francisco, California. TCI supports a wide variety of local, regional, national and international sustainable environmental initiatives. TCI's projects are listed in Note 13.

**Basis of Accounting** – The accompanying financial statements are presented using the accrual method of accounting.

**Financial Statement Presentation** – Information regarding the financial position and activities are classified into the applicable classes of net assets: unrestricted, temporarily restricted, and permanently restricted. TCI does not have any permanently restricted net assets.

**Use of 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.

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, TCI considers all funds in bank accounts to be cash and cash equivalents. Funds in any brokerage accounts, including money market funds and certificates of deposit, which represent part of the investment portfolio, are reported as investments but not as cash equivalents.

**Investments** – Investments are reported at fair value in the statements of financial position, with realized and unrealized gains and losses included as investment return in the statements of activities. Gains and losses are reflected as increases or decreases in the unrestricted class of net assets unless the donor or relevant laws place temporary or permanent restrictions on the gains and losses.

**Receivables** – Grants and contracts receivable within one year are recorded at net realizable value. Grants receivable expected to be received in future years are recorded at present value of their estimated cash flows. No allowance for uncollectible accounts has been provided since the receivables are all deemed to be collectible.

**Property and Equipment** – Property and equipment are stated at cost of acquisition. Contributed property and equipment are recorded at their estimated fair market values at the date of donation. The cost of maintenance and repairs is expensed as incurred while significant renewals and betterments are capitalized. TCI capitalizes acquisitions of property and equipment with a cost and/or basis in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which is generally three to five years.

**Deferred Revenue** – Deferred revenue includes fees for future events, prepaid rent, advance payments for contracts and prepaid membership fees.

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

***Inventories*** – Inventories of egg cartons and Verified Carbon Reductions (VERs) are stated at lower of cost or market.

***Contributions*** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

TCI reports gift of cash and other assets as restricted support if they are received with donor stipulation that limits the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

TCI reports gifts of fixed assets as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, TCI reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

***Donated Services*** – TCI receives various volunteer services throughout the year. Only those donated services that met the criteria for recognition under U.S. generally accepted accounting principles were recognized in the statements of activities.

***Functional Allocation of Expenses*** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Income Taxes*** – TCI is exempt from Federal income and California franchise taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, respectively.

Management has considered its tax positions and believes that all of the positions in the federal and state tax returns are more likely than not to be sustained upon examination. TCI files the required tax returns with the Internal Revenue Service and the California Franchise Tax Board, and these returns are subject to examination by the taxing authorities generally for three years and four years for Federal and California, respectively, starting with the date of filing or the due date of the tax return, whichever is later. TCI is not undergoing any tax examination.

***Subsequent Events*** – Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Such events have been evaluated through July 23, 2015, which is the date the financial statements were available to be issued.

(2) **INVESTMENTS**

Accounting Standards Codification (ASC) 820 established a fair value hierarchy to prioritize the inputs used in valuation techniques. There are three levels to the fair value hierarchy of inputs to fair value (with Level 1 being the highest priority and Level 3 the lowest priority):

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active market;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities either directly or indirectly; and

Level 3: Unobservable inputs which reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities, based on the best information available.

TCI held the following investments at fair value in a brokerage account at December 31, 2014 and 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2014</u>				
Government money market fund	<u>\$ 4,327,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,327,293</u>
Total	<u>\$ 4,327,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,327,293</u>
<u>December 31, 2013</u>				
Government money market fund	\$ 2,668,166	\$ -	\$ -	\$ 2,668,166
Stocks	<u>2,203</u>	<u>-</u>	<u>-</u>	<u>2,203</u>
Total	<u>\$ 2,670,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,670,369</u>

The investment return for the years 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 38	\$ 14,129
Net realized gain (loss) from sale of securities	(9)	(14,004)
Unrealized gain (loss)	<u>-</u>	<u>1,662</u>
Total	<u>\$ 29</u>	<u>\$ 1,787</u>

(3) GRANTS RECEIVABLE

Grants receivable are expected in the following periods:

	<u>2014</u>	<u>2013</u>
In one year or less	\$ 1,294,064	\$ 406,085
Between one to five years	<u>10,000</u>	<u>-</u>
Total	<u>\$ 1,304,064</u>	<u>\$ 406,085</u>

Management believes that all grants receivable are collectible and the recorded value of grants receivable beyond one year would not have material difference from its present value of future

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

discounted cash flow. Therefore, the accompanying statements do not provide for risk premium discount or allowance for uncollectible receivables.

At December 31, 2014 and 2013, approximately 82% and 85%, respectively, of the total grants receivable were from three private foundations.

(4) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and 2013 consisted of the following:

	2014	2013
Furniture and equipment	\$ 39,978	\$ 39,978
Accumulated depreciation	(34,048)	(29,473)
Total	\$ 5,930	\$ 10,505

(5) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent funds which have not yet been expended for donor imposed restrictions or time restrictions.

Temporarily restricted net assets are available for the following purposes as of December 31:

	2014	2013
Time restriction	\$ -	\$ -
Purpose/program restriction	4,646,734	2,315,711
Total	\$ 4,646,734	\$ 2,315,711

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or time elapse. The net assets released from restrictions totaled \$8,232,256 and \$5,308,306 for 2014 and 2013, respectively.

(6) ASSIGNMENT/RETURN OF GRANTS

Some projects may become an independent nonprofit organization or otherwise separate from TCI during the term of an existing grant period. When that occurs, grant funds associated with a project are either transferred to another nonprofit organization or returned to the original funder.

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

The following are projects that separated from TCI with grant funds that were reassigned or returned to funders:

	2014	2013
Cultivate Impact	\$ -	\$ 55,800
Rainer Arnhold Fellowship	-	14,913
Roots of Change	-	225,000
Trust for Conservation Innovation Exchange Forum	21,913	-
Total	\$ 21,913	\$ 295,713

(7) CONTRIBUTED SERVICES

TCI received contributed services as follows:

Type	Benefited Project	2014	2013
Business development consulting	Friends of Mesa Refuge	\$ -	\$ 1,700
Resource development consulting	Food Commons	640	-
Total		\$ 640	\$ 1,700

(8) RETIREMENT PLAN

TCI has a Simple IRA matching retirement plan covering all employees who meet the eligibility requirements. TCI contributes dollar for dollar match up to 3% of the employee's compensation. Employer contributions for the years 2014 and 2013 were \$38,406 and \$24,941, respectively.

(9) CONDITIONAL PROMISES TO GIVE

During 2010, the Friends of the Mesa Refuge Project received a conditional promise to use a piece of the property in perpetuity. The promise is conditioned (a) on the ability of the donor entity to maintain funding for the upkeep of the property and (b) on the determination of the Board of Directors of the donor entity that the stated use of the property continues to be an effective use of their resources and consistent with the charitable needs of the community. Accordingly, TCI has not recorded the full fair value of this promise. The accompanying financial statements include in-kind donations of \$47,000 and \$42,000, for the use of the property for the years 2014 and 2013; respectively.

TCI receives conditional grants that require donor's approval of progress of milestones set in the grant agreement. Revenue is recognized upon meeting the condition(s). The following are the conditional grants with balances that had not yet been recognized as revenue at December 31, 2014 and 2013:

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

<u>Project</u>	<u>Grant Awarded</u>	<u>Conditional Balance</u>	
		<u>2014</u>	<u>2013</u>
Conservation and Community			
Investment Forum	\$ 2,972,852	\$ 1,588,597	\$ 579,244
Menlo Spark	600,000	400,000	-
Ocean Outcomes	2,625,000	1,775,000	-
SeaWeb Asia Pacific	219,610	113,232	2,500
Olazul	50,000	-	15,000
WaterNow	45,627	-	5,627
Total		<u>\$ 3,876,829</u>	<u>\$ 602,371</u>

TCI projects may also make conditional grants to other organizations. Grant expense is recognized upon the grantee meeting the condition specified in the award agreement. In July 2013, a conditional grant in the amount of \$19,038 was awarded by TCI project Locally-Managed Marine Area (LMMA) Network Coordination to Fiji Locally-Managed Marine Area Network. At December 31, 2013, \$3,808 of the grant had not yet met conditions specified in the grant and expense of \$3,808 had not yet been recognized. There was no conditional grant to other organizations made in 2014.

(10) OPERATING LEASE COMMITMENTS

TCI's main office is located in downtown San Francisco, California. This lease is for five years and commenced on January 1, 2011. The monthly rent for 2014 and 2013 was \$2,697 and \$2,568, respectively, plus a share of operating costs and property tax of the building. TCI also has several other non-cancellable operating lease arrangements for its facilities and equipment. The space rental expenses under operating leases for the years 2014 and 2013 totaled \$57,500 and \$76,642, respectively. The equipment lease expenses for the years 2014 and 2013 totaled \$2,100 and \$4,710, respectively.

The estimated future minimum lease payments for the next five years for the non-cancellable operating leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Office</u>	<u>Equipment</u>	<u>Total</u>
2015	\$ 79,549	\$ 2,100	\$ 81,649
2016	8,250	130	8,380
2017	-	-	-
2018	-	-	-
2019	-	-	-

(11) RELATED PARTY TRANSACTIONS AND OTHER CONCENTRATIONS

TCI was founded by several staff of California Environmental Associates (CEA), a for-profit environmental consulting firm in San Francisco, California, in an effort to offer a nonprofit platform to their clients who were doing innovative environmental conservation work but did not

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

have the resources to operate an independent nonprofit organization. In 2014 and 2013, CEA provided project management, staff and consulting services to TCI and three of its projects – Chemical Strategies Partnership, Conservation and Community Investment Forum, and Global Cool Cities Alliance. Additionally, a TCI board member is an employee of CEA.

Total charges under these arrangements during the years 2014 and 2013 were \$52,532 and \$293,428, respectively. Amounts payable at December 31, 2014 and 2013 were \$3,745 and \$13,626, respectively.

(12) CONCENTRATION OF CREDIT RISK

The cash balances at banks are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per customer per bank. The securities in the brokerage accounts are protected by Security Investor Protection Corporation (SIPC) for a maximum of \$500,000; moreover, brokerage firms usually carry additional insurance to provide further protection for their customers. Neither SIPC nor the additional coverage protects against losses on investments due to market fluctuations.

TCI maintains its cash, cash equivalents, and investments at two banks and one brokerage firm. TCI's brokerage firm provides additional coverage through Lloyd's of London and other London insurers to provide coverage of up to \$150 million per customer, including cash of up to \$1,150,000, which would become available in the event the SIPC limits were exhausted.

TCI's cash balance at one bank exceeded the FDIC limit at December 31, 2014 by approximately \$69,000 and was under the FDIC limit at December 31, 2013. TCI's cash balance at a second bank, account opened in 2014, was under the FDIC limit at December 31, 2014. TCI had \$3,977,293 and \$2,670,410 with one brokerage firm at December 31, 2014 and 2013, respectively.

(13) SUBSEQUENT EVENT

TCI has been searching for a new office for its administration. On July 7, 2015, TCI entered into an office lease agreement for an office in Oakland, CA. This lease is for approximately 64 months commencing on September 1, 2015 or upon substantial completion of tenant improvements, whichever is later. The base rent starts at \$6,267 per month and increases annually by 3%. The lease also includes a provision for payment of TCI's pro-rated share of basic costs and taxes over the base year.

(14) TRUST FOR CONSERVATION INNOVATION PROJECTS

TCI provided an operational, administrative, programmatic and financial backbone focused on incubating and accelerating program capacity for 48 local, regional, national and international projects during 2014 and 2013. The projects are listed in alphabetical order below:

**A Greener World/Animal Welfare Approved** audits, certifies and supports farmers raising their animals according to the highest animal welfare standards, outdoors on pasture or range. Standards have been developed in collaboration with scientists, veterinarians, researchers and farmers and

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

ensure that every certified farm provides their animals with continual access to pasture or range. (New in 2014)

**Animal Agriculture Reform Collaborative** brings together sustainable farming, environmental, public health, social and economic justice, and animal welfare organizations across the United States to work toward the shared vision of a just, sustainable animal livestock production system. (2013 and 2014)

**Azul** works to empower Latino leadership for marine conservation by integrating marine conservation as a core priority of the traditional Latino civic leadership infrastructure and by growing marine conservation leadership by people of color. (2013 and early 2014)

**Blue Ridge-Berryessa Partnership** is a collaborative bringing together private landowners, public agencies, nonprofit groups, businesses and the general public to conserve and steward California's upper Putah and Cache Creek Watersheds. (2013 and 2014)

**Building Codes Assistance Project** provides high-level support for energy code adoption and compliance across the country by influencing model code development, providing core code adoption and compliance support, and serving as the national hub for energy code support work. (New in 2014).

**Californians for a Healthy & Green Economy (CHANGE)** is a growing coalition of 35+ environmental health and justice, policy, labor, reproductive health, and other public interest organizations who are working to create a better system for regulating toxic chemicals in California. (2013 and 2014)

**California Rangeland Conservation Coalition** brings together ranchers, conservationists, and government entities to conserve and enhance the ecological values and economic viability of California's working rangelands. (New in 2014)

**Change Food** helps individuals change the way they eat by raising public awareness and educating consumers about opportunities to shift the U.S. food supply to a regional, sustainable food system where healthy, nutritious food is accessible by all. (2013 and 2014)

**Chemical Strategies Partnership** works to reduce chemical use, waste, risks and cost through the transformation of the chemical supply chain. (2013 and 2014)

**Chinese Herb Garden** aims to ensure sustainable, long-term access to and abundance of Asian medicinal flora, both wild and cultivated, through public awareness and community education. (2013 and 2014)

**Congo Education Partners** educates future stewards of the Congo rainforest by building the capacity of Djolu Technical College of Rural Development (ISDR-Djolu) in biodiversity conservation, sustainable agriculture, and other rural sciences. (2013 and 2014)

**Conservation and Community Investment Forum** works with partners to advance innovative and direct solutions to accelerate the delivery, replicability and scalability of conservation and sustainable community development successes. (2013 and 2014)

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

**Cultivate Impact** specializes in strategic landscape and issue research, program development, and constituency engagement to identify game-changing opportunities to transform our food and farming systems. (2013 only)

**Envaya** enables grassroots civil society organizations in developing countries to easily create websites, publish their latest news, interact with grantmakers and collaborate with other organizations and people around the world. (2013 and 2014)

**Finance for Food** catalyzes an increase in the pace and scale of the transition to a sustainable food system through education and training for sustainable food system entrepreneurs. (2013 and 2014)

**Food Commons** is developing a new physical, financial and organizational infrastructure for localized food economies that are fair, just and sustainable for the health and well-being of our people, our communities, and the planet. (2013 and 2014)

**Friends of the Mesa Refuge** is a supporting project of Mesa Refuge, a writers' retreat located in Point Reyes Station, California that provides a quiet and inspiring space for people to write about ways to create a more just and sustainable world. (2013 and 2014)

**Global Cool Cities Alliance** is dedicated to advancing policies and actions that reduce excess urban heat in order to promote cool buildings, cool cities, and to mitigate the effects of climate change through global cooling. (2013 and 2014)

**Grumeti Community and Wildlife Conservation Fund** contributes to conserving Tanzania's Serengeti ecosystem in partnership with local communities and other stakeholders through ecological conservation and community outreach along the western corridor of Serengeti National Park. Grumeti Fund is a Tanzanian nongovernmental organization and in the U.S., Grumeti Fund is a fiscally-sponsored project of Trust for Conservation Innovation. (New in 2014)

**Gulf Wild Institute** seeks to conserve marine resources through sustainable fishing practices, community education, and research that informs public policy and seafood sustainability. (New in 2014)

**Healthy Food Action** makes it simple for health professionals to speak out and lend their unique, collective voice to local, regional and national public policy debates about food and farming – a voice to ensure that these policies are consistent with better health. (2013 and 2014)

**Interfaith Sustainable Food Collaborative** is a regional program that connects congregations in Sonoma and Marin counties of California with local farmers and gardeners to increase access to sustainable food and strengthen local economies. (2013 and 2014)

**Junglekeepers** works in collaboration with local Peruvian nongovernmental organizations and indigenous communities to employ preventive and sustainable solutions for the long-term protection of the rainforest ecosystems at the headwaters of the Madre de Dios and Las Piedras rivers. (New in 2014)

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

**Kitchen Table Advisors** provides farmers with business and financial advising and help farmers access to the tools, knowledge and resources they need on their path to becoming resilient and a viable business. (2013 and 2014)

**Locally-Managed Marine Area (LMMA) Network Coordination** provides support to the LMMA Network of practitioners and researchers who share knowledge, skills, and resources to learn collectively how to improve marine management activities and measurably increase conservation impact. (2013 and 2014)

**MarViva Foundation** is a regional non-governmental organization based in Costa Rica, Panama, and Colombia that promotes the conservation and sustainable use of marine and coastal resources in the Eastern Tropical Pacific (ETP). In the U.S., MarViva Foundation is a fiscally-sponsored project of the Trust for Conservation Innovation. (2013 and 2014)

**Maven's Notebook: A water, science and policy blog** provides a timely and unbiased free and public source of information about the complicated and controversial details of water flow, water supply, water quality and environmental disputes in California. (2013 and 2014)

**Menlo Spark** joins together businesses, residents, and government to achieve a climate neutral community in Menlo Park, California by the year 2025, serving as a national leader in sustainability and climate action, generating significant local benefits, and serving as an example to similar cities and towns across the country. (New in 2014)

**Nextcourse**, together with participants and partners, helps underserved communities access the nourishment and empowerment that real food can provide and attain a meaningful quality of life. (2013 and 2014)

**Ocean Outcomes** works hand-in-hand with commercial fishermen to improve high risk fisheries by co-designing, implementing, and monitoring effective on-the-water fishery practice improvements and supply change policy improvements. (New in 2014)

**Olazul** partners with fishermen to create alternative livelihoods that fulfill their immediate economic needs while protecting marine resources for future generations. (2013 and 2014)

**Park City Scholars** provides experiential and academic programs for high school graduates taking a gap year before continuing their traditional education using national parks and community locations as broad, dynamic classrooms to focus on science, art, leadership and citizenship. (New in 2014)

**Permacouture Institute** explores innovative sustainable plant-based and recycled fibers and dyes, and expands the way designers can enhance their creations by looking closely at patterns already found in nature. (2013 only)

**Photovoices International** is an innovative program that provides cameras and photography training for community members to document their environment and culture and to record community strengths and challenges. (2013 and 2014)

## TRUST FOR CONSERVATION INNOVATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

**Primate Education Network** is a global network dedicated to advancing the field of primate conservation education by connecting and empowering primate conservation educators to inspire communities to value and safeguard primates and their natural habitats. (2013 and 2014)

**Rainer Arnhold Fellowship** is a program that helps social entrepreneurs with promising solutions in health, poverty and conservation in developing countries design their works for maximum impact through an iterative process focused on scalability. (2013 only)

**Roots of Change** brings a diverse range of Californians to the table to build a common interest in food and farming so that every aspect of our food can be healthy, safe, affordable and fair. (2013 only)

**Root Solutions** promotes environmental and resource stewardship by developing and disseminating tools that solve environmental challenges at their root – human behavior. (New in 2014)

**Sane Energy Project** works to stop the expansion of hydrofracked shale gas and fossil fuel infrastructure and to encourage, instead, a rapid and complete transition to renewable energy and zero fossil fuel dependence. (2013 and 2014)

**Saving Neighborhood Energy** develops affordable and accessible financial products to encourage energy efficiency upgrades alongside financial savings across California's underserved markets, with an emphasis on low- and moderate-income homeowners. (2013 and 2014)

**SeaWeb Asia Pacific** is dedicated to accelerating ocean conservation in the Asia Pacific region through innovation communications initiatives designed to increase public awareness, advance science-based solutions and mobilize decision makers. (2013 and 2014)

**ShadowView Foundation** provides effective and efficient unmanned aerial vehicles (UAVs, or drones) to conservation organizations that are battling to protect our natural environment. ShadowView Foundation is a Dutch nonprofit organization and in the U.S., ShadowView Foundation is a fiscally-sponsored project of Trust for Conservation Innovation. (2013 and 2014)

**Sierra National Monument** strives to bring nature to people by extending nature's reach and ensuring that forests, rivers, deserts and surrounding areas are cared for in the long term and interconnected by migratory corridors so that wildlife and human life can thrive. (New in 2014)

**Upper Amazon Conservancy** works to protect the biological and cultural diversity of the upper Amazon River in southeastern Peru by building the capacity of local indigenous communities to participate in and benefit from conservation activities. (2013 and 2014)

**WaterNow** promotes the transition to a resilient and secure water future that preserves the health of the natural world by bringing together business, community leaders, and experts to advance innovation and catalyze action. (2013 and 2014)

**TRUST FOR CONSERVATION INNOVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

**Widening Circles** is a grassroots, participatory environmental alliance active in New York State focused on cultivating synergistic, ever-expanding circles of awareness, kinship and conservation. (New in 2014)

**World Ocean Council/Friends of World Ocean Council** brings together the diverse business community to collaborate on stewardship of the seas. (2013 and 2014)

**Zero FoodPrint** helps restaurants become leaders in fighting climate change and achieving carbon neutrality through education and operations analysis, certification, and a mix of carbon offsets and food-related emissions-reductions projects. (New in 2014)